The Influence of Financial Literacy, Self-Control, and Lifestyle on Universitas Tarumanagara Students' Interest in Saving

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ABSTRACT
This study aims to determine the prediction of the influence of financial literacy, self-control, and lifestyle on Universitas Tarumanagara students' interest in saving. The research sample was 50 students. This research method uses SmartPLS and by distributing questionnaires via Google Form. The results of this study are that there is a positive and significant influence of financial literacy, a negative and not significant influence of self-control, and a positive but not significant influence of lifestyle on Universitas Tarumanagara students' interest in saving.

Keywords: Financial Literacy, Self-Control, Lifestyle, Interest in Saving

1. INTRODUCTION

The weakening of the economic in Indonesia resulted in inflation is caused by several factors such as supply, demand and the rupiah exchange rate, especially for imported products. The increasing in inflation that occurred in Indonesia was not balance with the income earned. For the lower middle class, the occurrence of inflation is very detrimental to them because their real income decreases. This unbalance in inflation and income makes people think of a way to set aside some of their income, one of them is by saving. Saving is one way to control one's finances in life. People can set aside some of their wealth to meet their future needs [1]. Meanwhile, saving behavior in psychology is the process of not spending money for the current period to be used in the future. Saving behavior is a combination of perceptions of future needs, saving decisions and savings actions. On the other hand, people tend to define savings as investment, placing money in bank accounts, speculating and playing from mortgages [2]. Many people think that the habit of saving only applies to individuals that have residual income or that savings have to be in large amounts.

Saving is an important behavior that can encourage long-term economic growth, especially on individual and household level. Indeed, an adequate level of savings will provide more financial freedom and opportunities for investment and future financial planning. Thus, by studying saving behavior in students, it is hoped that students will understand better and be more interested in implementing saving in their daily activities.

Savings must be done early on, so that during a pandemic like today, if there is a massive layoff or if a company collapses, students can make existing investments. Saving is important to do for future investments. Saving is one of some methods for expanding the nation's Gross Domestic Product through Third Party Funds.

Indonesia's public saving proportion is still lower than numerous nations in Southeast Asia. In 2019, Indonesian individuals contributed about 30.78% through an investment funds to-GDP proportion. This is as yet thought to be very low contrasted with neighbor country, the Philippines. Saving occurs when a person is able to spend less than their income which then leads to investment.

Development is sped up by saving and this development is otherwise called conventional turn of events [3]. Not just that, strong investment funds are the best remedy for monetary misfortunes and can expand the capacity to defeat monetary hardships and speed up monetary recuperation [4]. Financial literacy can possibly influence financial development by adding to set aside cash by saving.

The role of saving for a country's economic growth is very important, the rate of economic growth is related to the decision to save, because the higher the saving rate, the higher the level of investment [5]. West Java is one of the provinces in Indonesia. According to data from the Financial Services Authority, Otoritas Jasa Keuangan, the financial inclusion and literacy index in West Java in 2016 was recorded at 71.4% and 33%, respectively. This figure jumped to 88.48% and 37.43% in 2019 reaching the target that had been set [6].

Saving behavior is a very useful thing to be done from an early age so that it can guide children to be able to control themselves from consumptive behavior, and get used to being able to manage their finances wisely. Savings activities can also train children to manage finances slowly but sure so that children can grow into an individual that is experienced in managing financial management in the future [7]. There are several factors that can influence saving behavior, which are external and internal factors. External factors include culture, demographics, social status, sub-culture, family, reference groups, and marketing. Meanwhile, internal factors include perception, knowledge, motivation, self-control, and behaviour.

Many students admit that saving is a difficult economic activity, even though they are aware of the benefits of saving. One example is that among students, we often find many students doing group assignments in a cafe or mall, even though there is a library provided by university that they can use to do their assignments at.

Most of the students often can't resist consumptive thoughts, one of it is online shopping. In online shopping, they often buy things they don't need, and students may not realize that they usually buy the things they want without thinking about their needs. The attitude needs to be changed because excessive consumptive behaviour will have a negative impact which will result financial difficulties in the future.

We need to increase our interest in saving for our survival in the future. If we want to manage our finances well and increase our interest in saving, then we must start living frugally so that we know when or what to spend, in order of the most important needs first.

Students who are not able to manage their finances well will increase economic problems. This is also due to the lack of self-control in these students, students are not able to control themselves in terms of consumption and shopping and tend to be extravagant. From this fact, it makes students become illogical in making purchases, causing consumptive behaviour.

From this description, it can be seen that good financial literacy makes students able to think rationally in terms of consumption. Accompanied by good self-control, if these two things are in line then students' saving behaviour will also get better. Research conducted by Lestari states that there is a positive effect of self-control on financial literacy [8]. Someone who has good self-control and learn about finance will have a good level of financial literacy. With great self-control, it is expected that someone has a great level of financial literacy as well. According to Azizah & Indrawati, stated that the higher the self-control possessed by students, the lower the hedonic lifestyle and the lower the self-control possessed by students, the higher the hedonic lifestyle [9].

The relation between lifestyle and financial literacy of Indonesian students have a positive impact to saving behaviour. This indicates that if one unit of lifestyle has an improvement, it will likewise build saving behaviour by a few points. The degree of financial literacy which comprises of planning and management of financial, attitudes and behaviour of financial, and the knowledge of financial has a huge positive relationship with saving behaviour.

Based on the introduction above, the purpose of this study is to determine whether Financial Literacy, Self-Control, and Lifestyle can affect the Savings Interest of Universitas Tarumanagara students.

2. LITERATURE REVIEW

The concept of the research that will be carried out is about the interest in saving, the theory that can support this research is the theory of saving interest by Badudu and Zain. Saving is an activity that people can do by putting the money in piggy banks, postal and bank deposits with the aim of meeting future needs [10]. Saving can be done by anyone, from a child to adult.

There are internal factors and external factors that affect the interest in saving. Internal factors include trust factors and demand factors. An individual's faith in an item plays its own part in profoundly shaping that individual's behaviour, to be specific by picking a decent and dependable item. Needs are an individual's tendency, so they are utilized as motivation to act, which is utilizing existing facilities.

External factors also include product factors, service facilities and promotions. Promotion is an activity that is selected to impact buyers so they can get to know the items that are offered so customers are relied upon to be content to utilize them [11].

Interest is a motivation that encourages people to do what they want when they are free to choose [12]. Every interest will satisfy a need. In carrying out its function, the will is closely related to thoughts and feelings. Thoughts have a tendency to move in the realm of rational analysis, while feelings are subtle/sharp and lead to needs. Saving interest is a strong desire for something that cannot be bought at the moment and that consists of a feeling of happiness and involuntary attention that is born with full of will and other tendencies that cause individuals to make choices.

Financial literacy is a way to help providing an understanding of managing finances and opportunities to achieve a more prosperous life in the future. In other words, financial literacy can be used as a tool that a person or individual needs to improve if they want to have passive income that exceeds active income.

Self-control is a set of processes that occur when in a situation without restrictions from the external environment, the child performs a type of behaviour that was previously slightly impossible to appear compared to other alternative behaviours. Self-control is the regulation of one's physical, psychological, and behavioural processes which is the ability to guide one's own behaviour. Self-control is also the ability to suppress or block impulses or impulsive behaviour that focuses on the success of personal change, the success of warding off self-destructiveness, feeling capable of oneself, feeling independent (autonomy) or free from the influence of others, freedom setting goals, the ability to separate rational feelings and thoughts, and a set of behaviors that focus on personal responsibility.

Lifestyle describes how a person behaves, namely how they live using their money and how they allocate their own time. Consumers' lifestyles can change, but this change is not caused by changing needs. This change occurs because the values adopted by consumers can change due to environmental influences. Consumers tend to look for and evaluate existing alternatives with product attributes that promise to fulfil their lifestyle needs.

Saving interest is an action from a customer to want to buy or not a product after previously considering about whether or not it is appropriate to buy the product and are the actions of individuals who are directly involved in the effort to obtain, use products and services, including the decision-making process that recognizes and follows the actions.
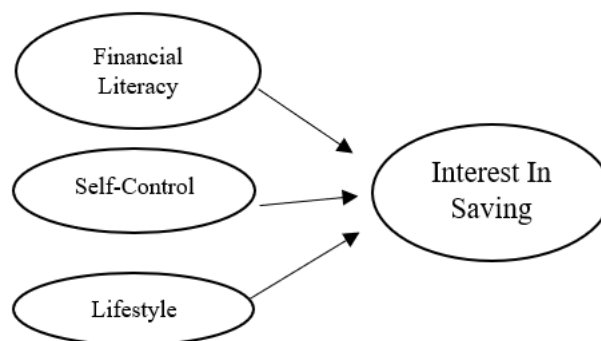
The research model in this study is as follow:

Figure 1 Research Model

The hypothesis that will be formulated based on Figure 1 is as follows:
H1: Financial literacy has a positive influence on Universitas Tarumanagara students' interest in saving.
H2: Self-control has a positive influence on Universitas Tarumanagara students' interest in saving.
H3: Lifestyle has a positive influence on Universitas Tarumanagara students' interest in saving.

3. RESEARCH METHODS

The type of research design that will be used is descriptive research. Descriptive research is research in which no variables are manipulated or also referred to as treatment [13]. In descriptive research, there are two types of data collection designs, namely cross-sectional design and longitudinal design [14]. In this study, the researcher used a cross-sectional design. A cross-sectional design is a type of research design that involves collecting information from a sample of certain population elements only once [15]. So, the limitation of the cross-sectional descriptive research design is that the results of the study are not necessarily applicable in the future because the cross-sectional study was carried out in a relatively short period of time.

The entire element that is the subject of a study is called the population, while part of the population is called the sample [16]. Based on this statement, the population is all the elements that are the subject of the study. In this study, the population is Universitas Tarumanagara students. In this study, the sample selection method is convenience sampling. Convenience sampling is a collection of information from members of the population that is easily obtained and able to provide that information [17]. Convenience Sampling is used because it is faster, more convenient and cost-effective. The criteria of the sample in this study were active students at Universitas Tarumanagara. Sampling was taken using a Google Form

Referring to the guidelines for an appropriate sample, which is no less than 50 and no more than 500 [18]. The samples that are taken for this study were 50 respondents.

In this study there are independent and dependent variables. The independent variable is a variable that affects the dependent variable in a research model. This study has three independent variables, namely financial literacy, self-control and lifestyle. While the dependent variable is interest in saving.

In obtaining data, this study used a questionnaire as a way of obtaining data from the respondents. For every measurement of every factor in this study is based on a reference which is then translated into Indonesian. The scale used in this study is interval scale. Indicator of financial literacy is based on references from Khatun [19]. Indicator of self-control is based on references from Marwati [20]. Indicator of lifestyle is based on reference from Michman et al. [21]. Indicator of interest in saving is based on references from Suryanti, R., Setyawan, W., & Nopiana [22].

This study used Structural Equation Modeling (SEM) as a data analysis method to answer research questions. SEM consists of two, the outer model and the inner model. The outer model is a test used to see the results of the validity and reliability tests. The inner model test consists of R-Square (R^2) analysis, predictive relevance (Q^2) test, effect size analysis (f^2), Goodness of Fit (GoF) test, path coefficient analysis, and hypothesis testing.

4. RESEARCH RESULTS AND DISCUSSION

This study involved 50 respondents from Universitas Tarumanagara students. From a total of 50 respondents, 26 respondents were female, and 24 respondents were female. The majority of respondents live in West Jakarta and were between 21 to 23 years old. The majority of respondents were students from the class of 2018. This study used a Likert scale in showing statements that are felt by respondents, starting from one which means strongly disagree to five means strongly agree. Based on the results of the responses from the respondents, the results of the outer model testing were obtained, namely validity testing consisting of loading factors and average variance extracted (AVE) from each indicator. The AVE results from each of the variables used in this study can be used because the value of each variable is above 0.5.

Furthermore, in the validity test there is a discriminant validity test. Therefore, measurements that can show the value of discriminant validity are cross loading and Fornell-Larcker. The results of the cross loadings test in this study have met the requirements of an indicator that is valid with the results of the value of the cross loadings variable with the resulting indicator greater than the value of the variable compared to other variable indicators. The results of the Fornell Larcker value proved that the correlation between constructs has a smaller value so that the resulting construct is larger, that means the Fornell Larcker test results can be said to be valid.

The next test is related to the outer model, namely the reliability test which is seen based on the results of composite reliability. The result of composite reliability is more than 0.6. So that the variables in this study can be said to be reliable. Based on the results of the responses from respondents, the results obtained from the first inner model test are the R^2 test. The results of the R^2 test show that 0.548 or 54.8% of the variables of interest in saving can be explained by strong financial literacy, self-control, and lifestyle. The remaining 45.2% can be explained by other variables.

The results on the effect size test (f^2) state that the variables of financial literacy, self-control, and lifestyle have strong, weak, and weak effects on the variable of interest in saving. The result of predictive relevance (Q2) is 0.266. These results indicate that the variables in this study can predict the research model well because the results of the Q2 value > 0. The next is testing the model fit value (GoF), in this study the results of the test is 0.5704 which can state that the fit in this research model can be stated as large. In answering the hypothesis, the test carried out is the path coefficient by looking at the results of the T-statistics and p-values. The results of this study show that financial literacy, self-control, and lifestyle variables can directly affect the interest in saving. The following table presents the results of the path coefficient test using the bootstrapping technique to answer each hypothesis in the study.

Table 1 Path Coefficients Test Result

Variable	Path Coefficient	t-statistics	p-values
Financial Literacy → Interest in Saving	0.844	3.663	0.000
Self-Control → Interest in Saving	-0.372	1.514	0.131
Lifestyle → Interest in Saving	0.216	0.876	0.382

The results of the hypothesis have shown the value of T-statistics and p-values. In this section, a discussion related to the hypothesis in this study will be carried out. With the total number of respondents in this study was 50 respondents.

The results of the H1 test indicate that the financial literacy variable has a positive and significant influence on the variable of interest in saving, which means that the test is accepted and financial literacy can affect the interest in saving of Universitas Tarumanagara students. The results of the tests that have been carried out support the research conducted by Lestari, Dwi & Trenggana, Arlin [23]. The results of this study are high 40% moderate 49% low 11% Islamic financial literacy index High Medium Low indicates a positive and significant influence between financial literacy variables on the variable of interest in saving. With good financial literacy, of course, students can be wiser in determining what should be done in their finances. Students with good financial literacy are aware of the importance of financial knowledge to manage their finances which will have an impact both now and in the future. This awareness eventually led to good saving activities.

In the H2 test, the results show that the self-control variable can be a negative and insignificant influence on the variable of interest in saving, which means the test is not accepted so that self-control cannot affect the saving interest of Universitas Tarumanagara students. Self-control in this study is the ability of students to control themselves consciously in making decisions related to their finances. Students with high self-control will manage their money better than other people, save more and spend less so they are more likely to save than to spend on things that are not really needed. However, in this study, the self-control variable became a negative and insignificant influence, thus indicating that although students' self-control in making financial decisions is getting better, it will not affect or increase students' interest in saving.

And the last, the tests carried out on H3 showed that lifestyle variables can affect the interest in saving positively but not significantly, which means that the test is accepted and lifestyle can affect the interest in saving of Universitas Tarumanagara students but not significantly. The lifestyle in question is how students spend their money, so the test shows that if their lifestyle is getting better, the higher the student's desire to save. Lifestyle gives a positive influence to interest in saving because lifestyle relates to how students can use their money and how these students manage their finances, including how to save with various way of lifestyle levels between people.

5. CONCLUSION

Based on the results discussed previously, the results of this study can be concluded that: (1) Financial literacy has a positive influence on Universitas Tarumanagara students' interest in saving, (2) Self-control does not have a positive influence on Universitas Tarumanagara students' interest in saving, and (3) Lifestyle has a positive influence on Universitas Tarumanagara students' interest in saving.

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