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Analysis of the Effects of Students' Personal Financial Literature on Consumptive Behavior at Universitas Muhammadiyah Surakarta

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ABSTRACT

According to a poll conducted by Kompas Indonesia, students are more likely to behave consumptively. Consumptive conduct is the outcome of a person's lack of financial knowledge. Consumptive behavior means consuming goods or services in excess, not based on need. As a result, individuals lose control over themselves. The purpose of this study is to describe the influence of finance on consumptive behavior. The effect of financial literacy variables on students' consumptive behavior was measured using a quantitative approach in this study. Students from Universitas Muhammadiyah Surakarta were the population. In the sampling method, the researchers used a simple random sampling technique. The data for this study were collected using a questionnaire or a questionnaire via a Google Form and then analyzed using a simple regression test. Based on the results of simple linear regression analysis and T-test, financial literacy had a significant negative effect on the consumptive behavior of students at Universitas Muhammadiyah Surakarta. A person with a high understanding of financial literacy has a better economic life, makes financial decisions easier for him, and has lower consumptive behavior.

Keywords: *Financial Literacy, Consumptive Behavior, Students*

1. INTRODUCTION

Adolescence is a transitional phase when a person seeks a lasting identity [1]. Adolescents are more likely to have volatile emotions, are often sensitive to things related to them, and are often less rational, including in their consumptive behavior [2]. *Consumptive behavior* is defined as the act of consuming [3]. Currently, consumptive behavior has plagued society in general. The younger generation, especially students at Universitas Muhammadiyah Surakarta, tend to be extravagant, follow current trends, and are not aware of the need to save. Students are more likely to behave consumptively than parents or high school students, according to research published by Kompas Indonesia in 2012. Students are considered educated individuals, have intelligence in thinking, think critically, are neat, have a polite attitude, and act appropriately. These are factors that make students look attractive [4]. Therefore, something modern in its era is a new demand for students, almost as large as the needs for boarding houses, monthly shopping costs, and money to buy college supplies. In their view, the progress of the times is an expression of emotions that are trying to be recognized and accepted in their social environment to avoid bullying and being belittled by others from their social environment. This tendency causes students to be more concerned with popularity, awards and good name than achievement, resulting in students becoming a consumptive generation [5]. In addition, technological advances and ease of transaction can make them more vulnerable to consumptive behavior [6].

Two factors influence consumptive behavior. The first is external factors, and the second is internal factors. Financial literacy has been identified as one of the internal factors that influence consumptive behavior in previous studies [7], [8], and [9]. Low financial literacy has an impact on consumptive behavior. According to the Financial Services Authority survey data, Indonesia's financial literacy rating would reach 40% in 2020. This percentage is higher than the survey results from the Financial Services Authority, which showed a financial literacy score of 29.7% in 2016 and 38.03% in 2019. Therefore, in the last 5 years, public awareness of the importance of understanding financial knowledge has increased. Although there is an increase every year, financial education to make people aware of the importance of understanding financial literacy is still long. A country is said to have a good financial system if at least 30% of the population is literate in financial products, meaning that literacy in understanding money is still relatively low. In Indonesia, its implementation is still a big difficulty. *Financial education* is a long-term process that helps individuals develop financial goals for a bright future tailored to their particular circumstances.

Many studies on students whose financial literacy is still relatively poor. [10] revealed empirical evidence of the low financial literacy of students and showed that the cause of the low financial literacy of students is the lack of personal financial education at the university. Individuals with less financial awareness will be less able to regulate themselves, leading to a wasteful lifestyle if it is not controlled. Individual consumption behavior can lead to various bad financial habits, including lack of action in saving, investing, managing emergency finances and budgeting for the future due to a lack of financial management. As a student of the younger generation, financial knowledge is critical to have from a young age because this knowledge will help students manage their finances better in the future so that their income is not used for consumer goods but more productive investments. Therefore, financial literacy education is essential to manage their resources effectively and grow into students who can live a more prosperous life in the future. Individuals must acquire a high level of literacy to manage more finances.

Financial literacy is a vital skill nurtured in the younger generation. A person with a strong understanding of financial literacy has a better economic life and makes financial decisions easier. According to this view, financial intelligence or the ability to manage personal finances is one of the wisdom that modern individuals must possess today to manage their finances better, regulate their lifestyle so that they are directed and not arbitrary, and reduce wasteful behavior. According to [3], financial literacy is a set of life skills needed to manage finances wisely in everyday life. Financial literacy is more than just how to save, bargain prices or focus on writing notes in books. Students are a group of young people studying in class or receiving financial education. Learning in class alone is not enough to increase students' understanding of financial literacy. Therefore, with the knowledge possessed, every individual will hopefully be able to apply it by planning, managing and controlling finances in a planned manner to survive even in critical times. Also, the increase in income is used for more productive investment, no longer for consumption. Based on these problems, research was conducted with the formulation of the problem how the influence of financial literacy on the consumptive behavior of students. Therefore, this study aims to describe the effect of personal financial literacy on students' consumptive behavior at Universitas Muhammadiyah Surakarta.

2. METHOD

The researchers used a quantitative approach to test the hypotheses set according to the problem in this study and conducted a quantitative study to measure the effect of personal financial literacy variables on students' consumptive behavior at Universitas Muhammadiyah Surakarta. In this study, a survey design was applied. The population of this study was 150 students of Universitas Muhammadiyah Surakarta taken with a random sampling technique. A survey or questionnaire survey conducted using a Google Form was used to collect data, while descriptive analysis techniques and simple linear regression were used to analyze the data.

3. RESULT AND DISCUSSION

3.1 Description of X-Y Variable Data

The influence of Financial Literacy (X) is the independent variable in this study, while Consumptive Behavior (Y) is the dependent variable. With a sample of 150 students, this research took place at Universitas Muhammadiyah Surakarta. Table 1 includes a description of the respondents' answers or responses.

Table 1. Description of Data X

Interval	Frequency	Percentage
46-50	4	2,67%
51-55	28	18,67%
56-60	56	37,3%
61-65	40	26,67%
66-70	22	14,67%

Table 2. Description of Data Y

Interval	Frequency	Percentage
26-30	12	8%
31-35	42	28%
36-40	60	40%
41-45	36	24%

3.2 Data Analysis

3.2.1 Data Test Results

As a result of data testing, which included instrument testing with validity and reliability tests, research on the validity of the data was done. The results of the validity and reliability of the test equipment obtained the following results.

3.2.1.1 Validity Test

A validity test determines the validity of the questionnaire or questionnaire used by researchers to measure and collect research data from respondents. SPSS version 20 program helped to perform calculations to test the validity of the research instrument. Based on the testing results on 150 respondents with 15 questions for the Personal Financial Literacy indicator and 15 questions for the Student Consumptive Behavior indicator, all questions in the research questionnaire were declared valid. Looking at the value of R arithmetic > R table can prove the result. The level of significance used is 5%. The R table value is 0.159, according to the calculation of the R table value using the number N = 150. All questions in this research questionnaire are statistically valid and can be measured correctly and accurately.

3.2.1.2 Reliability Test

A reliability test was conducted to determine the consistency of the data/questionnaire. This study tested the instrument's reliability using the SPSS version 20 program. The data was considered credible if the Cronbach alpha value was > 0.60.

The reliability test gives the following results:

Table 3. Reliability Test Result

Instrument Variable	R count	Cronbach Alpha Criteria	Explanation
Financial Literacy (X)	0.719	0.159	Reliable
Consumptive Behavior (Y)	0.638	0.159	Reliable

The Cronbach alpha value for Financial Literacy is 0.719, and for Consumptive Behavior is 0.638, based on the findings of the reliability calculation in Table 3. Both indicators have a Cronbach alpha value > 0.60, indicating that they are both reliable.

3.2.2 Classical Assumption Test Results

3.2.2.1 Normality Test

The normality test is the first prerequisite test. The appropriate regression model has a normally distributed residual value, and the normality test assesses the distribution of data in a set of data or variables, regardless of whether the data distribution is normally distributed or not. The Kolmogorov-Smirnov technique was used to test for normality in this study, which was carried out using the SPSS version 20 program. The Kolmogorov-Smirnov test is a type of classical assumption test. Classical hypothesis testing is one of the statistical requirements that must be met in regression analysis. The normality test is used to determine whether the residual value is normally distributed or not. The basis for the decision to assess whether the distribution is normal is if the significance value is > 0.50, then the residual value follows a normal distribution, and if the significance value is < 0.50, then the residual value is not normally distributed.

The results of the Kolmogorov-Smirnov test are as follows:

Table 4. Normality Test Result

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
Total		150
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	3,66894976
Most Extreme Difference	Absolute	,137
	Positive	,066
	Negative	-,137
Kolmogorov-Smirnov Z		1,189
Asymp. Signiificance (2-tailed)		,118

a. Test distribution is Normal

b. Calculated from data

The Asymp value can be calculated using the results of the normality test. The value of Asymp. Sig. (2-tailed) of 0.118 > 0.05, the residual value can be considered normally distributed. Since the residual value is normal, the normality test passes.

3.2.2.2 Linearity Test

The linearity test is the second prerequisite test required. Linearity determines the type of relationship that exists between the independent variable and the dependent variable. The independent variable and the dependent variable have a linear relationship if the value of Sig. deviation from linearity > 0.05. Meanwhile, if the value of Sig. Deviation from linearity < 0.05, then the independent and dependent variables do not have a linear relationship.

The following are the results of the linearity test:

Table 5. Linearity Test Result

ANOVA Table

			Sumiof Square	df	Mean Squares	f	Significance
Y * X	Between	(Combined)	1441,572	20	72,079	6,039	,000

Group	Linearity	989,077	1	989,077	82,864	,000
	Dev. from Linearity	452,495	19	23,816	1,995	,013
With in Group		1539,761	129	11,936		
Total		2981,333	149			

The value of Sig. Deviation from linearity in the table of linearity test results is 0.013 > 0.05. Thus, financial literacy and consumptive behavior have a linear relationship.

3.2.2.3 Heteroscedasticity Test

The heteroscedasticity test is the third prerequisite test to see whether the residual of one observation in a regression model is different from the residuals of other observations. The glejser test was used to test heteroscedasticity in this study, and the following findings were obtained using the SPSS version 20 program:

Table 6. Heteroscedasticity Test Result

Coefficients

Model		Unstandardized Coefficients		Std. Coefficients	t	Significance
		B	Standard Error	Beta		
1	(Constant)	,039	2,087		,019	,985
	Financial Literacy	,050	,035	,116	1,426	,156

a. Dependent Variable: Abs_res

Value of Sig. Variable X has a value of 0.156 > 0.05, as shown by the data in the table. The significance > 0.05 means no heteroscedasticity problem.

3.2.2.4 Simple Linear Regression Test

Table 7. Result of Simple Linear Regression Equation

Coefficients[a]

Model		Unstandardized Coefficients		Std. Coefficients	t	Significance
		B	Standard Error	Beta		
1	(Constant)	5,217	3,712		1,405	,162
	Financial Literacy	,531	,062	,576	8,572	,000

a. Dependent Variable: Consumptive Behavior

By knowing that the value of Constant (a) is 5.217 and the value of Financial Literacy (b/regression coefficient) from these results is 0.531, then the regression equation can be written as follows:

Y = a + bX

Y = 5.217 + 0.531 X

The equation can be expressed as follows:

a) The constant of positive 5.217 indicates that if financial literacy (X) is 0, then the value of the consistency of the consumptive behavior variable (Y) is positive at 5.217.

b) The regression coefficient of financial literacy (X) is positive 0.531, indicating that for every 1% increase in financial literacy (X), the value of consumptive behavior (Y) decreases by 0.531. Since the regression coefficient is positive, the variables X and Y can have a positive relationship.

3.2.2.5 Hypothesis Test Results (T-test)

The following hypotheses will be tested and proven true:

1. H_0: Financial literacy has no significant effect on students' consumptive behavior of Universitas Muhammadiyah Yogyakarta
2. H_a: Financial literacy significantly affects students' consumptive behavior of Universitas Muhammadiyah Surakarta. The significance value of the coefficients table produces a significance value of 0.000 < 0.05 (H_0 is rejected, H_a is accepted), indicating that the Financial Literacy variable (X) has a significant negative effect on the Consumptive Behavior variable (Y).

Since the T_{count} value is 6,020 > T_{table} 1,996 (based on the calculated t-value), the Financial Literacy variable (X) has a significant negative effect on the Consumptive Behavior variable (Y).

4. DISCUSSION

This study has been completed and tested. Based on the results, financial literacy had a significant influence on the consumptive behavior of students. H_0 was rejected while H_a was accepted, meaning that financial literacy significantly impacted student consumptive behavior. The findings supported [11], revealing that financial literacy had a large negative influence on consumptive behavior, indicating that the stronger a person's financial literacy is, the less they consume. This situation is the lack of understanding and application of balanced financial literacy. Financial literacy will not have a major effect in encouraging or reducing consumptive behavior if someone only understands it but does not apply it in everyday life. Individuals are expected to have adequate financial literacy.

Literacy is the ability to understand. According to OJK (2013), financial literacy is the ability to manage money to grow and live more prosperously in the future. Financially literate individuals are better equipped to handle their money [12]. Financial literacy teaches them how to manage their income for consumption. As the younger generation, students must be involved in financial planning because this information will help them manage their money in the future. Financial decisions will be challenging for students with limited understanding. This condition shows how a solid understanding of financial literacy can help develop students' positive financial attitudes. The results of this study contradicted research by [13] finding that financial literacy had no significant effect on the consumptive behavior of class XII Social Studies students at SMA Negeri 3 Makassar. The financial literacy variable had a small effect on the consumptive behavior of students. The financial literacy variable had no significant effect on student consumptive behavior [14]. According to [15], most students consider financial literacy only as a source of knowledge, and it is impossible to predict whether the knowledge they seek will help them improve their financial literacy. Therefore, if financial literacy is only understood without proper implementation, financial literacy will not increase or decrease in students' consumptive behavior.

5. CONCLUSION

Based on the results and discussion of 150 respondents from Universitas Muhammadiyah Surakarta regarding the influence of financial literacy on consumptive behavior of students, some conclusions can be drawn: (1) There is a significant influence of financial literacy on student consumptive behavior. It can be proven through hypothesis testing that $>T_{count}$ was 6,020 > T_{table} 1,996 (H_0 was rejected and H_a was accepted). This result showed that financial literacy (X) had a significant negative effect on the consumptive behavior variable (Y); (2) Students with a good understanding of financial literacy could reduce their consumption. Understanding financial literacy is effective in reducing consumptive behavior. Students with high levels of financial literacy will consume less. On the other hand, the lower the student's financial literacy is, the higher the consumption will be.

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