

## FINANCIAL BEHAVIOR AND SUBJECTIVE WELLBEING IN THE PERSPECTIVE OF SANTRI ENTREPRENEURS

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### Abstract

This study aims to analyze the relationship between financial behavior and subjective well-being from the perspective of student entrepreneurs. This research uses qualitative methods with a multisite case study approach. The study participants consisted of a group of student entrepreneurs operating in several different locations. The research data were obtained through in-depth interviews, participatory observation, and analysis of related documents. The results of data analysis show that financial behavior has a significant influence on the subjective well-being of student entrepreneurs. Factors such as effective financial management, wise decision making, and a positive attitude towards risk have a positive impact on their subjective well-being. In addition, contextual factors such as social, cultural, and religious environment also influence the relationship between financial behavior and subjective well-being. The findings of this study provide important insights for the development of financial education and student entrepreneurship coaching, as well as contribute to a better understanding of the factors that influence subjective well-being in the context of student entrepreneurship.

**Keywords:** Financial Behavior, Subjective Wellbeing, Santri Entrepreneur.

### INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are drivers of economic growth and crucial employment providers in almost all countries in the world. The opinion that large companies are the pillars of the country's economy has been opposed since the 1950s (Wang, 2016). Currently, the important role of MSMEs in the economy cannot be underestimated. Research (Ayyagari et al., 2011) on the contribution of MSMEs to total employment, job creation, and growth in 104 developing countries found that MSMEs have a comparable contribution to large companies in providing employment. MSMEs are also important contributors to total job creation. Two-thirds of new jobs in the world are created by the small and medium sector (Savlovski & Raluca Robu, n.d.) so that MSMEs are an effective tool for poverty alleviation (Wang, 2016).

Indonesia is no exception. MSMEs cannot be separated in the daily life of the Indonesian nation. Almost every time, everyone consumes services and products created by MSMEs. The existence of a large market and demand level make MSMEs one of the important sectors for the Indonesian economy. The Ministry of Cooperatives and MSMEs of the Republic of Indonesia reported that, in 2019, 60.4% of investment was embedded in MSMEs and was able to contribute to Gross Domestic Product (GDP) of 61.07% or Rp. 8,573.9 trillion, absorbed 117 million national workers or 97% of the total existing workforce, and controlled 99.9% of business units. (<https://www.kemenkopukm.go.id>: retrieved 12 November 2021). This

condition shows that MSMEs play a crucial role in supporting economic growth, economic security, and creating jobs. In supporting economic growth, MSMEs contribute 61.07% to GDP and are expected to increase to 65% in 2024. As an economic security, MSMEs have proven to be able to net safety in every crisis. The last crisis that hit the world, namely the Covid-19 pandemic, MSMEs proved to be able to provide solutions to the needs and demand of domestic products when mobility between countries stopped, while as the largest provider of employment, MSMEs were able to absorb 97% of the total workforce in Indonesia.

The workforce in Indonesia works in both the formal and informal sectors. The formal sector is labor, employees, and employees, while the informal sector is self-employed workers, free workers in the agricultural sector, and free workers in the non-agricultural sector. Data from the Central Statistics Agency (BPS) as of February 2021 shows that the number of national formal workers decreased by 10.4% to 39.53%. Meanwhile, informal workers in Indonesia account for 60.47% of the entire workforce. The development of the informal sector is a response to the limitations of the formal sector to absorb labor. This limitation is because the formal sector tends to require an educated or highly educated workforce with certain skills. As a result, workers who are not absorbed in the formal sector will look for easier alternative businesses, namely the informal sector. For this reason, community groups that have an entrepreneurial spirit are needed. Ciputra stated that one of the requirements to lead to the prosperity of the people, at least 12% of the population is needed to be *entrepreneurs* or entrepreneurs. Entrepreneurship is a noble profession that plays a role in advancing the country and prospering society. So that the role of the government and all stakeholders is needed to encourage the creation of entrepreneurship (Afidah, 2018)

One institution that has the potential to produce entrepreneurs and economic workers in the informal sector is pesantren. Islamic boarding schools are the oldest Islamic educational institutions born and grown from indigenous Indonesian culture. K.H. Abdurahman Wahid (Gus Dur) defines pesantren as *a place where students (santri) live* (Nugroho, 2017). The definition was elaborated by Dhofier (1982) who stated that 5 basic elements of the pesantren tradition, namely the existence of (1) cottages, student residences, (2) mosques (prayer places), (3) santri, (4) teaching classical books, (5) kyai-ulama as caregivers. While the meaning of the word "santri" in the book "Pesantren Rooms by Nurcholis Madjid, who is familiarly called Cak Nur (Madjid, 1997) there are at least 2 references. First, the opinion that states that "santri" comes from the word "shastri" a Sanskrit word that means literate, because at the beginning of the growth of Islamic political power in Demak, santri was a "*literary*" class for Javanese. This is due to his knowledge of religion through written books and in Arabic so that it can be assumed that santri means knowing and serious about religion. Second, the opinion that says "santri" comes from the word "*cantrik*" which means someone who always follows his teacher where his teacher goes to learn about a skill or intelligence. The true meaning of the word "cantrik" is a person who hitchhikes life or "*ngenger*" (Javanese). Meanwhile, according to the Big Indonesian Dictionary (KBBI), the term "santri" means, first, people who are steeped in Islam. Second, one who worships conscientiously. Third, people who explore their studies in Islam by studying in distant places, such as pesantren and others. Furthermore, the term santri used in research is defined as a person who has more knowledge of Islam through books written

in Arabic. So that pesantren alumni can be called santri because they have good religious knowledge and have studied classical Islamic books (yellow books) in pesantren.

When viewed from the perspective of openness to changes that occur, pesantren are divided into 2 categories, namely *Salafi* and *Khalafi*. Salafi pesantren also known as traditional pesantren (Nugroho, 2017) still teach classical books as the core of their education with the madrasah system to facilitate *the sorogan* system without introducing general knowledge teaching. Meanwhile, *Khalafi* has included general knowledge in madrasahs that are developed or opened types of public schools within pesantren (Qomar, 2002: 17).

Emis (*Education Management Information System*) data from the Ministry of Religious Affairs of the Republic of Indonesia shows that the number of Islamic boarding schools in Indonesia until quarter 1-2021 was 30,495 with 4.29 million students spread across 34 provinces. Of these, according to the Coordinating Ministry for Economic Affairs, 44.2% of them have economic potential and are expected to be able to become the driving force of the people's economy, sharia economy, and Indonesian halal MSMEs. When viewed from the number of large pesantren and the age of pesantren that have been centuries, it is certain that the number of alumni who take part and serve in the community must be very large. The alumni of pesantren spread in the fields of education, religion, and economics. Yusuf Research (2019); Hafidh et al., (2019); and El Iq Bali & Fadli (2019) discuss the role of pesantren in non-economic aspects, namely education, character building, mental formation, ideology, spirituality, while research (Falah, 2018); (Hana, 2018); (Nugroho, 2017); (Ryandono, 2018); and (Israfil, 2017) discusses how pesantren have transformed into motors of economic empowerment. The excellence of pesantren is not only in character education but also the growth of a strong spirit of independence, solidarity and kinship, communication skills, and obedience to teachers (Permedi, 2018)). In terms of motivating students to become traders or entrepreneurs, K.H. Hasbiyallah, the founder of the Al Wathoniyah Klender pesantren is famous for his expression about santri, "*jigang khoiru min jigur*, i.e. *ngaji while trading, is better than ngaji while idle. The phenomenon that exists, more and more pesantren alumni are taking part in various fields of life, including as entrepreneurs who pioneer and have their own businesses.* Entrepreneurship according to the Big Indonesian Dictionary (KBBI) is the process of carrying out business activities, starting from identifying, producing, to selling them. While people who carry out entrepreneurial activities are defined as people who are smart and talented in recognizing new products, new ways of production, structuring operations for the procurement of new products, marketing them, and managing their operating capital. (<https://kbbi.web.id/usaha>). Meanwhile, according to Hatten (2012: 24), *entrepreneurs* or entrepreneurs are people who see opportunities or have ideas and dare to take risks as well as opportunities to realize the idea. The risks that come along with taking advantage of these opportunities include financial, material, and psychological risks. Furthermore, Hatten (2014: 15) stated that entrepreneurship includes creative, innovative behavior, potential risks, leading company management, and performance intentions to promote company growth and profits.

The progress of pesantren alumni who have successfully become entrepreneurs is very interesting to study. There are several successful student entrepreneurs in Blitar and Tulungagung who turned out to have Islamic boarding school backgrounds but were able to pioneer and develop their businesses into large, billions in turnover, and even penetrate the international market. Not only that, the Micro, Small and Medium Enterprises (MSMEs) founded by the student entrepreneurs are able to drive the real sector, awaken the surrounding MSMEs, absorb a lot of labor, and increase the income of the surrounding community. This is something interesting to study. In-depth exploration from various perspectives of a unique thing, person, event, organization, decision, action, location, and environment is called a case study. Case studies can be found at the micro (people and interpersonal relationships), meso (organizations, institutions), or macro level (community, democracy, society), either one actor or many actors (Denzin & Lincoln, 2018:600). Meanwhile, according to Yin (2009: 36) case studies are methods used to explore how and why a community does something over time, not just one time frequency or event.

Therefore, this study intends to conduct a case study on the uniqueness of entrepreneurs of pesantren alumni who have successfully pioneered and developed their businesses to be large, absorb a lot of labor, have a turnover of billions, raise surrounding MSMEs, and create income and welfare of the surrounding population, especially related to their financial behavior because there is uniqueness. Preliminary observations show that the student entrepreneurs have carried out financial records in an orderly manner, separating their company finances as separate entities from family finances, but these entrepreneurs seem loose and flexible in spending zakat, infaq, alms, especially for places of worship and social community activities. Case studies were conducted in several student entrepreneurs, so this case study research is a *multisite case study*. There are several student entrepreneurial business places chosen by researchers as research sites, the first is Kampung TBrown, which is one of the popular tourist destinations in Blitar which has become a Blitar tourist icon besides the tomb of Karno. Kampung Cokelat was founded by H. Kholid Mustofa, an alumnus of the Salafiyah Islamic boarding school Ploso Kediri, starting from the establishment of a cocoa farmer group in Blitar which was formed in 2005 under the name Guyub Santoso and gained the trust to supply cocoa beans to a chocolate processing factory and developed to process cocoa beans into chocolate and make processed products themselves in 2013. On August 17, 2014, H. Kholid Mustofa began to pioneer an educational tour on how to cultivate and process cocoa. He established the educational tour at his home on Jalan Banteng Blorok 18, Plosorejo Village, Kademangan District, Blitar Regency, and East Java. Eight years on, Kampung Cokelat which used to only stand on 170 m<sup>2</sup> of land has now grown to an area of 5 hectares with 4,000 visitors on *weekdays* and 7,000 visitors on *weekends*, becoming an educational tour that offers many educational activities, has many rides with *instagramable* photo *spots*, offers souvenirs of various processed chocolates and typical souvenirs which are original products of Kampung chocolate and MSMEs around it.

As a result of initial observations, Kampung Cokelat is managed with professional management in each function and division. No exception in the financial department. Daily, weekly, monthly, yearly income in each division is neatly recorded in one *internal software* compiled

by the finance department. Financial recording is carried out in detail. Even the average shopping data of each visitor can be known from this recording. In terms of financial expenditure, Mr. Kholid is famous as a businessman who likes to share and give alms, especially to neighbors. Alms and sharing to neighbors and others is one of the typical behaviors of Kampung Cokelat.

The second site of this multisite qualitative case study research is one of the student entrepreneurs who is a jimbe kendang craftsman (a kind of kendang / percussion musical instrument) in the jimbe kendang craft center in Santren Village, Kepanjen Kidul Village, Blitar City, namely CV Aan Jimbe Instrument. Kendang jimbe is an icon of Blitar's local creative industry products that have gone global. The researcher chose the CV Aan Jimbe Instrument site owned by Mr. Choirul Anam because Mr. Aan, the nickname of Mr. Choirul Anam was the first export pioneer at Sentra Kendang Jimbe Santren and until now still trading in the international and local markets of Bali. Since 2002, kendang products made by Mr. Anam have penetrated to 4 continents in 6 countries, namely Switzerland, Australia, America, China, Norway, Czechoslovakia with a turnover of billions per *bachth*. Choirul Anam, the owner of CV Aan Jimbe Instrument is an alumnus of Pondok Pesantren Al Huda Kranggan Blitar. As the owner, Mr. Aan is the strategic decision maker of his company, including in financial records. Since the establishment of the business in August 2001, he has carried out financial records in a disciplined manner, although manually and simply so that the development of turnover and business can be known every period. The business that he started for 20 years must have experienced ups and downs, interestingly every time the company's condition goes down or has difficulties, Mr. Aan often increases the amount of infaq and shodaqoh. He believed that infaq and shodaqoh were the way out of all problems and difficulties.

The third site of this research is Mr. Ilyas's kitchen equipment factory in Kedungwungu Village, Ngunut District, Tulungagung Regency. After returning from his stay at the Salafiyah Hidayatut Thulab Pethuk Islamic Boarding School in Kediri 2002, Mr. Ilyas chose to start a kitchen equipment factory. The factory, which was initially only assisted by 2 workers, has now grown to 90 workers and more than 80 types of kitchen equipment products. Based on Mr. Ilyas' narration, this business developed by ATM (Observe, Imitate, and Modify) from the development of models and types of kitchen equipment on the market. Continuous innovation makes this business continue to grow and more and more kitchen equipment items are produced. Marketed throughout the archipelago, this 20-year-old factory was not even affected by Covid 19 because the sales turnover of kitchen equipment production actually increased during the pandemic. The management of the company is carried out by Mr. Ilyas and his wife. Mr. Ilyas focuses on production and marketing, while his wife focuses on finance. Initial observations showed that although Mr. Ilyas focused on production and marketing, he appointed a trusted employee because Mr. Ilyas was still actively serving as an ustadz in one of the Islamic Boarding Schools in the Ngunut Tulungagung area. Every day he actively teaches, only Wednesdays and Thursdays can he have full time directly handling his business. Meanwhile, financial records are handled by his wife. In terms of financial expenses, Mr. Ilyas and his wife believe that frequent almsgiving, especially to those around him, will bring good and no exception to his business.



Based on initial observations, what is interesting about these three sites is that they carry out financial records, separate company finances from personal money, and manage turnover and income well, but this does not necessarily make owners strict in spending, especially related to family relationships and welfare with employees, neighbors, and the surrounding environment, alms activities, social society, and religious. This is the interest of researchers to explore further related to the financial behavior of these student entrepreneurs.

Financial behavior is a contemporary theme in finance and about 3 decades it has been widely studied and researched. Studies on financial behavior have been interesting findings in recent decades (Grohmann, 2018), (Ritter, 2003), (Ajzen, 2019), (Oprean, 2014)(Wong et al., 2018)(Rai et al., 2019), (Gulnur Muradoglu & Harvey, 2012), (Koropp et al., 2014)), and (Strömbäck et al., 2017). One of the popular theories of financial behavior initiated by (Ajzen, 2019), namely the *Theory of Planned Behavior / TPB*, which states that financial behavior is formed by *attitude toward behavior* (personal attitude), *subjective norm* (subjective norm), and *perceived behavioral control* (behavioral control). The educational background and life of pesantren are very likely to shape the behavior of student entrepreneurs in the financial behavior of their business management. The values of pesantren as expressed by (Baso, 2012: 179) that there is one aspect related to the problem of pesantren knowledge as a social formation, namely about the relationship of science and charity which is stated as *al sains bilaa 'amalin, kasy syajari bila tsamarin* (knowledge that is not practiced, like a tree that does not bear fruit). Pesantren people not only pursue knowledge for knowledge, but how the knowledge is processed to benefit others and bring benefits to humans and the hereafter. It is therefore interesting to explore and prove how values from his experience and education shape financial behavior.

Several other studies on *financial behavior* have been conducted, including in terms of gender (Powell & Ansic, 1997), (Hui-Nee Au Yong & Kock-Lim Tan, 2017), (Rai et al., 2019), education level (Grohmann, 2018), (Tuffour et al., 2020), company performance both financial and non-financial family and non-family ownership, values adhered to, consisting of parental expectations, parental values, self-actualization values, hedonic values, personal values also influence financial behavior that will affect financial well-being (Burcher et al., 2021). The results showed that personal value is a strong motivation of financial behavior. Healthy financial behavior, in the long run will realize financial well-being. Meanwhile, (Rai et al., 2019) recommends the next researcher to conduct qualitative research in the field of financial literacy and behavior because questionnaire research has been carried out there is a possibility of obtaining biased results. Meanwhile, (Burcher et al., 2021) suggested conducting further research by looking for informants to explore the values embraced and expectations. Financial behavior also enriches economic understanding by incorporating aspects of human nature into financial models (Ricciardi & Simon, 2008). Therefore, researchers intend to examine behavior, especially related to financial behavior, in student entrepreneurs in financial decisions. The company's financial behavior is reflected in the financial decisions made by company owners.

Studies conducted (Sedliačiková, Stoková, et al., 2020) and (Ricciardi & Simon, 2008) state that there is an extensive comparison between practical financial behavior with standard finance ("school" thinking or academic finance theory). Financial behavior is the interaction between sociological and psychological behavior that influences risk consideration and decision-making of individuals, groups, and entities of a person. Psychology is the study of behavior and mental and how behavior and mental are influenced by the physical, mental/psychological, and external environment of an individual. While sociology is a systematic study that focuses on human attitudes and behavior in groups or social relations. These two factors are said to affect the determination of value and financial decision making of a person in the function of allocating capital, including acquiring, investing, and managing resources. what, why, and how finance and investing from a human perspective. Financial behavior, in the most basic sense, can be viewed from the financial condition of individuals in expenditure, managing *their loans, savings, and investments* (Mutlu & Ozer, 2019).

Financial behavior in several study results is closely related to *subjective wellbeing* (Chavali et al., 2021), (Burcher et al., 2021), (Strömbäck et al., 2020), (Handayani et al., 2016), (Rafik & Rahayu, 2020), (Robertson, 2014), (Gerrans et al., 2014), so it is also interesting to explore how student entrepreneurs view success, satisfaction, happiness or welfare that has been achieved from a personal perspective based on subjective values based on experience and educational background so that student entrepreneurs behave certain financial behaviors. Several studies related to the relationship between financial behavior and *subjective wellbeing* state that a person's psychological characteristics will influence positive individual financial decisions that are appropriate is an effective way to improve individual well-being. (Mutlu & Ozer, 2019) and (Strömbäck et al., 2017). This personal perspective on well-being in some studies is stated as *subjective wellbeing* (Amorós et al., 2021), (Cummins & Stokes, 1991), (Kahneman & Krueger, 2006), (Robertson, 2014), (Low, 2020), (Gerrans et al., 2014)), and (Zemtsov & Osipova, 2016), (Angner, 2010). Observing financial behavior that looks distinctive and interesting to be studied and explored in depth to reveal what the perspective of student entrepreneurs in interpreting happiness subjectively (subjective wellbeing) *makes researchers interested in conducting research related to financial behavior and the meaning of subjective wellbeing in student entrepreneurs in running their business.*

## METHODS

This research uses qualitative methods, namely research methods that study the meaning of people's lives in the real world with their respective roles, prioritize human views and perspectives, embrace social conditions explicitly, explain social behavior and thinking, and recognize the value of collecting, integrating, and presenting data from various sources of evidence as part of the study conducted (Yin, 2016: 42). The strength of qualitative research is its breadth in scope in various disciplines, topics, professions, and has a wide variety of approaches. Qualitative research is field-based, taking place in the real world, data is collected from people with their daily roles and researchers will find many surprises. To conduct research, researchers must be prepared with personal attributes as qualitative researchers, namely high ethics, including the ability to listen, ask good questions, understand the research

topic, care about the data collected, do many things in parallel (simultaneously) related to research, and diligently (Yin, 2016: 63). The final activity is to make reports into a flexible structure (Creswell, 2018: 259).

Yin (2016: 8) said, there are at least 12 approaches in qualitative research, namely, action research, art-based research, *authoethnography*, *case study*, *critical theory*, *discourse analysis*, *ethnography*, *ethnomethodology*, *grounded theory*, *narrative inquiry and life history*, *oral history*, and phenomenology. This qualitative research uses a *multisite case study approach*. *Case study* is an empirical investigation that investigates contemporary phenomena in depth and in real-life contexts, especially when the boundary between phenomenon and context is not clearly proven (Yin, 2016: 47). Case studies focus on gathering information about a particular object, event, or activity, such as a unit or organization, event, or situation that interests the researcher. The basic idea of case study research is to obtain a clear picture of a person's problem. Case study researchers should review real-life situations from multiple angles and perspectives and use a variety of data collection methods (Sekaran & Bougie, 2016: 98). Based on the method used to collect data, (Nathan, 2014: 459), divide case studies into 3 types, namely intrinsic case studies, instrumental case studies, and collective case studies. Intrinsic case studies are cases that are researched to be studied. Instrumental case studies are cases that are studied to give researchers insight into understanding other cases. A collective case study is an extension of an instrumental case study to multiple cases.

The reason researchers use qualitative research with this *multisites case study* approach is first, the 3 sites chosen are sites that are worth exploring with all their uniqueness related to the focus of research, namely financial behavior and *subjective wellbeing* of student entrepreneurs. Second, this research is expected to collect information and examine in depth how the financial behavior of student entrepreneurs and how student entrepreneurs interpret *subjective wellbeing*. Third, research can contribute to theories related to financial behavior and student entrepreneurs' perceptions of *subjective wellbeing*. Research design is a series of defined stages or tasks in planning or conducting research (Maxwell, 2013). It is important for researchers to consider the design at the beginning of the study (Nathan, 2014: 460) even though in the course of the field, changes may be made according to the reality that occurs. Research design is formed as an understanding of the problem that is foreseen to arise and limits the question or focus of research.



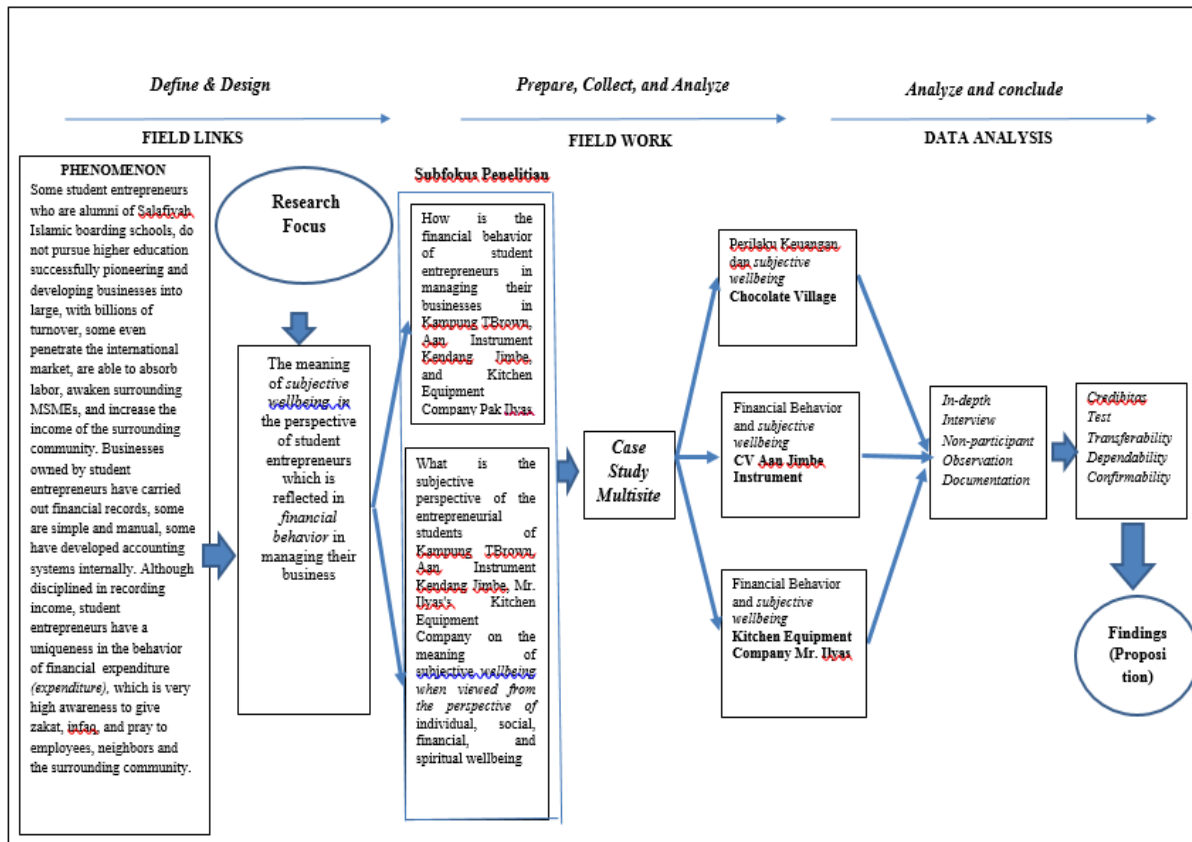


Figure 1: Research Design

## INDINGS AND DISCUSSION

### Findings

#### Financial Behavior

1. **Education and Financial Knowledge:** The financial behavior of Santri entrepreneurs is influenced by various factors, with education and financial knowledge playing crucial roles. Entrepreneurs with higher levels of education and better financial knowledge tend to exhibit more informed and responsible financial behaviors. They demonstrate disciplined financial management, effective budgeting, and the ability to make wise investment decisions.
2. **Risk Attitudes:** The study reveals that risk attitudes significantly influence the financial behavior of Santri entrepreneurs. Entrepreneurs who are more risk-averse tend to engage in conservative financial behaviors, such as prioritizing savings and avoiding high-risk investments. Conversely, risk-tolerant entrepreneurs may engage in more aggressive financial behaviors, such as venturing into new investment opportunities and leveraging their resources.

3. **Financial Planning:** Effective financial planning emerges as a key component of the financial behavior of Santri entrepreneurs. Those who engage in meticulous financial planning exhibit a higher level of financial discipline and are better prepared to deal with financial challenges. They prioritize long-term financial goals, establish emergency funds, and develop strategies to mitigate financial risks.

### **Subjective Wellbeing**

1. **Financial Security:** The study highlights the significant role of financial security in influencing the subjective wellbeing of Santri entrepreneurs. Entrepreneurs who demonstrate good financial behaviors, such as prudent spending and savings habits, experience a greater sense of financial security. This, in turn, contributes to their overall subjective wellbeing as they feel more confident about their financial future.
2. **Sense of Achievement:** The findings indicate a positive relationship between financial behavior and the sense of achievement among Santri entrepreneurs. Entrepreneurs who effectively manage their finances and achieve their financial goals experience a heightened sense of accomplishment. This sense of achievement positively impacts their subjective wellbeing, as they feel a sense of progress and success in their entrepreneurial journey.
3. **Life Satisfaction:** The study reveals that Santri entrepreneurs with good financial behaviors tend to exhibit higher levels of life satisfaction. These entrepreneurs experience a greater sense of control over their financial circumstances, leading to reduced financial stress and enhanced overall life satisfaction. They can allocate resources towards personal and professional goals, leading to a more fulfilling and balanced life.

This study aims to explore the relationship between financial behavior and subjective wellbeing in the perspective of Santri entrepreneurs. To achieve this goal, this study used a qualitative approach with in-depth interviews as a data collection method. The research participants consisted of a number of Santri entrepreneurs who had businesses in various industrial sectors. After analyzing the collected data, the study identified several important findings. First, the financial behavior of Santri entrepreneurs is influenced by a number of factors, including educational background, previous business experience, and financial knowledge. Santri entrepreneurs who have better financial education and knowledge tend to have better financial behaviors, such as disciplined financial management and wise investments.

Second, there is a significant relationship between financial behavior and the subjective wellbeing of Santri entrepreneurs. Santri entrepreneurs who have good financial behavior tend to have higher levels of subjective well-being. They feel more financially secure, have a high sense of accomplishment, and feel more satisfied with their lives overall. The ability to manage financial risk effectively is also associated with higher levels of subjective well-being among Santri entrepreneurs. Entrepreneurs who are able to manage financial risk well and have better financial stability tend to have higher levels of subjective well-being.

Financial education and training can provide significant benefits for Santri entrepreneurs. Support in the form of financial education and training can help employers develop the financial skills and knowledge necessary to improve their financial behavior and ultimately improve their subjective well-being. The importance of good personal financial management for Santri entrepreneurs. Entrepreneurs who are able to manage personal finances well, including budget setting, debt management, and financial planning, tend to have higher levels of subjective well-being.

There is a link between prudent spending and subjective well-being. Santri entrepreneurs who have wise spending habits, namely prioritizing spending on important needs and avoiding excessive or impulsive spending, tend to have higher levels of subjective well-being. As well as careful investment planning has a positive impact on subjective well-being. Entrepreneurs who have a well-thought-out investment plan and focus on long-term goals tend to feel more financially secure and have higher levels of subjective well-being.

The findings provide important insights for Santri employers in understanding the relationship between their financial behavior and subjective well-being. In an effort to improve subjective well-being, it is important for Santri entrepreneurs to develop good financial behaviors, including effective personal financial management, planned investments, wise spending, and good financial risk management.

## **DISCUSSION**

The findings of this study provide valuable insights into the relationship between financial behavior and subjective wellbeing in the perspective of Santi entrepreneurs. The implications of these findings are multifaceted and have relevance for both theory and practice. Importance of Financial Education: The study underscores the importance of financial education for Santi entrepreneurs. By equipping entrepreneurs with adequate financial knowledge and skills, they can make informed financial decisions, reduce financial risks, and optimize their financial resources. Policymakers, educational institutions, and industry associations can play a crucial role in providing targeted financial education programs to enhance the financial literacy of Santi entrepreneurs.

### **1. Enhancing Financial Behavior**

The findings highlight the significance of fostering positive financial behaviors among Santi entrepreneurs. Educating entrepreneurs about the benefits of disciplined financial management, financial planning, and risk assessment can contribute to improved financial behaviors. Promoting financial mentoring, workshops, and peer support networks can provide entrepreneurs with practical guidance and strategies to enhance their financial decision-making processes.

### **2. Wellbeing-Oriented Support Systems**

Recognizing the impact of financial behavior on subjective wellbeing, it is essential to establish support systems that focus on the holistic development of entrepreneurs. Business

incubators, accelerators, and entrepreneurial networks can incorporate financial wellbeing components into their programs. This can include providing access to financial advisors, mental health support, and resources to help entrepreneurs navigate financial challenges effectively.

### **3. Longitudinal and Comparative Studies**

To further advance the understanding of financial behavior and subjective wellbeing among Santri entrepreneurs, future research should consider longitudinal studies that track the evolution of financial behaviors and their impact on subjective wellbeing over time. Additionally, comparative studies across different entrepreneurial contexts and cultural backgrounds can provide valuable insights into the nuances and variations of financial behaviors and their effects on subjective wellbeing.

The study on financial behavior and subjective well-being in the perspective of Santri entrepreneur's sheds light on the relationship between how Santri entrepreneurs manage their finances and their subjective well-being. The discussion section provides an opportunity to interpret the findings and discuss their implications, limitations, and potential avenues for future research. The findings of this study indicate a positive relationship between good financial behavior and subjective well-being among Santri entrepreneurs. Entrepreneurs who exhibit wise spending habits, effective personal financial management skills, and well-planned investments tend to have higher levels of subjective well-being. Additionally, those who can manage financial risks effectively and maintain financial stability also experience higher levels of subjective well-being.

The positive association between financial behavior and subjective well-being suggests that financial management plays a crucial role in the overall well-being of Santri entrepreneurs. By adopting healthy financial behaviors and practices, entrepreneurs can experience higher levels of happiness, life satisfaction, and lower levels of stress. These findings have important implications for Santri entrepreneurs and various stakeholders. Firstly, it is essential for Santri entrepreneurs to prioritize financial education and awareness. By equipping themselves with knowledge and skills in financial management, they can make informed decisions regarding personal and business finances. Governments and relevant institutions can contribute by providing financial literacy programs and workshops tailored to the needs of Santri entrepreneurs. Furthermore, promoting the adoption of healthy financial behaviors among Santri entrepreneurs can have wider societal benefits. As these entrepreneurs experience higher levels of subjective well-being, they may contribute positively to the local economy, create more employment opportunities, and foster community development.

Despite the significant findings, several limitations should be acknowledged. Firstly, the study relied on self-report measures, which may introduce bias and social desirability effects. Future research could incorporate objective measures or utilize mixed method approaches to enhance the validity of the findings. Additionally, the study focused exclusively on Santri entrepreneurs, limiting the generalizability of the results. Including entrepreneurs from diverse backgrounds and sectors could provide a more comprehensive understanding of the relationship between

financial behavior and subjective well-being. Future research avenues could explore the underlying mechanisms that mediate or moderate the relationship between financial behavior and subjective well-being. For example, investigating the role of financial attitudes, beliefs, and financial self-efficacy could provide insights into the psychological processes that influence well-being outcomes. In conclusion, this study highlights the importance of financial behavior in the subjective well-being of Santri entrepreneurs. By cultivating healthy financial habits, entrepreneurs can enhance their overall well-being and contribute to sustainable economic development. The findings underscore the need for financial education initiatives and support systems that empower entrepreneurs to make sound financial decisions and ultimately improve their quality of life.

## CONCLUSIONS AND RECOMMENDATIONS

Based on research on financial behavior and subjective well-being in the perspective of Santri entrepreneurs, it can be concluded that there is a positive relationship between good financial behavior and subjective well-being. Santri entrepreneurs who have wise spending habits, the ability to manage personal finances well, and have a mature investment plan, tend to have a higher level of subjective well-being. In addition, entrepreneurs who are able to manage financial risks well and have better financial stability also tend to have higher levels of subjective well-being.

Financial institutions, policymakers, and relevant stakeholders should collaborate to develop targeted financial education programs tailored specifically for Santri entrepreneurs. These programs should address topics such as budgeting, saving, investment, and risk management to enhance their financial literacy and decision-making capabilities. Incorporate financial management courses or workshops into the existing curriculum of Islamic boarding schools (Pesantren). By integrating financial education into the Santri education system, young entrepreneurs can develop a strong foundation in financial literacy from an early age.

Establish mentorship programs and peer support networks within the Santri entrepreneur community. Encouraging knowledge sharing and providing guidance on effective financial practices can empower Santri entrepreneurs to adopt responsible financial behavior and enhance their subjective wellbeing. Encourage collaboration between financial institutions and Santri entrepreneurs by providing access to financial services tailored to their needs. Offering specialized financial products, such as microfinance loans or Sharia-compliant investment options, can facilitate their entrepreneurial endeavors and promote their financial wellbeing. Conduct further research to explore additional factors that may influence the relationship between financial behavior and subjective wellbeing among Santri entrepreneurs. Investigate the impact of cultural, religious, and social factors on financial decision-making and subjective wellbeing to gain a comprehensive understanding of the topic.

By implementing these recommendations, policymakers, educators, and financial institutions can support the financial empowerment and subjective wellbeing of Santri entrepreneurs, fostering a thriving entrepreneurial ecosystem within the Santri community.



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