THE INFLUENCE OF FINANCIAL LITERACY, FAMILY ENVIRONMENT, AND POCKET MONEY ON STUDENT FINANCIAL MANAGEMENT AT UNIVERSITAS MUHAMMADIYAH SURAKARTA

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Abstract

This study aims to determine the influence of family environmental financial literacy and pocket money on the financial management of students of the University of Muhammadiyah Surakarta. This research method uses a quantitative approach with the type of research used is comparative causal, using questionnaires shared via google form as an instrument in data collection techniques. The population in this study is students who are or have taken financial management courses, while the object is students of the accounting education study program at the University of Muhammadiyah Surakarta. The data analysis technique used is multiple linear regression analysis and obtains the following results: 1) financial literacy has a positive and significant effect on student financial management, 2) the family environment has a positive and significant effect on student financial management, 3) pocket money has no influence or has a negative influence on student financial management, 4) financial literacy, family environment, and pocket money simultaneously has an influence on student financial management.

Keywords: financial literacy, family environment, pocket money

1. Introduction

The development of technology in all fields will definitely have an impact on a person's mindset in managing their finances. Nowadays, the emergence of various conveniences for people in carrying out daily activities is enough to show that how important the level of financial literacy that a person must have as the main basis in managing personal finances. The decision in determining financial management will be related to how far the financial literacy knowledge that has been possessed by the person. Opinions expressed by Gitman, L.J., & Zutter (2015) states that personal financial management is the basic science and art of managing finances both for oneself and in the household. According to Cummins M, Haskel J. H, &Jenkins S (2009) in Ni Luh Putu Kristina Dewi, Agus Wahyudi Salasa Gama (2021), that a person's ability to manage finances is one of the important factors to achieve success in life, so that knowledge of good and correct financial management becomes important for members of society, especially individuals.

One of the intelligences that modern humans must possess today is financial intelligence, which is intelligence in managing personal financial assets. By applying the right way of managing finances, a person is expected to be able to get the maximum benefit from the money he has. In a person's personal life, there are basically three financial decisions taken; 1) how much should be consumed each period; 2) whether there is an excess of income and how the excess is invested; and 3) how to fund such consumption and investment (D. E. Sari, 2018)

The first factor that is suspected to affect financial management is financial literacy. Understand financial literacy according to Nababan & Sadalia (2012) is the result of a person's efforts and ability to try to manage his finances in the hope of improving his welfare. Then Laily. N (2016) argues that financial literacy is a person's ability to choose another path to avoid problems that cause the person to choose and sacrifice for the benefit of others. There are several studies on financial literacy conducted on students and the results show that financial literacy knowledge in students is still very low Nidar & Bestari (2012). Everyone should have knowledge in the field of personal finance because this science will help in managing his finances in the future.

The difference in knowledge possessed by each person will affect the high or low level of financial literacy that individuals have. Then Laily. N (2016) has conducted research and research results that show that financial literacy is closely related to financial management. Therefore, in increasing one's knowledge, individual skills and self-confidence must be balanced with an increase in financial literacy so that in the future they can manage personal finances optimally. The results of this study are inversely proportional to the research conducted by Megasari (2017) which explains that pocket money and financial literacy have a negative influence whereas the results of previous studies explain positive influences. In addition, along with research Chotimah & Rohayati (2015) states that knowledge of finance has a significant influence on the management of student pocket money. This means that the ease of managing finances requires financial literacy. Therefore, financial literacy is strongly influenced by the education of individuals, both education taken formally and education taken through informal channels. This study aims to find out how much financial literacy is owned by students which will then affect how students manage their finances.

The second factor that is thought to affect financial management is the family environment. The family environment is the first place that will influence the individual in growing and developing and learning. The mindset of parents will also influence the mindset of a child in responding to something, including managing his own finances. Parents who teach their children to live frugally and are good at managing their finances, then these habits will carry over until the child grows up. Then Widayati (2012) argues that students will have a positive attitude regarding finances and have the ability to manage personal finances through contributions made by parents who provide transparency and a good example. Moreover Jorgensen (2007) also argues the same thing where according to parents who teach children about how to manage finances well result in children becoming understood and learning a lot how to manage their personal finances, and vice versa. The process of learning children about finances will largely depend on the important role of the family. Financial learning obtained from the family will be applied in managing personal finances consciously or not.

Research conducted by Rosa & Listiadi (2020) obtained the result that the better the student's personal financial management, the more in line with the family who must equip the student with a good financial management education as well. In the process of getting to maturity where students cannot be separated from the important role of the family who provide financial education as a provision in behaving and behaving. Supported with Jorgensen (2007) states that parents who teach how to manage finances to children, then the child is considered more capable and better in managing their finances than parents who do not teach financial management to their children. This is important to do with the hope that in the future children will be better able to manage finances more wisely.

The third factor that is suspected to affect financial management is pocket money. Of course, the management of students' personal finances will not be separated from the important role of student pocket money. Moreover Laily. N (2016) argues that students need to learn to understand how intelligent thinking is necessary in student financial management. This is very necessary so that the private money earned by students can be valued more. In addition, the private money that has been set aside by the students will be useful if there are unexpected interests in the future. Students must have strong principles in advance in managing their finances and planning management in the future, so that in the future students will be better able to estimate what the desired plan will look like in the future.

Research that has been done by D. E. Sari et al., (2020) states that the low attitude of students' consumptive behavior is in line with the low ownership of students' pocket money, it also applies the other way around. The tendency to low student consumptive attitudes is influenced by the low allowance or pocket money that students have. In addition, the understanding of financial literacy that students have and the low allowances they have make it easier for students to manage their personal literacy well when compared to students who have an understanding of financial literacy and high ownership of benefits.

In previously conducted research by Assyfa (2020) obtained the results of the pocket money factor that affects the management of personal finances. However, the research conducted by Arifa & Setiyani (2020) states that pocket money is considered to have a negative influence on financial management behavior, and vice versa that pocket money or high income can also have a bad influence, while research Lianto & Elizabeth (2017) states that the pocket money does not affect behavior in managing finances.

Based on research conducted by Fajriyah & Listiadi (2021) states that there is an effect of pocket money on the management of student finances. Good financial management behavior is accompanied by high pocket money owned by students. This is inversely proportional to the behavior of saving or low financial management accompanied by students who have low pocket money. So it can be concluded that student management behavior is influenced by the large ownership of student pocket money. Then Lianto & Elizabeth (2017) has the same opinion as this study where he explained that behavior in managing finances is influenced by pocket money. Research of Andrew & Linawati (2014) also reinforces the argument in which it states that there is an influence between pocket money on financial management behavior. However the research conducted byArifa & Setiyani (2020), contrary to this study because it states that there is no relationship between financial management behavior and student income.

Based on this background, the study was conducted with the formulation of the problem of whether financial literacy, family environment, and pocket money affect student financial management. Therefore, this study aims to determine the influence of financial literacy, family environment and pocket money on student financial management at Universitas Muhammadiyah Surakarta.

2. Method

Researchers use a quantitative approach to test the hypothesis set according to the problems in this study. Researchers conducted quantitative research to measure the influence of financial literacy variables, family environment, and pocket money on the financial management of students of Universitas Muhammadiyah Surakarta. In this study, the survey design was applied. The population of this study is students of the University of Muhammadiyah Surakarta accounting education study program. Meanwhile, sampling was carried out to students who had taken financial management courses with a total of 191 students determined through the Krejcie & Morgan table using non-probability sampling techniques. A survey or questionnaire survey was conducted using a google form used to collect data for this study. The data analysis technique used is multiple linear regression analysis.

A. Data Description

The independent in this study includes financial literacy (X1), family environment (X2) and pocket money (X3), while the dependent variable are student financial management (Y). This research was conducted at the University of Muhammadiyah Surakarta using a sample of 191 students of the accounting education study program who had or were studying financial management. The table below includes a description of respondents' answers or responses.

Table 1. Data Description X1

Table 1. Data Description X1

		Interval	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rendah	25,377	25	13.1	13.1	13.1
	Sedang	25,377 – 33,623	127	66.5	66.5	79.6
	Tinggi	33,623	39	20.4	20.4	100.0
	Total		191	100.0	100.0	

Table 2. Data description X2

		Interval	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rendah	14,786	27	14.1	14.1	14.1
	Sedang	14,786 – 19,794	121	63.4	63.4	77.5
	Tinggi	19,794	43	22.5	22.5	100.0

Total		191	100.0	100.0

Table 3. Data Description X3

		Interval	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rendah	12,018	37	19.4	19.4	19.4
	Sedang	12,018 – 18,682	117	61.3	61.3	80.6
	Tinggi	18,682	37	19.4	19.4	100.0
	Total		191	100.0	100.0	

Table 4. Data Description Y

		Interval	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Rendah	9,026	28	14.7	14.7	14.7
	Sedang	9,026-11,934	126	66.0	66.0	80.6
	Tinggi	11,934	37	19.4	19.4	100.0
	Total		191	100.0	100.0	

B. Analysis Data

1. Result Instrumen Test

a. Validity Test

Based on the test results of 30 respondents with a total of 10 questions for the Financial Literacy indicator, 6 questions for the Family Environment indicator, 6 questions for the Pocket Money indicator and 6 questions for Student Financial Management, it was known that there were some invalid questions when testing, so the solution carried out by the researcher was to decide to replace it and test the second instrument statement

The degree of significance used is 5%. The R value of the table is 0.361, according to the calculation of the R value of the table using the number N=30. After the second instrument test was carried out by replacing some invalid questions, so that in the second test the question items were declared valid through a validity test using SPSS version 20.

b. Reliability Test

Table 5. Realiability Test

25Variable	**R Statistic**	**Information**
Pengelolaan Keuangan (Y)	0,611	Reliable
Literasi Keuangan (X1)	0,822	Reliable
Lingkungan Keluarga (X2)	0,794	Reliable
Uang Saku (X3)	0,711	Reliable

Based on the table, it can be seen that the value of Cronbach alpha for Financial Management is 0.611, Financial Literacy obtained a value of 0.822, The Family Environment obtained a value of 0.794, and Pocket Money obtained a value of 0.711. It can be concluded that the four indicators have a Cronbach alpha value of > 0.60, and shows that both are reliable (Ghozali, 2018).

2. Classic Assumtion Test Result

a. Normality Test

Table 6. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		191
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	1.33750841
Most Extreme Differences	Absolute	.083
	Positive	.043
	Negative	-.083
Kolmogorov-Smirnov Z		1.147
Asymp. Sig. (2-tailed)		.144

The Asymp value can be calculated using the results of the normality test. It can be known the value of Asymp. Sig. (2-tailed) of 0.144 > 0.05, then the residual value can be considered normally distributed. Since the residual value is normal, the data can be categorized in the normal distribution.

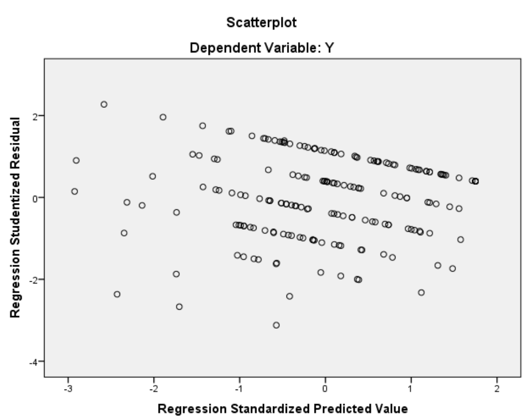
b. Linearity Test

Table 7. Linearity Test

Variable	F Statistic	F table	Information
Financial Literacy (X1)	1,711	1,66	Linear
Family Environtment (X2)	1,868	1,88	Tidak Linear
Pocket Money (X3)	2,065	1,84	Linear

Based on the table, it can be seen that the variables Financial Literacy (X1) and Pocket Money (X3) have a linear relationship, while the Family Environment (X2) has a non-linear relationship.

c. Heteroskedastisitas Test



Picture 1. Heteroskedastisitas Test

Based on the image, it can be seen that the plot or dot in the picture is not clustered at the number 0, but spreads out above and at the bottom of the picture, this means that heteroskedasticity does not occur.

d. Multikolinearitas Test

Table 8. Multikolinearitas Test

Variable	Tolerance	VIF	Information
Financial Literacy (X1)	767	1,303	No multicholinearity occurs
Family Environment (X2)	797	1,255	No multicholinearity occurs
Pocket Money (X3)	853	1,172	No multicholinearity occurs

Based on the table, it is known that the tolerance value of each variable is worth > 0.1 and also the VIF value in each variable is worth <10 so it can be concluded that each variable does not occur multicholinearity.

3. Result and Discussion

1. Multiple Regression Analysis

Table 9. Multiple Regression Analysis

Model	Unstandardized Coefficients
	B
Constanta	5,574
Financial Literacy (X1)	0,109
Family Environment (X2)	0,077
Pocket Money (X3)	0,021

Based on the table, the following equation can be made:

$$\mathbf{Y = a + b_1X_1 + b_2X_2 + b_3X_3}$$

$$Y= 5{,}574 + 0{,}109 + 0{,}077 + 0{,}021$$

Based on the multiple regression analysis equation in this study, the constanta value for the free variable consists of financial literacy, family environment, and pocket money which will affect the bound variable, namely student financial management through regression equations. In the multiple regression equation the constanta value is 5.574. This means that if financial literacy, family environment, and pocket money are not available, the student's financial management level is 5,574. Regression equation with the coefficient of the financial literacy variable of 0.109, the family environment variable of 0.077, and the pocket money variable of 0.021. If the value of each variable is increased by one unit, then the level of literacy of a n has increased by 10.9%, the family environment to 7.7%, and pocket money to 2.1%, so that the level of financial literacy, family environment, and pocket money affects student financial management, because the coefficient of financial literacy is positive which means there is positive influence of every variable to student financial management.

b. F Test (Simultan Test)

Table 10. F Test (Simultan Test)

Variable	F Statistic	Sig
Financial Literacy, Family Environment, and Pocket Money	11,324	0,000

Based on the table, it can be seen that $f_{statistic}$ is 11.324 > f_{table} is 2.65, while for the sig value of 0.000 < the alpha value is 0.05 which means that H_0 is rejected and H_a is accepted. It can be concluded that the variables of Financial Literacy, Family Environment, and Pocket Money simultaneously have a positive influence on student financial management.

c. T Test (Partial)

Table 11. T Test

Variable	T Statistic
Financial Literacy (X1)	3,839
Family Environment (X2)	1,758
Pocket Money (X3)	0,672

Based on the table, it can be concluded that:

1. The $t_{statistic}$ financial literacy variable was 3.839, while the t_{table} was 1.652. This means that $t_{statistic} > t_{table}$, so it can be concluded that financial literacy variables have a positive and significant effect on student financial management.
2. The $t_{statistic}$ family environment variable was 1.758, while the t_{table} was 1.652. This means that $t_{statistic} > t_{table}$, so it can be concluded that family environment variables have a positive and significant effect on student financial management.
3. The $t_{statistic}$ in the pocket money variable of 0.672, while the t_{table} is 1.652. This means that $t_{statistic} < t_{table}$, so it can be concluded that the allowance variable does not have a positive and significant effect on student financial management.

d. Coefficient of Determination

Table 12. Coefficient of Determinasi

Variable	R Square
Financial literacy, family environment, and pocket money	0,154

The results of testing the coefficient of determination in the table showed that the variables of financial literacy, family environment, and pocket money affected student financial management by 15.4%, then for the rest, 84.6% were influenced by other variables that were not studied in this study.

Discussion

In this study, it was found that financial literacy has a positive and significant effect on student financial management. This is evidenced by the value of $t_{statistic}$ the financial literacy variable of 3.839, while the t value of the t_{table} is 1.652. This means that $t_{statitic} > t_{table}$, so it can be concluded that financial literacy variables have a positive and significant effect on student financial management. This is also in line with the research conducted by Laily. N (2016) also provides the same results where student financial management is significantly influenced by financial literacy. It can be concluded that good financial literacy will result in good financial managementas well, and vice versa.

Furthermore, in this study, it was found that the family environment has a positive influence on student financial management. This is evidenced by the $t_{statistic}$ family environment variable was 1.758, while the t_{table} was 1.652. This means that $t_{statistic} > t_{table}$, so it can be concluded that family environment variables have a positive and significant effect on student financial management.

This is also supported by research that has been carried out by Arifa & Setiyani (2020) which results in a positive influence on financial management. This is also supported by the research that has been done by Sari & Listiadi (2021) the better a person receives financial education through the family, the higher a person's ability so that it has an impact on good financial management behavior. So it can be concluded that the financial education of students received from the family affects the behavior in managing finances through their financial capabilities.

Then in the study it was also found that pocket money did not have a positive effect on student financial management. This is evidenced by the $t_{statistic}$ in the pocket money variable of 0.672, while the t_{table} is 1.652. This means that $t_{statistic} < t_{table}$, so it can be concluded that the allowance variable does not have a positive and significant effect on student financial management. Then Arifa & Setiyani (2020) states that financial management behavior is considered to have a negative influence derived from pocket money, where it also applies that poor financial management can be influenced by high income or pocket money, while research Lianto & Elizabeth (2017) states that financial management behavior is not affected by pocket money.

4. Conclussion

Based on the results and discussions that have been described, it can be concluded that financial literacy, and the family environment have a positive and significant influence, while pocket money does not have a negative influence on student financial management. Some advice that can be given is that students should be able to distinguish priorities in managing their finances, so that in the future they avoid financial problems that are often experienced by some people. For subsequent researchers, they should consider well the variables to be selected in the study. When using the same variables, use different indicators from this study, as well as multiply the appropriate references to multiply and enrich the research source.

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