

THE EFFECT OF SELF CONTROL AND FINANCIAL LITERACY FOR STUDENT'S SAVING BEHAVIOR

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ABSTRACT

Problems that occur in adolescents at this time in addition to the low awareness of saving also the high level of consumptive which tends to a wasteful lifestyle. This illustrates that teenager's self control is still lacking. Whereas in the current era of globalization, knowledge, skills, and understanding of finance are needed. Students must have sufficient financial literacy to manage their finances. Through these problems this study aims to determine the effect of self-control and financial literacy on saving behavior. This type of research is quantitative descriptive research. The research instrument used a questionnaire distributed to 250 students of SMAN 1 Sukodadi Lamongan. The instrument testing data technique used in this study included validity test and reliability test with Cronbach Alpha. Whereas to prove the research hypothesis with T and F Test. Analysis of the data used is multiple linear regression analysis. Based on the results of the study it can be concluded that self-control and financial literacy partially and simultaneously influence the saving behavior of SMAN 1 Sukodadi Lamongan students.

Keywords: Self Control, Financial Literacy, Saving Behavior

INTRODUCTION

Saving awareness among society is still low, the behavior of the people in saving so far is only done when there is excess income after consumption is fulfilled. One of the macroeconomic indicators that get the attention of a developing country is economic growth. In the macro theory the increase in the value of savings is one of the ways the government encourages economic growth and in the long term will be able to improve people's living standards. If we examine the role of saving in a country's economic growth is very important, Keynes (1935) states that the speed of a country's economic growth depends on the ability to save, the higher the level of savings will encourage the level of investment and will stimulate economic growth.

Today the phenomenon that often occurs is the crisis of existence in society,

especially among adolescents, they do in various ways to try to be part of their environment. The need to be accepted and be the same as others who are the same age causes adolescents to try to follow various trending attributes (Hartati, 2011). Adolescents are in the age of 13-21 years, at this age is a period of transition and self-discovery, teenagers experience the formation process in its behavior, where teenagers seek and strive to achieve the ideal self-pattern, this causes teenagers to be easily influenced by various things around them, both positive and negative (Maentingsih in Chita et al, 2015). Once the importance of the role of saving, the habit of saving needs to be invested in children from childhood to adulthood, especially in the adolescent phase where in adolescence students begin to be given the confidence to manage their finances independently.

At present, Bank Indonesia as the central bank of the Indonesian state seeks to foster a culture of saving the Indonesian people. One of Bank Indonesia's efforts in fostering a culture of saving people in Indonesia is by issuing savings products for individual Indonesian citizens with easy and mild requirements that are jointly issued by banks in Indonesia. In addition to Bank Indonesia, in fostering a culture of saving Indonesian people The Financial Services Authority (OJK) together with the banking industry developed a savings product which was named Student Savings which is the savings of students issued nationally by banks in Indonesia. The aim of this program is so that students as the next generation of the nation can make saving activities not only as an obligation but as a need or lifestyle.

The high level of consumptive tend to be extravagant lifestyle, among adolescents is one of the many phenomena that occur, especially teenagers who go to school and live in urban areas. This problem also affects most teenagers in the city of Lamongan, especially teenagers who sit in high school. This is supported by the condition of the City of Lamongan, although it is a small city but is very facilitated with shopping centers, so that it is easily found cafes, distros, and factory outlets. Many teenagers are willing to spend pocket money to spend all their needs by not thinking first about the benefits of these items because most of them do not have good economic rationality, they often buy goods only because of their desire not because of necessity, it illustrates teen self-control still lacking, the problem was also experienced by students of SMAN 1 Sukodadi Lamongan

Chaplin (2001) argues that self-control is the ability to guide one's own behavior in terms of a person's ability to suppress or hinder impulses or impulsive

behavior. Self-control is basically a conflict that exists between individual desires and the achievement of those desires (Awais, 2014). Self control is often used in preventing unwanted behavior. In order for students not to be trapped in a consumptive culture, they must be very clever in responding to the growing consumptive culture. This means they are required to be able to put the brakes on their passions and behavior in order to overcome the problem. Students are expected to be able to understand the priorities of their needs, so that consumptive behavior that has mushroomed among Indonesians now can be minimized.

The level of financial literacy of the Indonesian people is still low. Based on the national survey of the Financial Services Authority (OJK) in 2016 in 34 provinces with 9680 respondents, in general the Indonesian financial literacy rate was 29.66%. Even though in the era of globalization like now, knowledge, skills, and understanding of finance are needed. Financial literacy or financial literacy is how people manage their money in terms of insurance, investment, savings and budgeting (Hilgert, Hogarth, & Beverly, 2003). Students must have sufficient financial literacy to manage their finances. They will know how they must handle their financial affairs and how to be financially responsible (Beal & Delpachtra, 2003). There are various factors that influence students in saving. Thung, et al. (2012) stated that the factors that can influence saving behavior in students are financial literacy, socialization from parents, influence from colleagues, and self-control.

Based on the phenomena described above, this study focuses on knowing the influence of self control (X1) and financial literacy (X2) for saving behavior (Y) of students of SMAN 1 Sukodadi Lamongan.

RESEARCH METHOD

The research approach used in this study is a quantitative approach with a descriptive method. The quantitative approach is research that uses research data in the form of numbers which are then analyzed using appropriate research statistical methods (Hadijah, 2013).

In this study the independent variables are self control (X1) and financial literacy (X2). Whereas the dependent variable (Y) is saving behavior. Research conducted at SMAN 1 Sukodadi Lamongan involving 250 students as research samples. Data collection techniques used in this study used a questionnaire to obtain primary data regarding the relationship between self control (X1) and financial literacy (X2) with saving behavior variables (Y) The research instruments used in this study include validity testing and reliability testing.

The data analysis technique used in this study is multiple linear regression analysis with the help of SPSS 22. Then testing is done using Ordinary Least Square (OLS) whose stages include: (1) Classic

assumption test, in this study the analysis prerequisite test used is test normality, linearity test, multicollinearity test, and heteroscedasticity test (2) Hypothesis test, namely t test and F test. The t test is used to determine whether or not the influence of self control (X1) and financial literacy (X2) is partially towards saving behavior (Y) SMAN 1 Sukodadi Lamongan students. The F test is used to determine whether or not there is an effect of self control (X1) and financial literacy (X2) on saving behavior (Y) of SMAN 1 Sukodadi Lamongan students.

RESULT AND DISCUSSION

Before taking data, the data instrument is tested first. In this study the instruments used were questionnaires using a Likert scale. After that a validity test is carried out, namely to measure the validity or validity of a questionnaire. Questionnaires that are able to express something that will be measured are called valid questionnaires (Ghozali, 2013).

Table 1. Validity Test Results

Indicator	r count	r table	Information
Self Control (X1)			
X1.1	0.625	0.361	Valid
X1.2	0.527	0.361	Valid
X1.3	0.561	0.361	Valid
Indicator			
X1.5	0.573	0.361	Valid
X1.6	0.790	0.361	Valid
X1.7	0.678	0.361	Valid
X1.8	0.426	0.361	Valid
Financial Literacy (X2)			
X2.1	0.651	0.361	Valid
X2.2	0.530	0.361	Valid
X2.3	0.642	0.361	Valid
X2.4	0.688	0.361	Valid
X2.5	0.064	0.361	Invalid
X2.6	0.651	0.361	Valid
X2.7	0.617	0.361	Valid
X2.8	0.694	0.361	Valid

X2.9	0.575	0.361	Valid
X2.10	0.577	0.361	Valid
Saving behavior (Y)			
Y1	0.654	0.361	Valid
Y2	0.515	0.361	Valid
Y3	0.646	0.361	Valid
Y4	0.689	0.361	Valid
Y5	0.067	0.361	Invalid
Y6	0.654	0.361	Valid
Y7	0.622	0.361	Valid
Y8	0.683	0.361	Valid
Y9	0.587	0.361	Valid
Y10	0.525	0.361	Valid

Source: Data Processed by Researcher (2019)

The results of the validity test above show that significant $r_{count} > r_{table}$. Of the 8 items the self-control variable statement (X1) is declared valid. Then from 9 out of 10 items the statement of financial literacy variable (X2) is declared valid. Furthermore, 9 out of 10 items of statement of saving behavior variable (Y) are declared valid.

After doing the next validity test is to do the reliability test using Cronbach Alpha coefficient, using SPSS for Windows software, obtained Cronbach Alpha value for the reliability of the questionnaire from the variables of self control (X1), financial literacy (X2) and saving behavior (Y). as the table below.

Table 2. Reliability Test Results

Research variable	Alpha Cronbach's	Information
Self control (X1)	0.741	Reliabel
Financial Literacy (X2)	0.780	Reliabel
Saving Behavior (Y)	0.777	Reliabel

Source: Data Processed by Researcher (2019)

The reliability test results in the table above show that the variables of self control (X1), financial literacy (X2) and saving behavior (Y) produce alpha cronbach's values of more than 0.60. Based on this, it can be concluded that the variables of self control (X1), financial literacy (X2) and saving behavior (Y) in this study are reliable.

After testing the validity and reliability test, the next is to do a classic assumption test. In this study the analysis prerequisite test used was the normality test, linearity test, multicollinearity test, and heteroscedasticity test. First, the results of

the normality test show the value of Asymp. Sig ≥ 0.05 , it can be concluded that the data tested is normally distributed. Second, the results of the linearity test show a significance value of more than 0.05, so that the independent and bound variables have a linear relationship. Third, the results of the multicollinearity test show that there is no independent variable that has a Tolerance value of less than 0.10 and a VIF value of more than 10. So it can be concluded that there is no multicollinearity between independent variables in the regression model. Fourth, the results of the heteroscedasticity test show a sig value of

more than 0.05. Because the sig value is greater than 0.05, it can be concluded that

there is no heteroscedasticity.

Then a multiple linear regression analysis test can be seen in the table below.

Table 3. Test of Multiple Linear Regression Analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.363	3.903		2.143	.034
	Self control	.385	.085	.321	4.547	.000
	Financial literacy	.431	.074	.411	5.834	.000

a. Dependent Variable: Perilaku Menabung *savings behaviour*

Source: Output SPSS

Based on the results of multiple regression tests in table 3, multiple linear regression equation models can be made as follows.

$$Y = 8,363 + 0,385 X_1 + 0,431 X_2 + e$$

Based on the linear regression equation model above, it can be explained as follows.

- The constant value is 8.363, meaning that if the value of the variable self-control (X1) and financial literacy (X2) is equal to 0 or given, then the value of the saving behavior (Y) is 8,363.
- The regression coefficient for the Self Control variable (X1) is 0.385. That is, the regression coefficient value (b1) is 0.385. A positive (b1) value indicates a direct influence between the Savings Behavior variable (Y) and the Self Control variable (X1), which means that if the value of the Self Control variable (X1) increases by 1 unit, then the value of the Savings Behavior (Y) variable

will increase by 0.385 units assuming that the other independent variables are constant.

- The Regression Coefficient value for the Financial Literacy Variable (X2) is 0.431. That is, the regression coefficient value (b2) is 0.431. Positive value (b2) indicates a direct influence between the Savings Behavior variable (Y) and the Financial Literacy variable (X2) which means that if the value of the Financial Literacy variable (X2) increases by 1 unit, the value of the Savings Behavior (Y) variable will increase by 0.431 units assuming that the other independent variables are constant.

The magnitude of the effect of self control (X1), and financial literacy (X2) simultaneously on saving behavior (Y) can be seen from the coefficient of determination in table 4.

Table 4. Coefficient of Determination Test
Model Summary^p

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519 ^a	.269	.259	3.68159

a. Predictors: (Constant), Financial Literacy, Self Control

b. Dependent Variable: Savings Behavior

Source: Output SPSS

The results of the SPSS calculation obtained $R^2 = 0.259$ which means that 25.9% saving behavior can be explained by the Self Control variable (X1 and Financial Literacy (X2). The remaining 74.1% is

influenced by other variables outside the model studied.

Next is a hypothesis test which includes t test and F test. The results of t test calculations can be seen in table 5.

Table 5. t test Result

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.363	3.903		2.143	.034
	Self Control	.385	.085	.321	4.547	.000
	Financial Literacy	.431	.074	.411	5.834	.000

a. Dependent Variable: Saving behavior

Source: Output SPSS

Hypothesis testing is carried out with a sample of 250 SMAN 1 Sukodadi students. So that it can be obtained $df = n - k = 250 - 3 = 247$, df 250 is equal to 1,970. Based on table 3, it can be seen that the significance values of each independent variable are as follows: a). Self control X1 variable has t count = $4.547 > 1.970$ and significance (sig) = 0.000 <significance level $\alpha = 0.05$, it can be concluded that there

is a positive influence and significance of self control on saving behavior of SMAN 1 Sukodadi Lamongan students. b). The variable X2 financial literacy has t count = $5,834 > 1,970$ and significance (sig) = 0,000 <significance level $\alpha = 0.05$, it can be concluded that there is a positive influence and significance of financial literacy on saving behavior of SMAN 1 Sukodadi Lamongan students.

Table 6. F Test Results

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	733.024	2	366.512	27.041	.000 ^a
	Residual	1992.450	147	13.554		
	Total	2725.473	149			

a. Predictors: (Constant), Financial literacy, Self control

b. Dependent Variable: Saving behavior

Source: Output SPSS

Based on table 6 it can be seen that:

$$F_{\text{table}} = F_{\alpha} (\text{df regresi, df residual})$$

$$= F_{\alpha} (k, n - k - 1)$$

$$F_{\text{table}} = F_{0.05} (2, 147) = 3.06$$

From the output results above obtained F count of 27.041 or greater than F table of 3.06, then H_0 is rejected, so it can be concluded that this means self control (X1) and financial literacy (X2) simultaneously have a significant effect on saving behavior of SMAN I Sukodadi Lamongan students.

The conclusions obtained from data analysis using SPSS22 is self-control variables affect the saving behavior of SMAN 1 Sukodadi Lamongan students. This means that self control can be used in financial management to prevent someone from behaving consumptively. The results of this study are supported by the opinion of Sipunga & Nilawati (2014) which states that consumptive behavior can be avoided if it has a good self-control system, is not easily influenced by friends, manages finances, prioritizes saving, and habitual shopping according to needs.

While research conducted by Webley and Nyhus (2005) also shows the same thing, namely one of the variables that influence good saving behavior is strong self-control over investment decisions and individual consumption. Otto (2004) also suggested that every good financial management requires a lifestyle that has priority and good self-control ability. Basically the power of priority (the power of priority) also influences the level of discipline of a person when managing their finances, one of which is saving and investing.

Data analysis then obtained the results of partial financial literacy positively influencing saving behavior of SMAN 1

Sukodadi Lamongan students. This means that the better the students' knowledge about financial literacy, the better the saving behavior of SMAN 1 Sukodadi students. The results of this study are supported by Alwi, al (2015) stating that financial literacy or financial literacy in the millennium generation will provide contribution in terms of the level of confidence and dominance of financial planning and saving habits. The results of the Delafrooz and Paim (2011) study also state that financial literacy / financial literacy is positively related to saving behavior. While Sabri and MacDonald (2008) in their study stated that students who have a great knowledge of personal finance tend to have effective saving behavior.

Based on the results of the study, it is known that self-control, familial financial familiarization, and financial literacy simultaneously have a significant effect on saving behavior of SMAN 1 Sukodadi Lamongan students. Self control has a positive relationship to saving behavior. Because with self-control, individuals can suppress or refrain from impulse matters so that they are not easily affected by consumptive behavior. Financial education must be given to the younger generation and must be embedded early. Financial literacy / financial literacy is positively related to saving behavior. Students who have great knowledge on personal finance tend to have effective saving behavior. If the young generation has sufficient financial literacy, their ability to make financial decisions will be greatly affected.

The results of this study refer to a study conducted by Thung, et al (2012), which showed that student saving behavior in Malaysia was significantly influenced by several factors, namely financial literacy, family financial management education patterns, peer groups and self control.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysts discussed, it can be summarized as follows: Self-control influences the saving behavior of students of SMAN 1 Sukodadi Lamongan. The findings in this study are more predominantly supported by behavioral regulating indicators. This can be shown from the findings that there are still many students who have not been able to place themselves in various situations and are also easily affected by consumer behavior.

Financial literacy affects on saving behavior of SMAN 1 Sukodadi students. The findings in this study are more dominantly supported by general knowledge and insurance indicators. This can be shown from the findings that many students have low scores on indicators of knowledge about loans, savings and investment. Self control and financial literacy simultaneously influence saving behavior of SMAN 1 Sukodadi students. This is because students do saving behavior when aspects of self-control and financial literacy can support together.

Students should always dig up information to improve their financial literacy. Information can be obtained through reading books, literature, or attending financial seminars.

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