



The Influence of Pocket Money, Financial Education, and Financial Literacy on Accounting Students' Financial Management Behavior in Banjarmasin

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Abstract. This study examines the influence of pocket money, financial education, and financial literacy on the financial management behavior of Accounting students at Sekolah Tinggi Ilmu Ekonomi (STIE) Pancasetia Banjarmasin (Pacasetia School of Economics Banjarmasin). Using a quantitative correlational approach, the research analyzes both partial and simultaneous effects of these variables on students' financial management behavior. Data were collected through structured questionnaires and analyzed using multiple linear regression with SPSS version 26. The findings indicate that pocket money, financial education, and financial literacy jointly have a significant positive effect on students' financial management behavior, with financial literacy emerging as the most dominant determinant. These results underscore the critical role of financial literacy in strengthening students' financial resilience, particularly in navigating financial risks such as impulsive spending, inadequate savings, and poor budgeting decisions during early adulthood. From a broader perspective, this study highlights the importance of targeted financial education policies within higher education institutions to reduce youth financial vulnerability and promote sustainable financial behavior. Enhancing financial literacy among university students is therefore not only essential for individual financial well-being but also for fostering a financially resilient young generation capable of supporting long-term economic stability.

Keywords: Pocket Money, Financial Education, Financial Literacy, Financial Management Behavior.

1 Introduction

In today's digital and fast-paced economic environment, personal financial management has become an essential life skill, particularly for university students who are transitioning toward financial independence. Accounting students, in particular, are expected to exhibit sound financial behavior due to their exposure to financial principles, analytical thinking, and decision-making frameworks [1]. Nevertheless, empirical evidence shows that many students still experience difficulties in managing their finances, as reflected in weak budgeting discipline, impulsive consumption patterns, and limited

saving behavior [2]. This condition suggests that formal financial knowledge does not always translate effectively into daily financial practices.

Financial management behavior refers to how individuals plan, organize, and control their financial resources to achieve financial stability and long-term well-being [3]. Among university students, such behavior is shaped by a combination of financial resources, educational exposure, and individual capability in processing financial information. Allowance (pocket money) functions as the primary source of income that determines students' spending capacity, while financial education—delivered through both formal instruction and informal socialization—supports the development of financial awareness and self-regulation [4]. In addition, financial literacy provides the cognitive foundation that enables individuals to evaluate financial choices, manage risks, and avoid problematic behaviors such as excessive consumption and debt accumulation [5].

In the Indonesian context, improvements in the national financial literacy index—from 49.68% in 2022 to 65.43% in 2024—indicate growing public awareness of financial issues ([6]; [7]). Despite this progress, disparities remain, particularly among young adults who are increasingly exposed to digital consumption, cashless transactions, and social media-driven spending pressures. The prevalence of FOMO (fear of missing out) behavior further intensifies impulsive purchasing tendencies among students [8], highlighting the importance of strengthening financial awareness and self-control during early adulthood.

Building on these conditions, this study investigates the influence of allowance, financial education, and financial literacy on the financial management behavior of accounting students in Banjarmasin. While previous studies have examined these factors independently, this research provides an integrated perspective by assessing their simultaneous and relative effects within a higher education context. By identifying the most influential determinant of students' financial behavior, this study offers empirical insights that extend existing research on student financial management and supports the development of targeted financial literacy initiatives within universities to foster responsible and resilient financial behavior among young adults.

2 Literature Review

2.1 Personal Financial Management Behavior

Financial management behavior refers to the process of planning, organizing, controlling, and monitoring financial resources to achieve personal financial goals [3]. It includes various activities such as budgeting, saving, investing, and managing debt responsibly. According to [9], an individual's financial behavior is a reflection of their level of financial literacy and self-control. Sound financial behavior helps individuals maintain financial stability, avoid excessive debt, and achieve long-term financial well-being.

Students represent a group that often faces challenges in financial management due to limited income sources and high consumption needs. According to [10], students who demonstrate disciplined financial behavior tend to experience lower financial

stress and higher satisfaction. In contrast, impulsive financial behaviors—such as overspending or using credit irresponsibly—are strongly associated with financial difficulties. Therefore, improving students' financial behavior is essential for fostering responsible money management in adulthood.

2.2 Allowance (Pocket Money)

Allowance or pocket money serves as the primary financial resource for most university students and has a significant influence on their spending patterns and financial behavior. According to [2], the amount of allowance received determines how students allocate their expenditures across needs and wants. When students receive sufficient allowance, they may develop flexible consumption patterns, but inadequate financial management can still lead to excessive or wasteful spending.

Research by [11] revealed that students who receive higher allowances do not necessarily exhibit better financial management behavior. Instead, responsible financial habits depend more on financial discipline and awareness. In other words, financial management effectiveness is not determined solely by income level but also by an individual's capacity to plan and control expenses.

Similarly, [12] found that financial planning skills moderate the relationship between allowance and financial behavior. Students who understand budgeting and prioritize essential expenses tend to make wiser spending decisions regardless of their income level. Thus, allowance is both an opportunity and a challenge—if managed properly, it can foster positive financial behavior; if not, it can lead to wasteful consumption and debt.

2.3 Financial Education

Financial education refers to structured learning processes aimed at enhancing individuals' understanding, skills, and confidence in managing personal finances [13]. According to [14], financial education equips individuals with the ability to make informed decisions about budgeting, saving, credit use, and investment. It helps prevent poor financial decisions that may result from lack of knowledge or behavioral biases.

In the context of higher education, financial education can be delivered formally through courses such as Financial Management or Personal Finance, or informally through workshops, family discussions, and financial literacy campaigns [15]. Research by [16] found that financial education received from parents significantly predicts students' financial behavior, while formal financial education at universities reinforces these effects by providing conceptual and practical skills.

Financial education also acts as a preventive measure against poor financial habits, such as impulsive buying or excessive use of credit cards [17]. Therefore, integrating financial education into university curricula, particularly for accounting students, plays a pivotal role in shaping financially responsible behavior and enhancing economic well-being.

2.4 Financial Literacy

Financial literacy is defined as the knowledge and understanding of financial concepts that enable individuals to make effective and informed financial decisions [13]. [18] categorize financial literacy into three dimensions: knowledge of basic financial concepts, ability to apply that knowledge in real-life contexts, and confidence in managing financial matters.

High financial literacy helps individuals distinguish between needs and wants, plan for the future, and evaluate financial risks effectively [19]. Conversely, low financial literacy increases susceptibility to poor decisions, including unplanned purchases, debt accumulation, or susceptibility to financial scams.

In Indonesia, the Financial Services Authority (OJK) has consistently emphasized the importance of financial literacy. The 2024 National Survey on Financial Literacy and Inclusion (SNLIK) reported that the financial literacy index reached 65.43%, while financial inclusion stood at 75.02% [6]. Despite improvement, gaps remain—particularly among young adults and students—indicating the need for continuous education and behavioral guidance.

Empirical studies have consistently linked financial literacy with financial management behavior. For instance, research by [20] found that students with higher financial literacy demonstrate more prudent spending and saving behaviors. Similarly, [21] emphasized that financial literacy enhances decision-making ability, reducing the likelihood of financial stress among students.

2.5 Conceptual Framework

Based on the theories and empirical findings above, this study conceptualizes allowance (pocket money), financial education, and financial literacy as key determinants of financial management behavior among accounting students. The relationship can be visualized as follows:

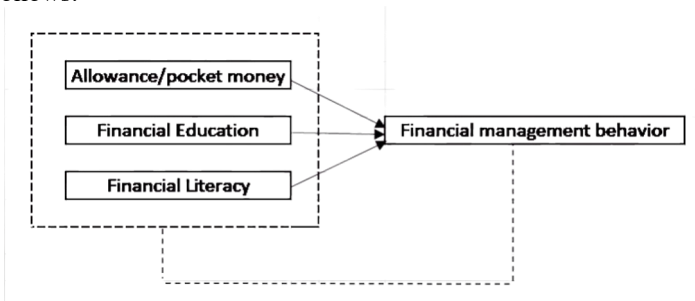


Fig 1. Framework of the study

It is hypothesized that:

H1: Allowance, financial education, and financial literacy simultaneously influence financial management behavior among accounting students.

H2: Allowance has a significant positive effect on financial management behavior.

H3: Financial education has a significant positive effect on financial management behavior.

H4: Financial literacy has a significant positive effect on financial management behavior.

3 Research Methodology

3.1 Research Design

This study adopts a quantitative research design to examine the influence of allowance, financial education, and financial literacy on financial management behavior among accounting students. The quantitative approach enables statistical testing of relationships between variables using numerical data to ensure objectivity, reliability, and generalizability [22]. The study is explanatory in nature, aiming to test hypotheses regarding the simultaneous and partial effects of independent variables on the dependent variable.

Despite its strengths, this study has several methodological limitations that should be considered when interpreting the findings. First, the use of a cross-sectional design restricts the ability to capture changes in students' financial behavior over time or to establish causal relationships among variables. Second, the sample size is relatively limited and drawn from a single higher education institution, which may constrain the generalizability of the results to broader student populations or different academic contexts. Third, the reliance on self-reported questionnaire data may introduce response bias, as participants' answers could be influenced by social desirability or subjective perceptions. Future studies are therefore encouraged to employ longitudinal designs, larger and more diverse samples, and mixed-method approaches to provide a more comprehensive understanding of student financial management behavior.

3.2 Population and Sample

The population of this study consists of all undergraduate accounting students in Banjarmasin. Using a purposive sampling technique, 54 students were selected as respondents. The sample size of 54 was deemed adequate for regression analysis, as it met the minimum requirement for multivariate studies [22].

3.3 Data Collection Method

Primary data were collected through a structured questionnaire distributed directly to the respondents. The questionnaire was designed using a Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"), measuring students' perceptions related to the study variables. Each construct—allowance, financial education, financial literacy, and financial management behavior—was operationalized based on validated indicators from previous research. Before distribution, the questionnaire underwent a validity and reliability test to ensure measurement accuracy.

3.4 Research Variables and Measurement

The study involved three independent variables and one dependent variable: Allowance (X_1): Defined as the amount of financial resources students receive regularly from parents or guardians, influencing their spending and budgeting patterns [2].

Financial Education (X_2) refers to students' exposure to financial knowledge through formal education (e.g., accounting and management courses) and informal learning from family or external programs [4]. Financial Literacy (X_3) represents students' understanding of financial concepts and ability to apply them in financial decision-making [14]. Financial Management Behavior (Y) is the dependent variable, reflecting students' ability to plan, manage, and control financial resources responsibly [3].

3.5 Data Analysis Technique

Data were analyzed using multiple linear regression analysis to test the simultaneous and partial effects of the independent variables on financial management behavior. Prior to regression testing, classical assumption tests—including normality, multicollinearity, and heteroscedasticity—were conducted to ensure model validity. Statistical analysis was performed using SPSS (Statistical Package for the Social Sciences) version 26. The criteria for hypothesis testing were based on a significance level of $\alpha = 0.05$.

The regression model used in this study is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad (1)$$

Where:

Y = Financial Management Behavior

X_1 = Allowance

X_2 = Financial Education

X_3 = Financial Literacy

β_0 = Constant

β_1 – β_3 = Regression Coefficients

e = Error Term

3.6 Validity and Reliability Testing

Validity testing was conducted using the Pearson correlation coefficient, where each item was considered valid if $r \text{ count} > r \text{ table}$ (0.266 for $n = 54$, $\alpha = 0.05$). Reliability was assessed using Cronbach's Alpha, with a threshold value of ≥ 0.70 indicating acceptable internal consistency [23]. The tests confirmed that all measurement items were valid and reliable for further analysis.

4 Result and Discussion

4.1 Instrument Validity and Reliability Testing

The results of the instrument validity testing indicate that all questionnaire items across the study variables obtained calculated correlation coefficients (r -count) exceeding the

critical *r*-table value of 0.268 ($n = 54$, $\alpha = 0.05$). Therefore, all measurement items were considered valid and suitable for further statistical analysis.

Reliability testing using Cronbach's Alpha demonstrates satisfactory internal consistency for all constructs. The reliability coefficients are as follows: Allowance (X_1) = 0.672; Financial Education (X_2) = 0.870; Financial Literacy (X_3) = 0.931; and Financial Management Behavior (Y) = 0.891. These values exceed the minimum acceptable threshold of 0.60, confirming that the instruments reliably measure their respective constructs [23].

4.2 Classical Assumption Testing

Normality testing, assessed through histogram analysis and the Normal P–P Plot, indicates that the residuals are approximately normally distributed. The histogram displays a bell-shaped curve, while the P–P Plot shows residual points closely following the diagonal line, fulfilling the normality assumption [24].

Multicollinearity testing reveals that all tolerance values exceed 0.10 and all Variance Inflation Factor (VIF) values are below 10. This confirms the absence of multicollinearity and indicates that each independent variable independently contributes to explaining variations in financial management behavior.

Heteroscedasticity testing using scatterplot analysis shows a random dispersion of residuals above and below the zero line, with no discernible pattern. This result indicates homoscedasticity, confirming that the regression model meets the required assumptions for hypothesis testing.

4.3 Multiple Linear Regression Analysis

The regression equation obtained was:

$$Y = 3.432 + 0.046X_1 + 0.232X_2 + 0.610X_3 + e \quad (2)$$

The constant value (3.432) indicates that when all independent variables are held constant, the baseline level of financial management behavior is 3.432.

The regression coefficient for allowance ($\beta = 0.046$) suggests a positive relationship between allowance and financial management behavior. The coefficient for financial education ($\beta = 0.232$) also indicates a positive contribution. However, financial literacy ($\beta = 0.610$) demonstrates the strongest effect and is statistically significant ($\text{Sig} = 0.000 < 0.05$), indicating that higher financial literacy substantially improves students' financial management behavior.

The model's Adjusted R^2 value of 0.697 indicates that 69.7% of the variance in financial management behavior is explained by allowance, financial education, and financial literacy, while the remaining 30.3% is attributable to other factors such as lifestyle, peer influence, financial attitudes, locus of control, or psychological traits.

4.4 Hypothesis Testing

The F-test results show an F-statistic of 38.939 with a significance level of 0.000 (< 0.05), confirming that allowance, financial education, and financial literacy simultaneously exert a significant influence on students' financial management behavior.

Thus, H_1 is accepted. Partial hypothesis testing (t-test) indicates that: Allowance (X_1) has a significant positive effect on financial management behavior ($t = 2.987$; $\text{Sig} = 0.004 < 0.05$). Financial Education (X_2) also significantly influences financial management behavior ($t = 7.849$; $\text{Sig} = 0.000 < 0.05$). Financial Literacy (X_3) exerts the strongest and most significant effect ($t = 10.359$; $\text{Sig} = 0.000 < 0.05$), confirming it as the dominant determinant.

These findings indicate that all three independent variables significantly contribute to shaping students' financial management behavior, with financial literacy playing a central role. From a broader perspective, the results suggest that students' exposure to financial resources (allowance) and structured learning (financial education) becomes effective only when supported by strong financial literacy. Students with limited literacy are more vulnerable to financial risks such as impulsive spending, inadequate savings, and poor budgeting—risks that are increasingly amplified by digital consumption patterns and social media influence among youth.

The dominance of financial literacy highlights its role in strengthening long-term financial resilience among young adults. Financially literate students are better equipped to manage uncertainty, control consumption, and make forward-looking financial decisions, thereby reducing the likelihood of future financial distress. This finding aligns with behavioral finance theory, which emphasizes the interaction between knowledge, psychological control, and situational factors in shaping financial behavior, as well as the Theory of Planned Behavior [25], where knowledge enhances perceived behavioral control.

At the policy level, these results support national financial literacy strategies promoted by the Financial Services Authority (OJK), emphasizing that higher education institutions play a strategic role in reducing youth financial vulnerability. Integrating comprehensive financial literacy programs into university curricula can serve as an effective preventive mechanism against long-term financial instability and contribute to building a financially resilient generation.

5 Conclusion

This study examined the effects of allowance, financial education, and financial literacy on financial management behavior among accounting students. The empirical findings demonstrate that all three variables significantly influence students' financial management behavior, both individually and simultaneously, with financial literacy emerging as the most dominant determinant. These results indicate that students' ability to plan, budget, and control personal finances is strongly shaped by their level of financial understanding rather than merely by the amount of financial resources received.

The findings support the Theory of Planned Behavior [25], which emphasizes the role of knowledge and perceived behavioral control in shaping actual behavior, and are consistent with behavioral finance theory, which highlights the interaction between cognitive ability, self-control, and contextual factors in financial decision-making.

From a practical and policy perspective, this study highlights the strategic importance of strengthening financial literacy and financial education among young

adults. For universities, integrating structured and applied financial literacy programs into the curriculum is essential to equip students with long-term financial management competencies. For policymakers and financial regulators, particularly national financial authorities, the results underscore the need to expand targeted financial literacy initiatives for university students as part of broader national financial literacy strategies. Such efforts are crucial to reducing youth financial vulnerability, mitigating financial risk exposure, and fostering a financially resilient generation capable of supporting sustainable economic development.

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