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Research Article

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The Effect of Lifestyle and Financial Literacy on The Financial Management Behavior of Housewives in Banyusari Village

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Abstract: *Financial literacy is knowledge and ability to behave towards finances as an effort to improve financial management and financial decision making in order to create financial prosperity. Lifestyle can show the way someone lives their life, how someone uses their money, and how someone spends their time. In this research, researchers used a quantitative research approach. The results of this research are goodpartially or jointly, lifestyle and financial literacy have a positive and significant influence on the financial management behavior of housewives in Banyusari Village. The amount of influence is 31.9%.*

Keywords*: lifestyle, financial literacy, financial management behavior.*

Introduction

In the current economic conditions in the global era, every individual must be able to manage and manage their finances effectively and efficiently. Effective and efficient financial management can result in making good and appropriate decisions in using or budgeting the money you have. Financial management behavior is an individual's ability to manage (which consists of planning, budgeting, auditing, managing, controlling, searching and storing) financial funds every day. The emergence of financial management behavior is the effect of an individual's great desire to meet their living needs in accordance with their income (Kholilah & Iramani, 2013). Ida and Dwinta (2010) explain that there is a relationship between financial management behavior and a person's financial responsibility regarding how to manage their finances. The Financial Services Authority (OJK) stated that Indonesian people are increasingly consumptive and are starting to abandon the habit of saving. This is reflected in the decline in Marginal Propensity to Save (MPS) in the last three years from 2011 to the end of 2013 and followed by an increase in Marginal Propensity to Consume (MPC). (Kompas, 2015).

Perry and Morris (2005) explain that there are three factors that influence financial management behavior. These three factors are a person's self-control over everything that happens in their life (locus of control), a person's financial knowledge regarding matters related to money (financial knowledge) or also known as financial literacy, and a person's income level (income).

According to Segara (2017), financial literacy is knowledge and ability to behave towards finances as an effort to improve financial management and financial decision making in order to create financial prosperity. Apart from that, financial literacy has a significant effect on a person's debt management behavior (Amalia 2019). This means that the higher a person's level of financial literacy, the better their debt management behavior. A person will be more aware of debt and managing the debt they borrow.

Lifestyle is also considered to influence behavior in managing one's finances. Based on research by Apriliani (2019), the lifestyle of someone who can be classified as a teenager will have a more modern lifestyle and keep up with current developments. Apart from that, a hedonic lifestyle as a person's activity to fulfill his pleasure and doing more activities outside the home is common in the current era. Fun-seeking activities like this are usually done with friends so that someone tries to be the center of attention and looks more prominent with what they have (Nadzir and Ingarianti 2015). This makes someone want to immediately fulfill their pleasure by needing more financial support. For housewives, this is certainly a worry regarding family financial expenses.

A housewife's knowledge about finances will shape good financial behavior. So, it can be said that the higher a person's financial literacy, the better their financial behavior and vice versa. Meanwhile, the lifestyle of housewives has both positive and negative impacts. If someone has high literacy and a lifestyle that suits family circumstances, then a housewife will be able to manage family finances.

Literature Review

Lifestyle

Lifestyle can show the way someone lives their life, how someone uses their money, and how someone spends their time (Mowen & Minor 2002). An individual's lifestyle can influence desires and behavior, needs, including behavior in buying something. An individual's lifestyle is the nature or characteristics of an individual that can be formed through interactions in the environment. An example of an interaction that can shape a lifestyle is someone who was initially not wasteful and becomes a wasteful individual after associating and interacting with people who are wasteful. An individual's lifestyle can also influence purchasing behavior, so this can determine the individual's consumption decisions, so a person's lifestyle can change due to influences from the environment (Krishnan 2011; Montoya & Scott 2013; Vidyavathi 2012).

According to Sunarto (2003: 103), there are three dimensions of a person's lifestyle, namely as follows:

1) Activities (Activities). Activities are anything an individual does, what products they use, and what activities they do in their free time.
2) Interest (Interest). Interest is an event or topic that is accompanied by special or ongoing attention to it. Interests can take the form of preferences, pleasures and priorities in an individual's life.
3) Opinion (Opinion). Opinion is an individual's views and feelings when responding to global issues related to the economy and social. Opinions are usually used to describe expectations as well as evaluations, interpretations, such as beliefs related to other people's intentions.

Financial Literacy

Mahdzan and Tabiani (2013) define financial literacy as the way individuals use to manage their finances through insurance, investing, saving and managing budgets. OJK (2020) explains that financial literacy is knowledge, skills and beliefs that influence a person's attitudes and behavior in improving the quality of decisions taken and financial management to achieve prosperity. Financial literacy is an ability that a person must have in order to avoid financial problems because individuals often experience a trade off situation where they have to sacrifice one interest for another (Arianti 2017). Financial literacy refers to the ability to understand how money works in this era as well as how a person manages and invests their money (Abdeldayem 2016).

Remund (2010) states that there are five domains in financial literacy, namely:

1) Understand financial concepts.
2) Able to communicate financial concepts
3) Able to manage personal finances
4) Able to make financial decisions

5) Able to make future financial planning.

Financial Management Behavior

Financial management behavior is a person's ability to manage their income and expenses. Financial management concerns how individuals manage existing finances to obtain maximum income. There are many things that can factor into a person's behavior in managing finances, including: formal education factors, age factors, gender factors, income factors, and employment factors as well as other factors related to their environmental situation (Yulianti and Silvy 2013).

According to Herdjiono and Damanik (2016), financial management behavior can be seen from several dimensions as follows:

1) Consumption
   a. The way a person carries out daily consumption activities.
   b. The way a person considers decisions in daily consumption activities, for example what goods or services to buy and the reasons why someone buys them.
2) Cash Flow Management (Cash-Flow Management)
   a. Pay bills on time.
   b. Pay attention to records (income and expenditure) or proof of payment.
   c. Make financial budgeting.
   d. Make financial planning for the future (retirement).
3) Savings and Investment (Saving and Investment)
   a. Set aside money for savings.
   b. Setting aside money for investment.
4) Debt Management (Credit Management)
   a. Make considerations before applying for debt.
   b. Utilizing debt for productive things

Method

In this research, researchers used a quantitative research approach. The independent variables in this research are Lifestyle Literacy (X1) and Financial Literacy (X2). Meanwhile, the dependent variable isfinancial management behavior (Y).The sample used was 100 housewives in Bulusari Village. The data collection technique in this research was a questionnaire or questionnaire supported by the use of a Linkert scale of 1-5 to measure variable values. Data analysis techniques use instrument testing (instrument validity test, reliability test), multiple linear regression analysis, hypothesis testing (t statistical test, f statistical test, determinant coefficient/R2).

Results and Discussion

Classic assumption test

Based on the results of the classical assumption test, namely the reliability test, multi-collinearity test and normality test, each state that all variables are suitable for use as measuring tools and the research model is free from multi-collinearity with data that is distributed in a normal distribution. Thus, the research model meets the requirements of classical assumptions for testing research hypotheses using Multiple Linear Regression Analysis.

Multiple Linear Regression Analysis

Based on the results of data processing using SPSS, the following results were obtained:

Table. 1 Multiple Linear Regression Coefficient Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Say.
1	(Constant)	9.280	2.545		3.646	.000
	LIFESTYLE	.327	.059	.468	5.505	.000
	FINANCIAL LITERACY	.194	.041	.403	4.740	.000

a. Dependent Variable: FINANCIAL MANAGEMENT BEHAVIOR

The multiple linear regression equation model that will be formed is as follows:

$$Y = 9.280 + 0.327X1 + 0.194X2$$

Based on this equation it can be described as follows:

1. Constant (a) = 9.280. This shows a constant value, namely if the lifestyle variables (X1) and financial literacy (X2) = 0, then the financial management behavior of housewives in Banyusari Village remains at 9,280.
2. Coefficient X1 (b1) = 0.327. This shows that lifestyle variables have a positive influence on financial management behavior among housewives in Banyusari Village. If the lifestyle variable is increased by one and the other variables are constant, then financial management behavior will increase by 0.327.
3. Coefficient X2 (b2) = 0.194. This shows that the financial literacy variable has a positive influence on the financial management behavior of housewives in Banyusari Village. If the financial literacy variable is increased by one and the other variables are constant, then financial management behavior will increase by 0.194.

Determination Coefficient (R2)

The results of the analysis of the coefficient of determination can be seen in the following table:

Table. 2 Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.565[a]	.319	.305	.945

a. Predictors: (Constant), FINANCIAL LITERACY, LIFESTYLE

Based on the calculations in table 2, the coefficient of determination of the acquisition value is 0.319. From this value, it can be interpreted that the influence of lifestyle and financial literacy on financial management behavior is 31.9%, while the remaining 68.1% is influenced by other variables not examined in this research.

Partial Significant Test (t-test)

The t test is used to determine the significance of the influence of partial or individual variables on the dependent variable by paying attention to the 5% significance level, namely 0.05. Based on table 1 above, partial regression testing for each variable is as follows:

1. Lifestyle variable (X1). From the test results, the t value for the lifestyle variable shows that the calculated t value (5.505) > t table (2.371) with a significance value of 0.000 < 0.05, then$H01$ rejected and$Ha1$ is accepted, meaning that partially lifestyle has a positive and significant influence on the financial management behavior of housewives in Banyusari Village. This is in accordance with research by Rumbianingrum and Wijayangka (2018), which states that financial literacy has an influence on financial management. Then research by Fathurrahman, et al (2020) stated that financial literacy influences financial management. So it can be concluded that financial literacy has an influence on financial management, where the greater a person's financial literacy, the more it will influence his financial management.
2. Financial literacy (X2). From the test results, the t value for the financial literacy variable shows the calculated t value (4,740) > t table (2,371) with a significance value of 0.00 > 0.05, so$H02$ rejected and$Ha2$ is accepted, meaning that partially financial literacy has a positive and significant effect on financial management behavior among housewives in Banyusari Village. This is in line with research conducted by Fatimah (2017) that financial literacy variables influence students' personal financial behavior. This is also in accordance with Lusardi and Mitchell's (2010) statement that financial literacy is financial knowledge and an individual's ability to apply it (knowledge and ability). Sabri et al. (2008) stated that a person's knowledge about personal finance (financial literacy) has an influence on their financial behavior, and also Hung et al. (2009) stated that someone with low financial knowledge tends not to be able to understand financial problems, is low in good financial behavior and has low skills in dealing with economic problems. So individuals who have high financial literacy will also have good financial management behavior. Individuals who have good financial knowledge will have financial behaviors such as paying all bills on time, recording expenses every month, and having an emergency fund.

F test (simultaneous)

The F test is used to show whether the independent variable has a significant influence on the dependent variable. If the calculated F is more than the F table then the independent variables together have an influence on the dependent variable.

Table. 3 F Test Results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	40.575	2	20.288	22.728	.000[b]
	Residual	86.586	97	.893		
	Total	127.161	99			

a. Dependent Variable: FINANCIAL MANAGEMENT BEHAVIOR

b. Predictors: (Constant), FINANCIAL LITERACY, LIFESTYLE

The F table value in this study is 22.728. Based on this table, it can be seen that the independent variables together have a significant influence on the dependent variable. This is proven by the calculated F value of 22.728 which is greater than the F table of 3.09 or the significance of F of 0.000 which is smaller than the α value of 0.05. This means that the lifestyle variable (X1) and the financial literacy variable (X2), together have a positive and significant effect on the financial management behavior (Y) of housewives in Banyusari Village.

Conclusion

Based on the research results, the following conclusions were obtained:

1. The magnitude of the influence of lifestyle and financial literacy on financial management behavior is 31.9%, while the remaining 68.1% is influenced by other variables not examined in this research.
2. Partially, lifestyle (X1) has a positive and significant influence on the financial management behavior of housewives in Banyusari Village.
3. Partially, financial literacy (X2) has a positive and significant effect on the financial management behavior of housewives in Banyusari Village.
4. The independent variables lifestyle (X1) and financial literacy (X2), together have a positive and significant effect on the financial management behavior of housewives in Banyusari Village.

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