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Determinant Factors That Influence Financial Behavior In Indonesia

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Abstrak

Peneliti mempunyai keyakinan yang sangat kuat bahwa variabel Sikap Keuangan dan Pengetahuan Keuangan merupakan faktor yang paling mempengaruhi Perilaku Keuangan agar masyarakat terhindar dari kemiskinan, ketidakstabilan keuangan dan sejenisnya. Penelitian ini merupakan penelitian kuantitatif dengan pendekatan eksplanatori yang dikumpulkan menggunakan metode kuisioner digital terhadap 100 orang yang berpenghasilan 1-3 juta, 100 orang yang berpenghasilan 4-10 juta, dan 100 orang yang mempunyai pendapatan di atas 10 juta. . Data ini disebut juga data primer. Data ini dianalisis menggunakan alat analisis smart PLS 4.0.

Kata Kunci: *Sikap Keuangan, Pengetahuan Keuangan, Perilaku Keuangan*

Abstract

Researchers have a very strong belief that the Financial Attitude and Financial Knowledge variables are the factors that most influence Financial Behavior so that people are far from poverty, financial instability and other similar things. This research is quantitative research with an explanatory approach collected using a digital questionnaire method from 100 people who earn an income of 1-3 million, 100 people who earn an income of 4-10 million, and 100 people who have an income above 10 million. This data is also called primary data. These data were analyzed using the smart PLS 4.0 analysis tool.

Keyword: *Financial Attitude, Financial Knowledge, Financial Behavior*

INTRODUCTION

Behavior finance is said to be a financial science by including psychology and sociology in a fundamental science. Behavioral finance is a science that combines economic theory with psychological and sociological theory in financial science which is used in making decisions. The existence of psychology and sociology in financial science shows a shift from fundamental or traditional theory to behavioral theory of finance. There is a shift from conditions of certainty to uncertainty, there is a shift from rational to irrational. One reason for including psychology and sociology is because humans as social creatures relate to the surrounding environment which also has an impact on how a person will behave (Yuniningsih, 2020).

According to Mien and Thao, financial behavior is the determination, acquisition, allocation and utilization of financial resources. Mien and Thao explain that financial behavior is financial decision making, harmonizing individual motives and company goals. The research instrument used adopted research according to Aprilia . The indicators used are techniques in preparing financial planning, savings activities and insurance activities, pensions and unexpected expenses (Muhidia, 2019).

Financial behavior is a person's behavior in managing finances from the perspective of psychology and individual habits. Financial behavior can be linked to personal financial management, namely the application of financial management concepts at the individual level which consists of financial planning, management and control activities (Muhidia, 2019). Apart from that, financial behavior must also lead to responsible financial behavior, so that financial management for both individuals and families can run well (Suryanto, 2017).

(Kotler, 2008) states that someone can act rationally if they can think logically, demonstrated by good activities in planning, organizing and controlling finances. Indicators of good financial behavior can be observed from a person's way or attitude in managing income and expenses, credit, savings and investments. How an individual plans and manages his income to meet his financial needs can be explained in behavioral financial theory.

According to (Suryanto, 2017) financial behavior is a way that every person treats, manages and uses the financial resources they have. Then according to Halim and Astuti (2015) financial behavior is the ability to understand, analyze and manage finances to make the right financial decisions to avoid financial problems. Furthermore, according to Hasibuan et al (2018) financial behavior is how well a household or individual manages financial resources which includes planning savings, insurance and investment budgets. It can be concluded that financial behavior is behavior that treats, manages and uses the finances it

has to achieve the goals of using finances so as to avoid financial risks.

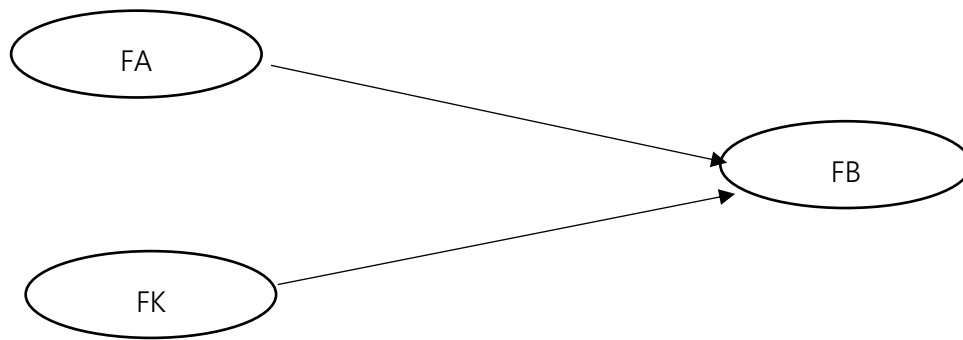
According to (Shefrin, 2000), financial behavior is a study that studies how psychological phenomena influence financial behavior. The behavior of these stock players is called the behavior of practitioners. According to (Nofsinger, 2003), behavioral finance is studying how humans actually behave in financial decisions (financial setting). Furthermore, according to (Lintner, 1998) behavioral finance is a science that studies how humans respond and react to information available in an effort to make decisions that can optimize the level of return by paying attention to the risks inherent in it (the elements of attitude and action are determining factor in investment).

Based on the understanding above, researchers believe that the determining factors that can influence the Financial Behavior of Indonesian People are Financial Attitude based on (Rohmah et al., 2021); (Sari, 2021); (Agustine & Widjaja, 2021); (Amelia, 2022) & (Napitupulu et al., 2021) and Financial Literacy based on (Napitupulu et al., 2021); (Amelia, 2022)(Agustine & Widjaja, 2021); (Sari, 2021); (Rohmah et al., 2021). Based on this, this research aims to analyze the factors that influence the financial behavior of Indonesian society, in this case the researcher believes that Financial Attitude and Financial Knowledge

RESEARCHER METHOD

Good financial behavior is something that every Indonesian must have so that their finances remain stable, away from poverty, unemployment and malnutrition (Supriyanto, 2019). There are many factors that can influence good financial behavior, but the factors that influence the most and are most often studied separately are the Financial Attitude and Financial Knowledge factors (Jonathan Sarwono, 2016). Therefore, this research aims to analyze the influence of the variables Financial Attitude and Financial Literacy on Financial Behavior (Abdurahman, 2016). This research is quantitative research with an explanatory approach, the data used in this research was collected using an online questionnaire method from 100 people who have incomes of 1-3 million, 4-10 million, and above 10 million spread throughout Indonesia with the criteria of having worked. minimum 2 years (Putra et al., 2016). The data distributed is referred to as primary data, which is analyzed with smart PLS 4.0 (Hair, 2010):

Figure 1
Model



Noted :

FA: Financial Attitude

FK: Financial Knowledge

FB: Financial Behavior

Hypothesis:

H1: The Influence of Financial Attitude on Financial Behavior

H2: The Influence of Financial Knowledge on Financial Behavior

RESULTS AND DISCUSSION

Validity Test

Researchers believe that the determinant factors that most influence Financial Behavior are Financial Attitude and Financial Literacy. This belief must be proven by validating 16 variables consisting of 6 Financial Attitude variables, 6 Financial Literacy variables, and 4 Financial Behavior variables with validation results as follows (Ghozali, 2016):

Table 1
Validity Test

Variable	Question Item	Loading Factor
Financial Attitude	A good financial attitude can improve financial behavior well	0.829
	A good financial attitude can make people's emotions stable	0.839
	A good financial attitude can keep people away from poverty	0.844

(X1)	A good financial attitude can make a society's finances stable	0.837
	A good financial attitude can improve people's finances	0.842
	A good financial attitude can make people's businesses run smoothly	0.837
Financial Knowledge (X2)	Financial literacy can make society more stable	0.859
	Financial literacy can improve financial behavior well	0.866
	Financial literacy increasingly improves society's economy	0.878
	Financial literacy can make people's finances more stable	0.889
	Financial literacy can keep people away from poverty	0.895
	Financial literacy can keep people away from unemployment	0.908
Financial Behavior (Y)	Financial behavior can be influenced by financial attitudes	0.845
	Financial behavior can be influenced by Financial Literacy	0.839
	Good financial behavior can make people's financial conditions more stable	0.849
	Good financial behavior can keep people away from poverty	0.852

Valid > 0.70

Reliability Test

After passing the validity test and ensuring that the question items consist of 6 question items for the Financial Attitude variable, 6 question items for the Financial Literacy variable, and 4 question items for the Financial Behavior variable. So the next stage is the reliability test stage to find out the actual value of a construct and the bottom value of a construct which must be above 0.70 with the following results::(Sarstedt et al., 2014):

Table 2
Reliability Test

Variable	Cronbach Alfa	Composite Realibility	Noted
Financial Attitude	0.828	0.869	Reliable
Financial Knowledge	0.857	0.898	Reliable
Financial Behavior	0.839	0.880	Reliable

Reliable > 0.70

Path Coefisien

In the final round after the Composite Reliability and Cronbach Alpha values were above 0.70 and the 14 question items consisting of Financial Attitudes, Financial Literacy and Financial Behavior namely knowing the direction of the relationship and whether or not it had a significant influence on the P-Values value had to be at bring 0.05 with the path coefficient results as follows (Supriyanto, 2019):

Table 3
Path Coefisien

	Variable	P-Values	Noted
Direct Influence	FA->FB	0.009	Accepted
	FK ->FB	0.004	Accepted

Accepted & Significant Level < 0.05

Good financial attitudes and financial literacy can improve good financial behavior, so that people will stay away from poverty, unstable financial conditions, and so on. In line with this statement, the path coefficient results in the third table show that the variables Financial Attitude and Financial Literacy have a positive relationship and a significant influence on Financial Behavior because the P-Values are below the significance level of 0.05, namely 0.009 on the Financial Attitude variable on Financial Behavior and 0.004 on Financial Literacy variable on Financial Behavior. These results are in line with research (Rohmah et al., 2021); (Sari, 2021); (Agustine & Widjaja, 2021); (Amelia, 2022) & (Napitupulu et al., 2021).

R-Square

The results from the table of the three path coefficients above show that the variables Financial Attitude and Financial Knowledge have a positive relationship and have a significant influence on Financial Behavior. To find out how big the Independent variables, in this case the Financial Attitude and Financial Knowledge variables, are on the Financial Behavior variable in more detail, you can see the R-Square results as follows (Ghozali, 2016):

Table 4
R-Square

Variable	R-Square	Adjusted Square
Financial Behavior	0.876	0.865

The results of table 4 R-Square show more detailed results if the Financial Behavior variable can be influenced by the Financial Attitude and Financial Knowledge variables amounting to 87% and the rest is influenced by other variables that are not in this study (Ghozali, 2016).

CONCLUSION

Good financial attitudes and financial literacy can improve good financial behavior, so that people will stay away from poverty, unstable financial conditions, and so on. In line with this statement, the path coefficient results in the third table show that the variables Financial Attitude and Financial Literacy have a positive relationship and a significant influence on Financial Behavior because the P-Values are below the significance level of 0.05, namely 0.009 on the Financial Attitude variable on Financial Behavior and 0.004 on Financial Literacy variable on Financial Behavior

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