The Seybold Report

ISSN 1533-9211

DOI: 10.5281/zenodo.10049633

THE INFLUENCE OF EARLY FINANCIAL EDUCATION IN THE FAMILY, FINANCIAL LITERACY, AND SELF-CONTROL ON PERSONAL FINANCIAL MANAGEMENT

GIRIATI

Fakultas Ekonomi Dan Bisnis, Universitas Tanjungpura. Email:giri_fe@yahoo.com

ABRITA PUTRI

Universitas Tanjungpura. Email: abritaputri@gmail.com

Abstract

This study aims to examine the effect of early financial education in the family, financial literacy, and self-control on personal financial management. This research uses quantitative research methods with a type of causal relationship. The population in this study were students from the Faculty of Economics and Business in West Kalimantan. Population sampling in this study used a purposive sampling technique. The data was obtained by distributing google form questionnaires. The analysis technique used is multiple linear regression analysis by testing research instruments, classical assumption testing and hypothesis testing using SPSS 25 tools. The results of the research show that the variables of early financial education in the family, financial literacy and self-control influence both partial and Simultaneous personal financial management.

Keywords: Family Financial Education since an Early Age; Financial Education; Personal Finance Management; Self-Control.

INTRODUCTION

According to the “Otoritas Jasa Keuangan”, independence in the financial sector means being aware of financial literacy. Data obtained from the Central Statistics Agency, Indonesia's Economic Growth in the Fourth Quarter in 2022 increased by 5.31% and Gross Domestic Product per capita reached IDR 71 million. With the increase in GDP per capita of the Indonesian people, it is hoped that this will be balanced by an increase in financial literacy so that their income is not only used for consumptive matters but is also used for more productive things such as investment. People who are aware of financial literacy will be wiser in making decisions in family and personal financial planning, can choose financial products and services that suit their needs, know the benefits and risks that exist, and know their rights and obligations as consumers.

The results of the 2022 National Survey of Financial Literacy and Inclusion (SNLIK) show that the financial literacy index of the Indonesian people is 49.68% and the financial inclusion index is 85.10%. It can be seen in the picture above that there is a difference of 35.42% between the percentage of financial literacy and financial inclusion. This is the government's concern to balance the percentage of financial literacy and inclusion in the community. It is feared that a high percentage of financial inclusion that is not balanced with financial literacy will have a negative impact, such as people being easily fooled by the lure of fake investments or choosing

ISSN 1533-9211
DOI: 10.5281/zenodo.10049633

financial products that do not suit their needs due to a lack of public understanding about finance. In fact, nowadays there are quite a few individuals who still don't have a bank account and even keep money under their pillow. This could be due to laziness or doubt and people's low trust in using financial institutions. Another factor also occurs due to the low level of knowledge that people have about finance (not knowing the methods, functions and benefits of financial products and services).

Financial literacy is in line with the theme of the 74th Indonesian Independence Day, namely "Superior HR in Advanced Indonesia", which means that the theme describes the government's vision to improve the quality of Indonesia's human resources. The higher level of financial literacy possessed by the Indonesian people can provide benefits to economic growth, namely by increasing the use of financial products and services. To support financial literacy as expected by the government, a good initial foundation is needed from the individual or community. The initial foundation in question is introducing children to finances from an early age. According to Anthony Giddens (2001) a family is a social group where people are related through marriage, blood relations or adoption and usually live together under one roof or household.

Teaching given by the family does not mean that it comes from parents, teaching can also be received from grandparents, aunts, uncles, and other parties who are related by blood or adoption. As stated by Hasbi Wahy (2012) in his journal entitled "Family as the First and Main Basis of Education" it is said that the family is one of the educational institutions for a child where the family is the main environment in shaping a child's personality both in the form of teaching and habits. Which can influence the child's subsequent behavior. All teaching and literacy possessed by an individual will return to the individual himself.

Therefore, something that is no less important than financial education in the family and financial literacy is the factor of self-control. Self-control is the ability possessed by individuals to control themselves and change themselves against the influence exerted by other people by determining the actions or behavior that must be carried out based on the information they have. Individuals who have good self-control will have an impact on how that individual manages their personal finances.

METHODOLOGY

Bentuk penelitian pada penelitian ini menggunakan metode penelitian kuantitatif dengan jenis hubungan kausalitas. Pengumpulan data dilakukan dengan menyebarkan kuesioner berbentuk google form. Metode analisis yang digunakan adalah analisis regresi linier berganda dengan melakukan uji instrumen penelitian, uji asumsi klasik, dan uji hipotesis dengan alat bantu SPSS 25. The research model built in this research consists of three independent variables, one dependent variable, and three hypotheses. So several hypotheses were prepared in this research, including:

ISSN 1533-9211

DOI: 10.5281/zenodo.10049633

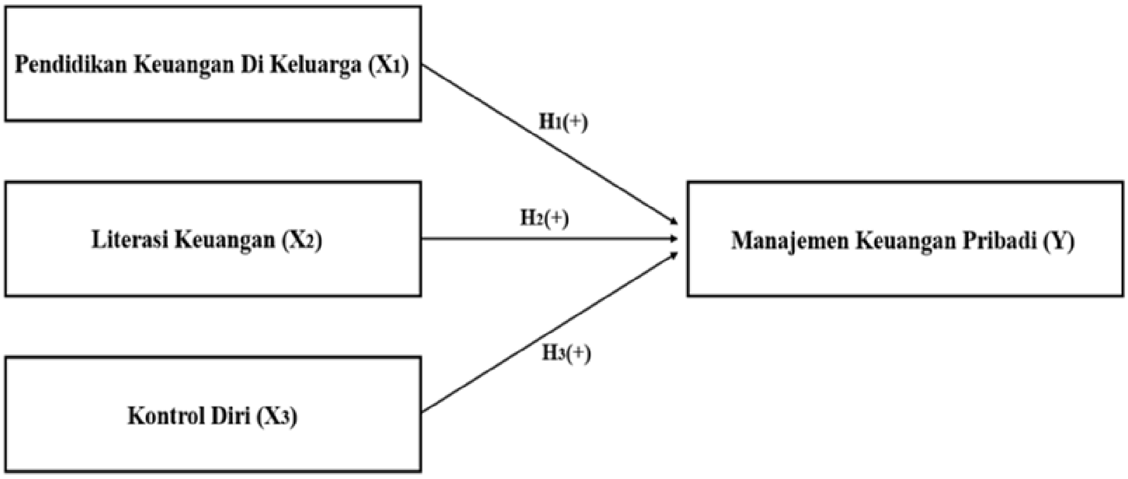

Figure 1: Research Model

a. The Influence of Early Financial Education in the Family on Personal Financial Management.

Early financial education is an important factor that influences an individual's personal financial management. The importance of introducing financial education to a child from an early age aims to ensure that the child knows the meaning of money, money itself is not only used for buying and selling matters but money also has other meanings such as giving charity, helping others and so on, not only that, it is important to explain the meaning of money to children so that they know that getting money requires effort, not just asking their parents, in this way it is hoped that children will appreciate money more and not use it carelessly (Sundari in Sina, 2012). However, in reality, quite a few families still consider teaching about finances to be a taboo thing to give to a child even though finances are one of the important things that a child must understand.

This is supported by several studies, including research conducted by Rosa and Listiadi (2020) which states that financial education in the family has a positive effect on personal financial management. If a child is given financial education from an early age by his parents, the child will become accustomed to being disciplined in managing finances. Personal. This is also supported by research from Wulandari and Hakim (2015) which states that the family is the main place where a child socializes, learns and develops his education. The higher the role of the family, especially parents, in providing financial education, the better the child will be at managing his personal finances (Chotimah and Rohayati, 2015).

H1: Family financial education has a positive effect on personal financial management.

b. The Influence of Financial Literacy on Personal Financial Management.

After having basic financial education from the family, a child will live his life in society. Don't underestimate the importance of financial literacy in everyday life, good financial literacy will be a useful long-term investment, namely being able to manage and maintain financial

The Seybold REPORT

ISSN 1533-9211

DOI: 10.5281/zenodo.10049633

conditions, choosing good decisions and strategies in finance to achieve prosperity, having responsibility for the financial decisions that have been taken. And affect welfare (OJK). The reality is that the government continues to pursue the gap between the percentage of financial literacy and financial inclusion so that people understand financial services and products so that they are not easily tempted by the lure of fraudulent investments.

This is supported by several studies, including research conducted by Rosa and Listiadi (2020) stating that with good financial literacy a person will avoid financial problems and make it easier for students to make financial decisions. It is said that a person will avoid financial problems because good financial literacy makes a person have financial planning and use the money optimally so that they can improve their standard of living (Yushita, 2017).

H2: Financial literacy has a positive effect on personal financial management.

c. The Influence of Self-Control on Personal Financial Management.

Controlling oneself over spending by fighting desires or spending excessively is one way to manage personal finances (Baumeister in Aliffarizani, 2015). This is a strategy to prevent waste.

This is supported by several studies, including research conducted by Rosa and Listiadi (2020) stating that with good self-control a person will allocate the money they have to achieve prosperity in the future. Self-control can also make someone frugal and reduce impulsive purchases (Otto et al, 2007).

H3: Self-control has a positive effect on personal financial management.

RESULT

The data that has been obtained from distributing questionnaires has been processed by the researcher with the help of SPSS 25 software. The following are the results of the data that have been processed by the researcher:

Based on the results of the calculated t test in the table above, including: a. the variable financial education from an early age in the family (X1) has a calculated t value of 4.721 which is greater than the t table, namely 1.97143 and has a significance value of 0.000 which is smaller than 0.05; b. the financial literacy variable (X2) has a calculated t value of 5.069 which is greater than the calculated t which is 1.97143 and has a significance value of 0.000 which is smaller than 0.05; c. The self-control variable (X3) has a calculated t value of 7.821 which is greater than the t table, namely 1.97143 and has a significance value of 0.000 which is smaller than 0.05.

DOI: 10.5281/zenodo.10049633

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.249	.942		1.326	.186		
	TOTAL_X1	.467	.099	.281	4.721	.000	.284	3.523
	TOTAL_X2	.506	.100	.287	5.069	.000	.314	3.180
	TOTAL_X3	.703	.090	.400	7.821	.000	.385	2.598
a. Dependent Variable: TOTAL_Y								

Based on the results of the f count test in the table above, it is found that the variables of financial education from an early age in the family, financial literacy, and self-control have a significance value of 0.000, which is smaller than the probability value of 0.05 (< 0.05) and the coefficient value is 261.554, which is greater. From the f table, namely 2.64822 (> 2.64822).

1. The Influence of Early Financial Education in the Family on Personal Financial Management.

The variable financial education from an early age in the family (X1) has a partial or simultaneous influence on personal financial management. So the first hypothesis (H1) is accepted. Financial education from an early age in the family has an influence on personal financial management because as stated by Hasbi Wahy (2012) in his research entitled "Family as the First and Main Basis for Education" it can be concluded that the family environment plays an important role in shaping the personality of a child who will influence the child's subsequent behavior. Subroto Rapih (2016) even said that financial education should be introduced and taught to children as early as possible, especially when children enter pre-school or elementary school age. The acceptance of the first hypothesis strengthens the statement from Peter Garlans Sina (2014), namely that when a child has a good initial foundation regarding finances, it will strengthen the child's intentions to realize the welfare of his life.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6015.102	3	2005.034	261.554	.000[b]
	Residual	1586.831	207	7.666		
	Total	7601.934	210			
a. Dependent Variable: TOTAL_Y						
b. Predictors: (Constant), TOTAL_X3, TOTAL_X2, TOTAL_X1						

2. The Influence of Financial Literacy on Personal Financial Management.

The financial literacy variable (X2) has a partial or simultaneous influence on personal financial management. So the second hypothesis (H2) is accepted. Financial literacy influences personal financial management because individuals who have knowledge, skills and confidence about financial products and concepts will make decisions and manage their finances in order to achieve prosperity. An individual who has good financial literacy will not easily believe or become a victim of financial fraud such as fake investments. This is supported by research by Yushita (2017) which states that good financial literacy makes a person have financial planning and use the money optimally. Those who have good financial literacy will provide benefits to economic growth by using clear and reliable financial products and services.

3. The Effect of Self-Control on Personal Financial Management.

The self-control variable (X3) has a partial or simultaneous influence on personal financial management. So the third hypothesis (H3) is accepted. Self-control influences personal financial management because to have good personal financial management, an individual must be able to control himself against impulses that hinder or influence the financial decisions taken so that they are not in accordance with the plans that have been made. This is supported by research conducted by Rosa and Listiadi (2020), which states that someone who has good self-control will allocate the money they have to achieve prosperity in the future rather than using the money only for short-term desires and pleasures.

CONCLUSION

This research was conducted with the aim of determining the effect of the independent variables (early financial education in the family, financial literacy, and self-control) on the dependent variable (personal financial management). All independent variables in the research have an effect either partially or simultaneously on the dependent variable. So that all hypotheses in this research are accepted.

References

1) Aliffarizani, Muchamad. (2015). “Pengaruh Kontrol Diri, Pengetahuan Keuangan dan Nilai Materialisme Terhadap Perilaku Pengelolaan Keuangan Guru Sekolah Menengah Umum Di Gresik.” STIE Perbanas Surabaya.

2) Chotimah, Chusnul dan Suci Rohayati. (2015). “Pengaruh Pendidikan Keuangan Di Keluarga, Sosial Ekonomi Orang Tua, Pengetahuan Keuangan, Kecerdasan Spiritual, Dan Teman Sebaya Terhadap Manajemen Keuangan Pribadi Mahasiswa Keuangan Pribadi Mahasiswa S1 Pendidikan Akuntansi Fakultas Ekonomi Universitas Negeri Surabaya.” Jurnal Mahasiswa UNESA Vol 3, No 2.

3) Giddens, Anthony. (2001). “Sociology.” Cambridge: Polity Press.

4) Nidar, Sulaeman Rahman dan Sandi Bestari. (2012). “Personal Financial Literacy Among University Students (Case Study at Padjadjaran University Students, Bandung, Indonesia).” World Journal of Social Sciences Vol 2, No 4.

5) Otoritas Jasa Keuangan. “Hasil Survei Literasi Dan Inklusi Keuangan Nasional Meningkat.” Sikapiuangmu.ojk.go.id. Diakses pada 2 Mei 2023. https://sikapiuangmu.ojk.go.id/FrontEnd/CMS/Article/20549

6) Otto, Phillip E dkk. (2007). “Note On Ways Of Saving : Mental Mechanism As Tools For Self-Control.” Global Business and Economics Review Vol 9, Nos 2/3.

7) Rapih, Subroto. (2016). “Pendidikan Literasi Keuangan Pada Anak : Mengapa Dan Bagaimana?.” Scholaria : Jurnal Pendidikan dan Kebudayaan Vol 6 No 2.

8) Rosa, Ila dan Agung Listiadi. (2020). “Pengaruh Literas Keuangan, Pendidikan Keuangan Di Keluarga, Teman Sebaya, Dan Kontrol Diri Terhadap Manajemen Keuangan Pribadi.” Jurnal Manajemen Vol 12, No 2.

ISSN 1533-9211

DOI: 10.5281/zenodo.10049633

9) Sina, Peter Garlans. (2014). "Peran Orangtua Dalam Mendidik Keuangan Pada Anak." Jurnal Pengembangan Humaniora Vol 14, No 1.

10) Wahy, Hasbi. (2012). "Keluarga Sebagai Basis Pendidikan Pertama Dan Utama." Jurnal Ilmiah DIDAKTIKA Vol XII No 2, 245-258.

11) Wulandari dan Luqman Hakim. (2015). "Pengaruh Love Of Money, Pendidikan Keuangan di Keluarga, Hasil Belajar Manajemen Keuangan Pribadi Mahasiswa." Jurnal Pendidikan Akuntansi. Volume 03 Nomor 03.

12) Yushita, Amanita Novi. (2017). "Pentingnya Literasi Keuangan Bagi Pengelolaan Keuangan Pribadi." Jurnal Nominal Vol VI No 1.