

The Influence Of Lifestyle And Financial Literacy On The Financial Management Of Young Workers

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Abstract: The importance of financial knowledge and the lifestyle of the younger generation can influence how the younger generation manages their finances. This study aims to see whether Lifestyle and Financial Literacy can influence the Financial Management of Young Workers. The research method used where the sample was obtained by the non-probability sampling method using the Slovin formula and a total of 88 samples were obtained which were used as respondents. Data processing used SPSS 25. Partially Lifestyle has a positive and significant effect on Financial Management, and Financial Literacy has a significant positive effect to Financial Managers. A good lifestyle will also reflect good financial management, while good knowledge of finance will help young workers in managing their finances.

Keywords: Lifestyle; Financial Literacy; Financial Management

INTRODUCTION

Financial management is very important and cannot be ignored. whether in personal life or at the organizational level to ensure stable and secure financial survival. However, there are still many people who do not understand the importance of good housekeeping. Financial management itself is the control and financial planning of each individual Dyah, (Dyah Kusumawati, 2021), Yuesti et al. (2020) said that in 2020 people's consumption and lifestyle will increase if they have money and do not have the habit of saving, besides that almost all fields will develop rapidly, such as fashion in clothing, technology, vehicles and property. people should be able to manage their finances as well as possible to prevent unexpected events.

One of the factors that cause difficulties in financial management is the lack of experience and knowledge about economic administration and management. Many people have never learned to manage their finances properly, so they often have difficulties in meeting their daily needs. Many people still lack the knowledge and skills to manage their personal finances, so they find it difficult to make financial plans, manage budgets or invest wisely, so often people rely on debt to meet their financial needs without considering the risks and implications for personal finances in the future.

Lifestyle can also affect financial management, a consumptive lifestyle certainly has a bad influence on financial management in the future. This often happens among the younger generation, who are influenced by the times, such as the desire to understand technology, buy expensive cellphones, wear designer clothes, and eat in luxurious places.

According to the Central Bureau of Statistics, the average Indonesian spends IDR 111,564 a month on basic expenses, and that does not include utilities such as electricity, water, and gas. Consumption of non-food items occurs mainly in urban areas with a share of 55.43%, the rest being for food purchases. Meanwhile, in rural areas, 55.83% of the money in circulation is spent on food, while non-food expenditure is only 44.17%. The data proves that people still have a high lifestyle for non-food needs. One of the impacts of a consumptive lifestyle is that the financial structure becomes unhealthy. Because the consumptive lifestyle causes a lot of spending on something less important. So that expenses will be greater than income and make finances unhealthy.

Financial management and financial literacy are strongly associated; the better the financial management, the greater the degree of financial literacy. Financial management is based on socio-economic status and includes education level, type of employment, income level and parental social status. Financial literacy is very important in personal financial management because it can help individuals make smart and wise financial decisions Santoso & Aprillianto, 2019(Santoso & Aprillianto, 2019). In managing personal finance, financial literacy can help people manage their income well, make financial budgets, manage debt, and make wise investments. Individuals with good financial literacy are also better at avoiding bad financial practices such as uncontrolled credit cards, excessive debt, and unprofitable investments (Qomariah et al., 2022).

According to Research by Utami, & Marpaung(Utami et al., n.d.) entitled "The Effect of Financial Literacy and Lifestyle on Employee Financial Management (Study at PT. Mulia Boga Raya Tbk)". Saying that financial literacy and lifestyle affect financial management in Office Employees of PT Mulia Boga Raya Tbk, meaning that the better the level of financial literacy of employees, the higher the financial management of Office Employees of PT. And research conducted by Putri & Lestari (Putri & Lestari, n.d.) with the title "The Effect of Lifestyle and Financial Literacy on Financial Management of Young Workers in Jakarta". Saying that lifestyle has a partial effect on financial management. Financial literacy has a partial effect on financial management (Sanosra et al., 2022).

So that the problems discussed in this study do not expand, in this study the authors limit the problem to Lifestyle and Financial Literacy related to the variables used in financial management. While the object of research, the authors focus this research on students of the Faculty of Economics and Business, Management Study Program, class of 2019, Muhammadiyah University of Tangerang who study while working and live in the city of Tangerang.

Literature Review

Financial Management

Financial management is the ability of a person to plan, arrange, and store their financial affairs. Ability of a person to control, including control, planning, budgeting, evaluating, monitoring, searching, and storing, is known as financial management. (Wahyuni, 2021)(Wahyuni, 2021). According to (Putri & Lestari, t.t. 2019)(Putri & Lestari, n.d.), financial management is part of the performance of personal financial management, method through which an individual meets the needs of life through systematic and regular financial resource management activities. According to Warsono, cited in (Ade Gunawan et al., 2020)

(*Jurnal 2*, n.d.). Utilization of funds, identification of funding sources, risk management, and long-term planning are examples of indicators of financial management.

Lifestyle

The activities, interests and opinions of individuals are often used to characterize lifestyles. People's lifestyles are usually not permanent and change rapidly. Clothing models and brands can be changed quickly to adapt to changes in life, Sumarwan, at (Rofiah & Nurfaziza, 2023: 15) (Chusnul Rofiah & Miftah Amalia Nurfaziza, 2023). Lifestyle reveals a person's way of life, financial habits, and time management techniques. This implies that a person's lifestyle is represented by their activities, interests, and ideas about how they spend their time and money.

According to (Rofiah & Nurfaziza, 2023: 19)(Chusnul Rofiah & Miftah Amalia Nurfaziza, 2023) Lifestyle is defined as the identity and recognition of a person's social status, which is clearly reflected in his behavior which always follows the evolution of fashion as part of society. necessary to meet daily needs.

Financial Literacy

Lusardi and Mitchell explain that financial literacy is the cognitive ability and financial literacy of individuals who influence financial behavior and activities to improve financial well-being. (Ismanto, 2019: 95) (Hadi Ismanto, 2019). In the book (Fatihudin & Didin, 2023: 108)(Fatihudin & Didin, 2023). Financial literacy, according to OJK (Financial Services Authority), is a set of procedures or activities that increase customers' understanding, trust, and talent in prudent financial management...

Remund in the journal (Kurniadi et al., 2018)(Kurniadi et al., 2018) conceptualized financial literacy into 5 (five) concepts: 1) Financial concept knowledge; 2) Financial concept communication skills; and 3) Financial management skills. 4) Capacity to make wise financial decisions. 5) Assurance that future financial demands will be planned effectively. According to Houston cited in (Kartawinata & Mubaraq, 2018)the indicators of financial literacy are 1) Understanding of financial concepts 2) Proficiency in exchanging financial concepts. 3) Capacity to handle one's finances. 4) Capacity for financial judgment. 5) Confidence to make financial plans for the future.

METHOD

In this work, descriptive quantitative statistical analysis was used for data analysis. Validity and reliability tests were conducted to evaluate the effectiveness of the research tools. Multiple linear regression equation model is a statistical analysis method to ascertain how independent variables affect the dependent variable. The coefficient of determination test was used along with partial and simultaneous hypothesis tests to answer the conjectures and framework of the research topic. The sample size was calculated utilizing Slovin Formula and non-probability sampling in this study. Respondents in this survey were 756 students enrolled in the 2019 UMT Management study program who live and work in Tangerang. The respondents obtained in this study were 88 respondents.

There are two independent variables, namely Lifestyle and Financial Literacy and one dependent variable, namely Financial Management. Lifestyle indicators include; Activities, Interests, Opinions, Indicators or measures of financial literacy, including; Knowledge of financial ideas Financial concepts are com-

municated through knowledge. capacity to handle one's own money. capacity for financial decision making. confidence to make financial plans for the future. Financial management indicators include the use of funds, sources of funds, risk management, and long-term planning.

RESULTS AND DISCUSSION

Respondents who participated in this study were in the Management Study Program, Faculty of Economics and Business, Universitas Muhammadiyah Tangerang. The total respondents who participated in this study were 88 respondents from the results of calculations according to the Slovin formula. the age group of respondents aged 20-30 years old

Descriptive Statistical Analysis

Descriptive statistical analysis is carried out in order to provide an overview or descriptive of the variables used in the study which include Lifestyle, Financial Literacy, and Money Management. A summary of the descriptive statistical analysis test results that have been carried out is as follows:

Tabel 1 Descriptive Statistical Analysis Test Results

	Minimum	Maximum	Mean	Std. Deviation
Lifestyle	21	50	38.59	5.660
Financial Literacy	20	50	41.43	5.439
Financial Management	20	50	40.55	6.216
Valid N (listwise)				

Source: SPSS results that have been processed

According to the table above, the Lifestyle variable had a minimum value of 21, a maximum value of 50, an average value of 38.59, and a standard deviation of 5.660. The Financial Literacy variable has a range of values from 20 to 50, with an average value of 41.43 and a standard deviation of 5.439. The Financial Management variable has an average value of 40.55, a standard deviation of 6.216, and a range of values of 20 to 50.

Validity and Reliability Test

Test to measure the accuracy or accuracy of an instrument in measurement. The validity test was carried out on 30 respondents from 88 research samples. The validity test was carried out to test as many as 10 questions as a research instrument from each variable. In this study using Correlation, with a significance level of 5%. The output results will be compared with the r-table. If the output $r_{count} > r_{table}$ (0.374) then the instrument is declared valid.

Tabel 2 Validation Test Results

Instrument	Lifestyle	Financial Literacy	Financial Management	Results
1	0,541	0.639	0.551	Valid
2	0.686	0.576	0.663	Valid
3	0.669	0.433	0.495	Valid
4	0.452	0.467	0.621	Valid
5	0,553	0.703	0.770	Valid
6	0.644	0.548	0.658	Valid
7	0.473	0.495	0.569	Valid
8	0,502	0.659	0.679	Valid
9	0,523	0.640	0.715	Valid
10	0.422	0.689	0.485	Valid

Source: data processed with SPSS 25

Based on the results, it shows that all $r\text{-count} > r\text{-table}$ outputs, so it can be concluded that all research variable instruments are valid.

Reliability Test

This test is conducted to evaluate the instrument's consistency, and can be used to measure at any time. The test uses Cronbach's Alpha of 0.70. If the output result of Cronbach's Alpha > 0.70 , the instrument is reliable.

Tabel 3 Reliability Test Results

Variables	Cronbach Alpha	Description
Lifestyle	0.730	Valid & reliable
Financial Literacy	0.742	Valid & reliable
Financial Management	0.810	Valid & reliable

Source: data processed with SPSS 25

The reliability test results show that for indicators of all points and total questions from lifestyle, financial literacy and financial management that Cronbach Alpha is greater than the specified Cronbach Alpha value which is greater (>0.70). It can be concluded that all of these variables are reliable.

Multiple Linear Analysis

Multiple linear regression analysis is used to ascertain whether variable Y is jointly influenced by factors X1 and X2. These are the findings of the calculation:

Tabel 4 Recapitulation of Multiple Linear Regression Test Results

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.688	3.161		.218	.828
	Lifestyle	.379	.096	.345	3.938	.000
	Financial Literacy	.609	.100	.533	6.089	.000

Source: data processed with SPSS 25

From the table above, the regression equation can be formed as follows because the constant value is 0.688 and the regression coefficients of variable X1 and variable X2 are 0.379 and 0.609, respectively, so that the This is how a regression equation may be created:

$$Y = 0.688 + 0.397 X_1 + 0.609 X_2 \dots\dots\dots(1)$$

Discussion

The Influence of Lifestyle on Financial Management

Lifestyle refers to a person's actions that reflect their social status and is shown through their hobbies, interests and opinions. This shows that the lifestyle of young workers in Tangerang positively and significantly influences their financial choices. The hypothesis is accepted based on the findings of multiple linear regression analysis Lifestyle (X1) of 0.379 and Financial Literacy with a constant of 0.688. Therefore, lifestyle has a positive and significant effect on how young workers in Tangerang manage their finances.

This research provides data that young workers have a lifestyle that is in a good category or have a low tendency to live in a high level of fun and enjoyment without thinking about security and benefits for the future. The majority of respondents agreed as many as 45 respondents on the fourth question about income or pocket money each month obtained from work. This is in accordance with the research of Lestary (Putri & Lestari, n.d.), Ade(*Jurnal 2*, n.d.) which shows that lifestyle has a positive influence on financial management.

The Effect of Financial Literacy on Financial Management

Financial literacy is a person's ability or a series of knowledge processes in organizing or managing finances efficiently. Financial literacy has little impact on young employees' financial management. This means that financial literacy possessed by young workers has a strong impact and significantly affects the financial management of young workers in Tangerang City. The hypothesis is accepted based on the results of linear regression analysis, Financial Literacy (X2) is 0.609 with a constant of 0.688. Therefore, financial literacy has a significant influence on the financial management of young workers in Tangerang city.

Therefore, financial literacy has a positive and significant influence on the financial management of young workers. The survey in this study provides data on the financial literacy of young workers who are in a good category, the majority strongly agree as many as 38 respondents on the second question about the benefits of personal financial planning is to prepare for my future financial needs and goals. However, this is

only limited to understanding, not at the same time done (applied) in the financial management of young workers. It is evident that respondents realize that only having knowledge about financial services institutions, financial products and services can avoid any money fraud. This is in accordance with the research of Utami (Utami et al., n.d.), Putri (Putri & Lestari, n.d.), Siswanti (Literasi et al., 2022) which shows that financial literacy has a positive effect on financial management.

The Effect of Lifestyle and Financial Literacy on Financial Management

The capacity to plan, organize, handle, and save money is known as financial management. Lifestyle and financial literacy have a significant impact on financial management for young workers in Tangerang city, so it is clear that multiple linear analysis has a significant impact on lifestyle and financial literacy on financial management the better the level of financial literacy of young workers, the higher the financial management of young workers in Tangerang city.

This happens because if young workers have good financial literacy, the young workers will be careful in using their money so that young workers can manage their finances well, so they are more rational and will not behave consumptively. Conversely, if young workers have less financial literacy, then these young workers tend not to be careful in using their money so they cannot control their emotions in consumption, as a result they are less rational and consumptive behavior. Young workers in Tangerang city have set a monthly budget, and some of them have been seen following the plan. This situation shows that young workers in Tangerang are actually quite financially responsible with their spending, but they are unable to use their money for investment and instead just put it into a bank savings account. This is in accordance with the research of Putri (Putri & Lestari, n.d.), Ade(*Jurnal 2*, n.d.), Utami (Utami et al., n.d.) which shows that lifestyle and financial literacy have a positive effect on financial management.

CONCLUSION

The following findings are drawn from the multiple linear regression analysis conducted in this study. Lifestyle has a positive and significant impact on how young employees in Tangerang City handle their financial management. Financial literacy has a positive and significant effect on the financial management of young workers in Tangerang City. Lifestyle and financial literacy together affect the financial management of young workers in Tangerang city. It is recommended to always learn and be sensitive to information about finance in order to have good enough financial literacy so that they can avoid financial problems and financial literacy in Indonesia can increase.

Limitations

Only the data from the questionnaire's findings were used in this investigation. The use of questionnaires for data collection has a number of drawbacks, including respondents withholding additional information since their responses are restricted to the questions I posed. Additionally, respondents have the option to respond to questions that are not relevant to the circumstance at hand.

Advice

Based on the findings and limitations that have been discussed, the authors provide suggestions that might help future researchers to develop this research by looking at additional variables that may have an

impact on Lifestyle and financial literacy have an impact on young workers' financial management, however these factors are not taken into account in this study. Future researchers may choose to employ other approaches in this study. the impact of lifestyle and financial literacy on young workers' financial management, for example by conducting direct interviews with respondents, so that the data collected can be more reliable in distributing questionnaires responded to by respondents.

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