The Impact of Financial Literacy and Lifestyle on Financial Behavior

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ARTICLE INFORMATION

ABSTRACT

This study examines the influence of Financial Literacy and Lifestyle on Financial Behavior among Universitas Muhammadiyah Semarang students from the 2020-2023 cohorts, using primary data collected through surveys and observations of 120 respondents. The analysis, performed with multiple linear regression via SPSS v17, reveals that financial literacy, lifestyle, gender differences, and residence location significantly impact students' financial behavior. Enhanced financial literacy leads to better financial management and positive behavior, while a well-managed lifestyle supports improved financial planning. The study finds notable differences in financial management between genders, with males focusing on utility and females on pleasure, and highlights how residence location affects financial management practices. These factors collectively shape students' financial behavior.

Keywords: Financial Literacy, Lifestyle, Financial Behavior

INTRODUCTION

Money is a crucial medium of exchange in the lives of students and modern society, used to meet various needs and desires. Financial literacy, which involves the ability to manage financial resources to achieve financial well-being, is a critical aspect in today's era (Widayati, 2014). Despite the increase in per capita income in Indonesia from IDR 41.9 million in 2014 to IDR 45.18 million in 2015, the welfare of the poor has not improved, as indicated by the Gini coefficient which has remained unchanged since 2011 (Nugroho, 2016). Indonesia still lags behind in financial literacy compared to countries such as Malaysia, Singapore, the Philippines, and Thailand (Jannah, 2014). The Financial Services Authority (OJK) emphasizes the importance of enhancing public knowledge, confidence, and skills in financial management through financial literacy programs.

Table 1 . Results of the National Financial Literacy and Inclusion Survey (SNLIK)

Survey Results for the Year	Financial Literacy Index	Financial Inclusion Index
2016	29,70%	67,80%
2019	38,03%	76,19%

In the past three years, financial literacy among the public has increased by 8.33%, and access to financial products and services (financial inclusion) has risen by 8.39% (OJK, 2020). Financial literacy is defined as a person's ability to manage their finances effectively, which should help individuals enjoy life by using their financial resources to achieve their financial goals, rather than limiting them. Good financial management is crucial for making decisions, particularly in saving and investing, and contributes to the stability of the country's economy.

A student's lifestyle also impacts their financial management. Lifestyle reflects their patterns of activity, interests, and how they allocate money and time. Students with a good lifestyle tend to have better financial behavior. A common issue among students is the lack of financial security and reserves, especially for those not living with their parents. Poor financial management often results in running out of funds before the due date.

Given this background, the researcher is interested in exploring the attitudes and financial behavior of students at Universitas Muhammadiyah Semarang, and how financial literacy and lifestyle affect their financial behavior. The study will investigate "The Influence of Financial Literacy and Lifestyle on the Financial Behavior of Students at Universitas Muhammadiyah Semarang.

THEORETICAL FRAMEWORK

Financial behavior
Refers to how individuals manage, allocate, and utilize their financial resources. According to Rizkiana (2017), it involves studying how people make investment decisions based on the information they receive. Chairani (2019) defines financial behavior as the patterns and habits related to personal financial management, such as budgeting, controlling spending, saving money, investing, and paying obligations on time, which can impact future economic outcomes. Nababan (2012) explains that behavioral finance integrates and examines how individuals handle and use their

financial resources efficiently, including budgeting, saving, and repaying loans on time. Suryanto (2017) notes that behavioral finance involves psychological processes affecting decision-making, with cognitive illusions influencing financial decisions. Leunupun et al. (2022) identify four factors influencing financial behavior: financial literacy, pocket money management, gender differences, and proper financial management. Indicators of financial behavior include paying bills on time, creating a spending budget, tracking expenses, setting aside funds for unexpected costs, saving regularly, and comparing prices between stores or supermarkets (Nababan & Sadalia, 2012).

Financial literacy
Financial literacy is essential for avoiding financial problems and making informed financial decisions. It involves managing skills, resources, and knowledge to process information and make financial choices (Upadana & Herawati, 2020). Financial literacy helps individuals manage their finances effectively, which is supported by financial institutions offering programs like financing and credit distribution (Krisna et al., 2010). The Financial Services Authority (OJK) defines financial literacy as the ability to manage money for future growth and improved living standards, addressing gaps in financial knowledge and preventing short-term financial pitfalls (OJK, 2023). Key principles include inclusiveness, systematic and measurable delivery, achievement orientation, and collaboration with stakeholders (OJK, 2017). Financial literacy encompasses basic personal finance, money management, credit and debt management, savings and investment, and risk management (Nababan, 2012). It can be assessed through skills in budgeting, understanding financial concepts, and attitudes towards financial decisions (Carpena et al., 2011). Various levels of financial literacy are identified, from low to high, based on knowledge and understanding of financial products and services (Chen & Vlope, 1998; OJK, 2014).

Lifestyle
Lifestyle encompasses the behavioral patterns and daily routines of individuals, reflecting their social interactions, consumption habits, entertainment choices, and fashion preferences. It is shaped by internal factors such as attitudes, experiences, personality, self-concept, motivation, and perception, as well as external factors like reference groups, family, social class, and culture. Lifestyle demonstrates how individuals allocate their time and resources, their interests, and their self-perceptions, influencing their overall approach to life and interactions with their environment.

Previous Pesearch
Based on the previous research table, there are gaps that have not been addressed and explored concerning the research variables as follows:
1. Financial literacy affects financial behavior.
2. Lifestyle affects financial behavior.

Theoretical Model
This research model consists of 4 variables: Financial Literacy (X1), Lifestyle (X2), and Financial Behavior (Y). The proposed research framework diagram follows:
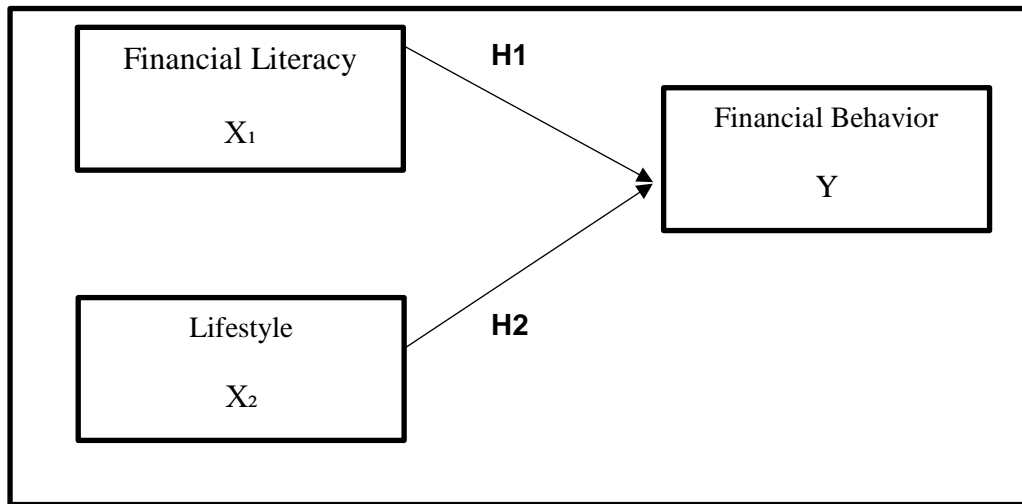
Figure 1
Proposed Research Model

Based on the above conceptual framework, the research hypotheses can be stated as follows:

H1: There is an effect of Financial Literacy on the Financial Behavior of students at Universitas Muhammadiyah Semarang, Class of 2020-2023.

H2: There is an effect of Lifestyle on the Financial Behavior of students at Universitas Muhammadiyah Semarang, Class of 2020-2023.

RESEARCH METHOD

This study uses a quantitative approach with the aim of testing the formulated hypotheses and analyzing the statistical relationships between related variables. The study involves 3 variables: Financial Literacy (X1), Lifestyle (X2), and Financial Behavior (Y). Data collection techniques involve primary data using questionnaires with respondents from Universitas Muhammadiyah Semarang students. The sample size consists of 120 respondents. Data analysis tools used include SPSS V17. The analysis stages include descriptive analysis, factor analysis, Cronbach's Alpha, and testing of models 1, 2, and 3.

RESULTS

Table 1.Number of Respondents by Gender

Gender	Residence		Tim Distribution	
	Boarding House	Living with parents	working	Not working
Male	37	14	34	17
Female	54	15	21	48
Total	91	29	55	65

Table 2 Recapitulation of Respondents for Financial Literacy

No.	Questions	Answer Criteria				
		5	4	3	2	1
1	I regularly save money for the future.	41	46	27	2	4
		34.2%	38.4%	22.5%	1.6%	3.3%
2	I am very cautious with money.	50	47	16	3	4
		41.67%	39.17%	13.33%	2.50%	3.33%
3	I carefully follow a financial budget.	35	47	32	4	2
		29.17%	39.17%	26.67%	3.33%	1.67%
4	I make financial plans for the future	38	53	22	7	0
		31.67%	44.17%	18.33%	5.83%	0.00%
5	I save now to prepare for future needs	50	48	17	4	1
		41.67%	40%	14.17%	3.33%	0.83%
6	I keep track of my spending.	24	39	35	17	5
		20%	32.50%	29.17%	14.17%	4.17%

In Table 4.4 above, with a sample size of 120 respondents, the Financial Literacy variable, based on the summary of questions FL1-FL6, shows that the mode, or the most frequently chosen answer by respondents, is option number 4, "Agree." This indicates that respondents have a good level of financial management skills.

Table 3. Recapitulation of Respondents for Lifestyle Variable

No	Question	Answer Criteria				
		5	4	3	2	1
1	Spending money for college needs	34	57	23	2	4
		28.33%	47.50%	19.17%	1.67%	3.33%
2	Considering invitations to follow the latest trends	38	46	25	10	1
		31.67%	38.33%	20.83%	8.33%	0.83%
3	It is better to save than to fulfill desires	38	42	32	5	3
		31.67%	35.00%	26.67%	4.17%	2.50%
4	Spending money to indulge oneself	34	45	31	7	3
		28.33%	37.50%	25.83%	5.83%	2.50%
5	Utilizing time for enjoyable hobbies/sports	35	55	24	6	0
		29.17%	45.83%	20%	5%	0%
6	I often spend time hanging out and shopping	19	25	44	23	9
		15.83%	20.83%	36.67%	19.17%	7.5%
7	Expensive branded products reflect high taste.	16	27	39	19	19
		13.33%	22.5%	32.5%	15.83%	15.83%
8	Many teenagers spend time outside campus hanging out in cafes.	23	41	34	20	2
		19.17%	34.17%	28.33%	16.67%	1.67%

In Table 4.5 above, with a sample size of 120 respondents, the Lifestyle variable, based on the summary of questions GY1-GY8, shows that the mode, or the most frequently chosen answer by respondents, is option number 4, "Agree." This indicates that respondents tend to have the ability to control their social conditions.

Tabel 4. Respondent Description for Financial Behavior Variable

No.	Question	Answer Criteria				
		5	4	3	2	1
1	Financial records help with money management.	38	63	13	4	2
		31.67%	52.5%	10.83%	3.33%	1.67%
2	Financial records assist in planning needs.	42	60	15	3	0
		35%	50%	12.5%	2.50%	0%
3	Setting spending limits helps in living frugally.	39	61	12	7	1
		32.5%	50.83%	10%	5.83	0.83%
4	Price surveys help me get cheaper prices.	49	53	12	3	3
		40.83%	44.17%	10%	2.50%	2.50%
5	I always pay bills on time.	55	41	19	3	2
		45.83%	34.17%	15.83%	2.50%	1.67%
6	I check deposit interest rates before saving money in the bank.	27	57	25	5	6
		22.5%	47.5%	20.83%	4.17%	5.00%
7	I strive to save within the budget.	42	55	16	6	1
		35%	45.83%	13.33%	5.00%	0.83%
8	Cheap prices are a very important factor for me.	56	44	11	7	2
		46.67%	36.67%	9.17%	5.83%	1.67%

In Table 4.6 above, with a sample size of 120 respondents, the Financial Literacy variable, based on the summary of questions PK1-PK8, shows that the mode, or the most frequently chosen answer by respondents, is option number 4, "Agree." This indicates that respondents tend to have the ability to make financial decisions to avoid financial problems.

Table 5. Sample Adequacy

INDIKATOR	KMO	ANTI-IMAGE	INDIKATOR	KMO	ANTI-IMAGE	INDIKATOR	KMO	ANTI-IMAGE
LK1		0.790	GY1		0.742	PK1		0.745
LK2		0.745	GY2		0.693	PK2		0.763
LK3		0.787	GY3		0.727	PK3		0.881
LK4	0.762	0.741	GY4	0.711	0.696	PK	0,821	0.796
LK5		0.753	GY5		0.806	PK5		0.873
LK6		0.766	GY6		0.621	PK6		0.834
			GY7		0.635	PK7		0.881
			GY8		0.747	PK8		0.839

The KMO and Anti-Image measures for the three variables studied indicate that all variables—Financial Literacy (LK1-LK6) and Lifestyle (GY1-GY8)—meet the sample adequacy requirements with values > 0.70, which indicates a middling category. This suggests that the data for these two variables have adequate sample size for factor analysis. However, the Financial Behavior variable (PK1-PK8) shows KMO and Anti-Image values > 0.80, which fall into the meritorious category. This indicates that the data for Financial Behavior have very high quality for factor analysis and provide an optimal level of sample adequacy. Thus, factor analysis for these three variables can be conducted with a high level of confidence in its validity and reliability.

Tabel 6. Total Variance Exsplained

COMPONENT	EIGEN VELUE	%VARIANCE	COMPONENT	EIGEN VELUE	%VARIANCE	COMPONENT	EIGEN VELUE	%VARIANCE
Variabel LK			**Variabel GY**			**Variabel PK**		
1	3.182	53.036	1	2.740	34.244	1	4.450	55.622
2	.849	14.149	2	1.822	22.773	2	.936	11.703
3	.745	12.420	3	.903	11.284	3	.806	10.081
4	.631	10.511	4	.722	9.028	4	.599	7.486
5	.333	5.546	5	.577	7.211	5	.472	5.901
6	.260	4.338	6	.451	5.642	6	.326	4.075
			7	.437	5.463	7	.248	3.100
			8	.348	4.354	8	.163	2.033

Based on Table 4.6, the Total Variance Explained analysis shows that for the Financial Literacy variable (LK1-LK6) and the Financial Behavior variable (PK1-PK8), each forms a single principal factor with explanatory contributions of 53.036% and 55.622%, respectively. In contrast, for the Lifestyle variable (GY1-GY8), there are two principal factors with explanatory contributions of 34.244% and 22.773%. This indicates that the six items for the Financial Literacy and Financial Behavior variables, as well as the eight items for the Lifestyle variable, are statistically valid as the primary factors forming each of these variables.

Tabel 7. Component Matrix

INDIKATOR	FACTOR LOADING	INDIKATOR	FACTOR LOADING	INDIKATOR	FACTOR LOADING
LK1	.749	GY1	.614	PK1	.740
LK2	.785	GY2	.637	PK2	.786
LK3	.712	GY3	.674	PK3	.763
LK4	.783	GY4	.539	PK4	.816
LK5	.804	GY5	.739	PK5	.685
LK6	.491	GY6	.405	PK6	.645

GY7	.489	PK7	.767
GY8	.512	PK8	.751

Based on Table 4.7, the Component Matrix analysis shows that for the Financial Literacy and Financial Behavior variables, varying factor loadings use a mode value of 0.70 as the standard, with indicators < 0.70 categorized as middling, indicating that validity criteria are met. For the Lifestyle variable, a mode value of 0.60 is used as the standard, with indicators < 0.60 categorized as mediocre, also meeting validity criteria.

Tabel 8. *Cronbach's Alpha*

	Cronbach's Alpha (N of Items)	Cronbach's Alpha if Item Deleted		Cronbach's Alpha (N of Items)	Cronbach's Alpha if Item Deleted		Cronbach's Alpha (N of Items)	Cronbach's Alpha if Item Deleted
LK1		.770	GY1		.687	PK1		.869
LK2		.762	GY2		.686	PK2		.864
LK3		.778	GY3		.676	PK3		.864
LK4	.809 (6)	.768	GY4	0.709 (8)	.679	PK4	.882 (8)	.858
LK5		.760	GY5		.657	PK5		.873
LK6		.832	GY6		.698	PK6		.879
			GY7		.686	PK7		.864
			GY8		.679	PK8		.866

Cronbach's Alpha for the Financial Literacy (LK) variable is 0.809, indicating good internal consistency for the 6 items. The Cronbach's Alpha if an item is deleted is expected to be close to the overall value. For the Lifestyle (GY) variable, Cronbach's Alpha is 0.709 for the 8 items, also demonstrating good internal consistency, with values expected to be close to 0.709 if an item is deleted. Meanwhile, the Financial Behavior (PK) variable has a Cronbach's Alpha of 0.882 for the 8 items, indicating very good internal consistency, with values if an item is deleted close to 0.882. All Cronbach's Alpha values are above 0.60, which shows that the questionnaire is reliable according to Sugiyono's (2017) standards.

Tabel 9 . **Hasil Perhitungan Linier Regresi Berganda**

		Model 1 $PK = b_0 + b_1 LK + b_2 GY + b_3 PK + e$	Model 2 $PK = c_0 + c_1 LK + c_2 GY + c_3 PK + e$	Model 3 $PK = f_0 + f_1 LK + f_2 GY + f_3 PK + e$
Constant	Koefisien	6.278	7.572	7.078
	Uji t (Prob)	2.644 (0.001)	3.603 (0.003)	2.561 (0.012)
LK	Koefisien	0. 582	0.585	0.581
	Uji t (Prob)	6.178 (0.001)	6.258 (0.001)	6.153 (0.001)
GY	Koefisien	0.434	0.444	0.434
	Uji t (Prob)	5.329 (0.001)	5.481 (0.001)	5.313 (0.001)
JK	Koefisien	-	-1.156	-
	Uji t (Prob)	-	-1.719 (0.088)	-

TT	Koefisien	-	-	-0.446
	Uji t (Prob)	-	-	-0.570 (0.570)

Based on Table 4.9, the coefficients in Model 1 show that Financial Literacy (LK) has a coefficient of 0.582 and Lifestyle (GY) has a coefficient of 0.434. In Model 2, LK has a coefficient of 0.585, GY has a coefficient of 0.444, and Gender (JK) has a coefficient of -1.156. In Model 3, LK has a coefficient of 0.581, GY has a coefficient of 0.434, and Residence (TT) has a coefficient of -0.446. It can be concluded that in Models 1, 2, and 3, both Financial Literacy (LK) and Lifestyle (GY) have a positive influence on Financial Behavior (PK). Statistical tests reveal that in Model 1, the t-values for LK (6.236) and GY (5.329) exceed the critical value of 1.658.10, with significance levels of 0.001, indicating that both variables significantly and positively affect Financial Behavior. In Model 2, LK (t-value of 6.258) and GY (t-value of 5.481) are significant, but Gender (JK) has a t-value of -1.719, which is not significant. In Model 3, LK (t-value of 6.153) and GY (t-value of 5.313) are significant, while Residence (TT) has a t-value of -0.570, which is also not significant.

Tabel 4.10. Results of Multiple Linear Regression Calculation

	Uji-F (Prob)	R²	DWR	Tolerance	Homoskedastisitas (Glejser)	Normalitas (K-S)
Model 1						
PK = b_0+b_1LK+b_2GY+b_3PK+e						
Constant						
LK	64.370 (0.001)	0.524	2.232	0.765 (1.307)	F-Test = 107.239 (sig=0.001)	Assymptotic Signifikan = 0.093
GY				0.765 (1.307)		
Model 2						
PK = c_0+c_1LK+c_2GY+c_3PK+e						
Constant						
LK	44.616 (0.001)	0.536	2.283	0.765 (1.308)	F-Test = 102.264 (sig=0.001)	Assymptotic Signifikan = 0.200
GY				0.761 (1.314)		
JK				0.992 (1.018)		
Model 3						
PK = f_0+f_1LK+f_2GY+f_3PK+e						
Constant						
LK	42.774 (0.001)	0.525	2.240	0.765 (1.307)	F-Test = 106.668 (sig=0.001)	Assymptotic Signifikan = 0.093
GY				0.765 (1.307)		
TT				1.000 (1.000)		

Conclusions Based on the hypothesis testing results presented in Table 6, the following conclusions can be drawn:

1. The effect of Financial Literacy (LK) on Financial Behavior (PK) is evident, as indicated by the significant t-values. In Model 1, the t-value for LK is 6.178, which is greater than the critical value of 1.657.98 (significant at 0.001). In Model 2, the t-value for LK is 6.258, exceeding the critical value of 1.657.98 (significant at 0.001). In Model 3, the t-value for LK is 6.153, also greater than the critical value of 1.657.98 (significant at 0.001). Thus, it can be interpreted that Financial Literacy has a positive and significant effect on Financial Behavior.
2. The effect of Lifestyle (GY) on Financial Behavior (PK) is demonstrated by the significant t-values. In Model 1, the t-value for GY is 5.329, which is greater than the critical value of 1.657.98 (significant at 0.001). In Model 2, the t-value for GY is 5.329, exceeding the critical value of 1.657.98 (significant at 0.001). In Model 3, the t-value for GY is 5.313, also greater than the critical value of 1.657.98 (significant at 0.001). These results, with t-values smaller than $\alpha = 0.05$, indicate that Lifestyle has a positive and significant effect on Financial Behavior.
3. The effect of Gender (JK) on Financial Behavior (PK) is indicated by the t-value. The t-value for JK is -1.719, which is less than the critical value of 1.658.10 (significant at 0.088), and this significance level is greater than $\alpha = 0.05$. This means that Gender has a negative effect on Financial Behavior.

CONCLUTION

Influence of Financial Literacy on the Financial Behavior of Students at Universitas Muhammadiyah Semarang, Class of 2020-2023
ased on the research findings, Financial Literacy has a positive and significant impact on Financial Behavior. In other words, students with strong financial literacy skills are better at managing their finances, which leads to better financial behavior.

Influence of Lifestyle on the Financial Behavior of Students at Universitas Muhammadiyah Semarang, Class of 2020-2023
The research also indicates that Lifestyle has a positive and significant effect on Financial Behavior. This means that individuals who effectively manage their lifestyle are better at managing their finances.

Influence of Gender and Residence on the Financial Behavior of Students at Universitas Muhammadiyah Semarang, Class of 2020-2023
Furthermore, the study reveals differences in financial management between male and female students, affecting their financial satisfaction. These differences stem from varying perspectives on spending, with males often focusing on utility and females on enjoyment. Additionally, Residence significantly influences financial behavior, showing that where students live affects their financial management and ability to meet their needs.

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