

# Financial Management Behavior of Student during the Covid 19 Pandemic

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## ABSTRACT

The pandemic has brought changes to various aspects of life, including financial management. The objective of this study is to analyze the pattern of financial management behavior of students during the pandemic, in terms of educational background, family economic status, and gender. This study uses descriptive research methods and is presented quantitatively. The research population was all students, this Padang West Sumatra sample of 600 people. Data was collected using a questionnaire. The results showed that the pattern of financial management carried out by students during the COVID-19 pandemic was fairly good. 1) Students are able to make a financial budget and only make expenses according to their needs. 2) Students are very careful with debt. 3) Financial behavior that students need to improve is mainly related to discipline in recording expenses both daily and monthly. For this reason, it is recommended that students train to do good financial records. So that students can know their financial history and check what expenses they spend the most on

**Keywords:** *financial management behaviour, student, pandemic*

## 1. INTRODUCTION

The Covid-19 pandemic that has occurred in Indonesia since the beginning of 2020 has resulted in changes in various sectors of life. One of the areas's most affected besides the health sector is the economic sector. Many businesses had to be closed and experienced setbacks, as a result, many employees experienced salary cuts and even layoffs. Therefore, the ability of a family and individual to manage and do careful financial planning is very important to have. Not a few people with a fairly high income level still face financial problems because they do not have a good financial management pattern and they are less responsible for the money they have [1]

Indonesia's population is large and diverse, and has different socioeconomic abilities and educational backgrounds. Students have a fairly large number in Indonesian society. Students are one of the elements of society who are studying in higher education. Where they already have many needs and desires but have not been supported by strong economic capabilities because most of them do not have income, the majority of students only rely on pocket money that comes from parental gifts to finance their expenses and needs [1] [2]. Many opinions state that most students do not have

income from work, so that their reserve funds are limited to be used every month because they only come from pocket money. During the covid-19 pandemic, many students did not get the usual amount of pocket money from their parents, because those who used to usually rent a house near campus paid for transportation to come to campus, spent money for doubling lecture materials now no longer, because learning done online, so students can follow lectures from home. From the results of this observation, the cause of students experiencing a decrease in pocket money, with this decrease, the money they will manage is increasingly limited due to reduced income. Many students have a stereotype as a consumptive young generation and have a lifestyle that is sometimes not in accordance with the economic capabilities of their parents [1] [3]. The existence of the covid-19 pandemic has brought changes in the economic capacity of a family, many families have experienced a decrease in income, and therefore the ability of students to manage pocket money is expected to be better.

Many people's financial management behavior has changed during the COVID-19 pandemic. Behavior in financial management is a person's expertise in making decisions by utilizing and managing financial resources. Not a few people with a fairly high income level still

face financial problems because they do not have good financial management attitudes and they are less responsible for the money they have [3].

Students have complex financial problems because most students do not have income, the reserve funds are also limited to be used every month. They are still confused in determining their financial policies. Many of the reasons students cannot wisely manage their finances are because most of them do not have their own income, as well as limited reserves of funds to be used every month.

For students, managing personal finances is not an easy thing to do because there are difficulties faced, one of which is the phenomenon of growing consumptive behavior. Aryani in Suyanto 2017 [2] "stated that people in modern life to consume something seem to have lost the real connection". This consumptive behavior encourages people to consume goods or services spontaneously without paying attention to the priority scale. The habit of students in consuming things that are not needed is still the most common thing. This habit is not because they don't have knowledge about finance, but because they interact with the world of students [1].

Financial behavior describes how a person treats, manages, and uses the financial resources they have. A person who has responsibility for his financial behavior will use money effectively by budgeting, saving money and controlling expenses, making investments, and paying debts appropriately. The pattern of financial management is in accordance with Theory of Planned Behavior by Ajzen in 1991[5]. In this theory there are three important elements, namely attitudes, subjective norms (perceptions) and behavioral control. This theory assumes that a person has an attitude towards behavior to judge whether something is beneficial or not to do. This behavior is determined by belief in what is obtained from behavioral beliefs. Then someone will look at other people's perceptions of the impact on their lives (significant others) to determine the behavior that will be carried out next. The theory of planned behavior suggests that behavioral control is determined by a person's belief in the availability of resources in the form of equipment, compatibility, competence, and opportunities that support or limit the expected behavior and how big the position of the energy source is in shaping a behavior. [6] and opportunities that support or limit the behavior that will be expected and how big the position of the energy source is in shaping a behavior. [6] and opportunities that support or limit the behavior that will be expected and how big the position of the energy source is in shaping a behavior. [6]

The lifestyle patterns of students during this pandemic have certainly undergone various changes, where students spend more time in front of the gadget layer, either laptop, computer or cell phone. This condition must be done so that they can continue to

attend lectures. Online learning can be scheduled or synchronous learning by using online meeting platforms such as zoom and google meet. Besides synchronous lectures, sometimes it is also asynchronous learning where lecturers provide materials online on the provided campus education portal or web, then students can study anytime online. This online learning condition causes the use of internet quota to increase and this of course increases student spending

Humans have unlimited needs and wants, and this condition is one of the factors driving a person's consumptive lifestyle. A consumptive lifestyle that is not in accordance with the income you have can cause financial failure. Many studies show that students have a consumptive lifestyle using branded goods and pay less attention to financial management. This lifestyle can have a negative impact on their finances. Under these conditions, students' ability to manage personal finances is very much needed, so that they can manage and manage between the income earned and the budgeted expenses. Based on the description and background above, these article objectives to explain how financial management behavior is carried out by students during the COVID-19 pandemic.

## **2. METHOD**

### **2.1. Types of Reseach**

This study aims to find out how students' financial management behaviour during the covid 19 pandemic is used. The research method used is a descriptive method, where the researcher intends to explain the answers from respondents then the answers are analysed based on theories and research relevant to financial management patterns [7].

### **2.2. Location, Population, and Sample Research**

This research related to the pattern of student financial management was carried out in the city of Padang, West Sumatra, Indonesia. The research population according to this title are students from public and private universities and colleges in the city of Padang, West Sumatra. The initial sample was 609 students. However, there are some incomplete data so that the sample is 600 people.

### **2.3. Research Instrument and Data Analysis**

The study used a questionnaire as a research instrument; the questionnaire was developed based on the concepts of financial management and then associated with pandemic conditions. The instrument is in the form of a Likert scale questionnaire, where the respondent will choose the answer to the statement given. The statement items given were developed based on the concept of financial management, so that from the respondents' answers it could be seen how the

financial management behaviour carried out by students during the covid 19 pandemic. The answer choices consisted of always, often, rarely, sometimes and never. The research data uses primary data collected directly from students collected using the help of google forms.

**3. RESULT AND DISCUSSION**

This study aims to find out how the pattern of student financial management during the COVID-19 pandemic will be presented. The following will present data related to the pattern of student financial management during the pandemic which was collected from 600 students throughout West Sumatra. Research respondents consisted of men and women. Respondents have various amounts of pocket money, then also see the comparison of the pocket money they have during the pandemic compared to before the covid 19 pandemic.

**Table 1.** Data from the University of Respondents

<b>University</b>	<b>Sum</b>	<b>%</b>
Andalas University	77	12.83
Bung Hatta University	132	22.00
Universitas Negeri Padang	278	46.33
PGRI University of West Sumaera	38	6.33
Imam Bonjol State Islamic University Padang	5	0.83
Health Science Syeidza Saintika	70	11.67
<b>TOTAL</b>	<b>600</b>	<b>100</b>

Source : Primary Data Processed: 2021

**Table 2.** Data from the University of Respondents

<b>Gender</b>	<b>Sum</b>	<b>%</b>
Male	201	33.5
Female	399	66.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source : Primary Data Processed: 2021

The data in table 2 above shows that the majority of respondents in this study were women, as many as 66.5% of the total respondents. This article does not look at the differences in financial management patterns based on gender, because several previous studies related to gender and financial management gave different results. According to Chen and Volpe in Yunita (2020) [8] there is an influence between gender on the level of student financial literacy. Where male students have a more logical mindset so that they are easy to make decisions, are independent, they are confident in making decisions and are not too emotional, so that the financial decisions they make tend to be more rational. However, from the other side, according to the results of a Bank Indonesia (BI) survey, it is explained that men have lower financial literacy

than women, this is because women tend to play a role as family finance managers so that most of the management carried out by women is neater and more careful. The way each party manages finances reflects many things related to their gender. Men tend to spend more money on food. On the other hand, women have a tendency to spend more money on their personal care and needs. [9] This shows that not everyone should have the same budget allocation. Each of them can determine which posts they have to save on, and which posts they can splurge with the money they have because women tend to act as managers of family finances, so that most of the management carried out by women is neater and more careful. The way each party manages finances reflects many things related to their gender. Men tend to spend more money on food. On the other hand, women have a tendency to spend more money on their personal care and needs. [9] This shows that not everyone should have the same budget allocation. Each of them can determine which posts they have to save on, and which posts they can splurge with the money they have because women tend to act as managers of family finances, so that most of the management carried out by women is neater and more careful. The way each party manages finances reflects many things related to their gender. Men tend to spend more money on food. On the other hand, women have a tendency to spend more money on their personal care and needs. [9] This shows that not everyone should have the same budget allocation. Each of them can determine which posts they have to save on, and which posts they can splurge with the money they have The way each party manages finances reflects many things related to their gender. Men tend to spend more money on food. On the other hand, women have a tendency to spend more money on their personal care and needs. [9] This shows that not everyone should have the same budget allocation. Each of them can determine which posts they have to save on, and which posts they can splurge with the money they have The way each party manages finances reflects many things related to their gender. Men tend to spend more money on food. On the other hand, women have a tendency to spend more money on their personal care and needs. [9] This shows that not everyone should have the same budget allocation. Each of them can determine which posts they have to save on, and which posts they can splurge with the money they have finances by women are neater and more careful.

**Table 3.** Data on the Amount of Student Pocket Money

<b>Amount of Pocket Money</b>	<b>Sum</b>	<b>%</b>
<Rp 500.000	399	66.5
Rp 500.000 – Rp 1.000.000	159	26.5
Rp. 1.000.001 – Rp 1.500.000	27	4.5
>Rp 1.500.000	15	2.5
<b>Total</b>	<b>600</b>	<b>100</b>

Source : Primary Data Processed: 2021

**Table 4.** Comparison of Student Pocket Money During The Pandemic Compared To Before The Pandemic

<b>Comparison of Pocket Money</b>	<b>Sum</b>	<b>%</b>
> Compared to before the pandemic	427	71.17
Same as before the pandemic	133	22.17
< Compared to before the pandemic	40	6.67
<b>Total</b>	<b>600</b>	<b>100</b>

Source : Primary Data Processed: 2021

Tables 3 and 4 provide information that most of the 66.5% students have a very small amount of pocket money where their monthly allowance is less than 500,000. Comparison of student allowances before the pandemic and during the pandemic, it was found that 71.17% of respondents experienced a decrease in pocket money, this condition was most likely because students during the pandemic were conducting online lectures from home.

Table 5 shows that students in general during this pandemic already have a pretty good financial pattern where they are able to budget expenses, more than 60% answered that they always and often make a budget for expenses every month. Students are also known to have good behavior, where the majority of them share the

pocket money they have for personal interests and lectures. Even though from Table 3 data it is known that 71.17% of students admit that they get a lower amount of pocket money than before the covid 19 pandemic. During this pandemic where lectures are carried out online, of course there are some savings that can be made such as transportation costs, doubling costs lecture materials.

Table 5 data also provides information that students do not like the stereotype that students are consumptive, and from the data that students make a list of items of expenditure that they will do and only buy goods according to what is planned, this is a form of rational behavior, so it is hoped that when they decide to make a purchase it is indeed based on needs, not mere desires.

With the habit of students always making a budget, dividing money for personal use and lectures and making a list of expenses this will provide many benefits for students such as 1) Students will know how much an expense affects their pocket money, 2) Help them to adjust pocket money owned with needs that need to be met. 3) Students learn to determine the priority scale, whether the expenditure to be made is important or not. 4) Students learn to manage pocket money more realistically, 5) Students learn to make some adjustments and delay avoidable expenses. [10].

**Table 5.** Student Financial Behavior

<b>No</b>	<b>Financial Behavior</b>	<b>Always %</b>	<b>Often %</b>	<b>Usually %</b>	<b>Rarely %</b>	<b>Never %</b>
1	Dividing money for personal and educational purposes	48.83	24.67	19.50	3.83	3.17
2	Budgeting expense	39.50	27.67	22.33	7.17	3.33
3	Make a list of expense item	21.00	22.67	32.17	13.83	10.33
4	Only buy planned items	43.84	31.67	19.17	3.50	1.83
5	Insufficient number of pockets	2.33	7.17	16.33	21.17	53.00
6	Set aside some money to save	35.00	32.50	26.00	4.17	12.33
7	Remaining monthly pocket money	9.67	15.00	40/83	22.17	12.33
8	Saving periodicaly	9.00	17.17	45.00	22.17	7.67
9	Borrowing money from friends	1.17	2.33	18.50	25.17	52.83
10	Buying things you dont need	4.67	7.00	31.83	26.00	30.50
11	Forget the amount of expenses per day	4.33	13.33	42.50	21.33	18.50
12	Pocket money cannot cover expenses	5.50	15.83	37.83	21.67	19.17
13	Check your account balance regulary	13.33	11.67	35.67	21.67	17.67
14	Compare prices before making a purchase	19.50	18.33	25.33	14.67	22.17
15	Recording expenses	13.33	11.67	35.83	21.67	17.67

Source : Primary Data Processed: 2021

Data from Tables 3 and 5 above also show that students also stated that although their average pocket money was relatively small, it turned out that with this allowance they could still cover expenses; only 20% stated that their pocket money could not cover expenses. Table 5 also provides information that 35% of students are able to always set aside some money for savings, although 45% of students stated that they have not been

able to save regularly/periodically. Saving provides many benefits for financial stability. Not infrequently people who earn high incomes, but do not see the results. This could have happened because the way of managing finances was not right. Saving is a financial management activity that aims to prepare reserve funds that will be needed in the future. Savings has its own role in ensuring financial stability in preparing for

various risks or if something unexpected happens in the future. Indirectly, the most important benefit of saving is to help students know about priorities in finance. The benefits of saving specifically are 1) Learning to implement the concept of managing finances, they learn to choose and adjust the time so they can buy the things they want using the savings. 2) Applying frugal living, students can learn to spend little by little and set aside for saving. Implementing a frugal life for students is also able to direct him to appreciate the nominal money more, regardless of the amount he has. On the other hand, they will also learn to feel enough or not greedy to want to have something more. By implementing frugal living from an early age, students will get used to not spending too much money in things that shouldn't be necessary. Indirectly students will get used to a simpler life. 3) Appreciating the money they have, when students have succeeded in resisting all shopping desires, until finally the savings have reached the desired amount. if they look back on their struggles to save, they too will feel that their efforts are paying off. 4) Prevent students from having debt, saving activities for students, can make them have money reserves that can help themselves from the risk of debt., Of course, this habit will be very helpful when dealing with unexpected things, such as additional extra costs in lectures. 5) Train students to make wise decisions they will get used to before deciding to use money, he must be wise in thinking, whether these expenses need to be made.

The next behavior is also seen from these students where they are very careful with debt where 52.83% say they have never decided to borrow money from friends when their pocket money runs out, this condition could be because lectures take place online and most of them study from so that they rarely meet and interact with friends, this could be the cause of them not being able to borrow money from friends but relying on resources at home.

However, their behavior in recording expenses and comparing prices is not good, where less than 20% of students carry out these activities regularly. Related to this condition, it is hoped that students will start to get used to routinely recording expenses other than to avoid being wasteful and being able to put the brakes on the habit of spending money on things that are not needed. The positive effect of having a diary is that students can know their financial history and check expenses in what section makes they are the most extravagant, so students can be more careful in using money in the future. Besides that, having a financial diary is useful for 1) Students can know what the biggest expenses they spend every day are. Through this information, students can take action to find ways to cut unnecessary expenses. Recording daily expenses can also make them realize that unexpected 'small' expenses can actually drain pocket money. 2) The more often students keep

diaries, it will indirectly make them trained to be more vigilant in spending money. Their memory of the difference between needs and wants will make them more financially disciplined. 3) Having a record of daily expenses will make students appreciate money more and think twice before buying something tertiary in nature. [11] On average it appears that the pattern of student financial management is quite good, This behavior is expected indeed because they already have a good level of education so that they have financial literacy, financial literacy is a person's knowledge and expertise in managing their finances with the aim of making their finances more prosperous. Someone where good financial literacy will help manage finances well [3]. Financial literacy is influenced by how to analyze a person's financial situation where this situation will affect the process of making good decisions in terms of finances and better financial arrangements for individuals [12]. Financial literacy is a person's knowledge and expertise in managing his finances with the aim of making his finances more prosperous. Financial literacy has an impact on whether or not a person's financial management is good where good financial literacy will help manage finances well [3]. Financial literacy is influenced by how to analyze a person's financial situation where this situation will affect the process of making good decisions in terms of finances and better financial arrangements for individuals [12]. Financial literacy is a person's knowledge and expertise in managing his finances with the aim of making his finances more prosperous. Financial literacy has an impact on whether or not a person's financial management is good where good financial literacy will help manage finances well [3]. Financial literacy is influenced by how to analyze a person's financial situation where this situation will affect the process of making good decisions in terms of finances and better financial arrangements for individuals [12].

#### **4. CONCLUSION**

From the research data, it appears that the pattern of financial management carried out by students during the COVID-19 pandemic is fairly good, where students are able to make good financial budgets and only buy goods according to their needs, and students are also very careful with debt but financial behavior that is necessary they improve especially with regard to discipline in recording expenses both daily and monthly, because by having good financial records. Students can find out their financial history and check out what expenses they spend the most on.

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