The Influence of Financial Literacy, Financial Attitude, Social Environment, and Lifestyle on Financial Management Behavior of Generation Z in Sidoarjo

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Abstract
This study aims to examine the effect of financial literacy, financial attitudes, social environment and lifestyle on financial management behavior of generation Z in Sidoarjo. The population in this study generation Z in Sidoarjo with age range of 11-26 years. The sample in this study was purposive sampling method. Purposive sampling is a data sampling technique based on certain considerations. The sample in this study collected 208 respondents. This research uses quantitative data type and the data source used is primary data. The data analysis technique using regression analysis test was carried out with the help of SPSS version 25. The results showed that financial literacy had a significant positive effect on financial management behavior, financial attitude had a significant positive effect on financial management behavior, social environment had a significant positive effect on financial management behavior, and lifestyle had a significant positive effect on financial management behavior.

Keywords:
Financial Literacy; Financial Attitudes; Social Environment; Lifestyle; Financial Management Behavior.

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Introduction

As the economy continues to evolve, it becomes increasingly important for individuals to improve their ability to plan and manage their finances wisely and intelligently. The unwillingness or inability to do so can have a negative impact, in that individuals can be trapped in wasteful behavior that can potentially cost them significantly in financial terms (Omega et al., 2022). To achieve financial stability and success, it is imperative that an individual has a good understanding of basic financial concepts as well as skills that enable them to manage their finances effectively (Yusnita & Abdi, 2018). If this is done then they have the opportunity to adopt a non-consumptive lifestyle, which can be categorized as someone who has financial intelligence. People's transactions that do not consider financial principles and go overboard in purchasing goods and services can often be considered as a form of waste. This results in people allocating their money for purposes that may not always match their basic needs. This can lead to an imbalance between expenses and income, which can disrupt an individual's financial stability (Ashari et al., 2022).

Positive and wise financial behavior among generation Z is influenced by various factors, and one of them is financial literacy. Financial literacy indicates the extent to which individuals understand information related to financial matters and the level of responsibility they have regarding their financial attitudes and behaviors around the world (Mutlu & Özer, 2022). The meaning of financial literacy is broader than financial knowledge that enables individuals to make rational decisions in financial matters. Increased reports of consumer credit card debt, inability to save or decreased savings rates, and personal bankruptcies are causing countries to review and improve their financial literacy policies. The effect of financial literacy on financial behavior shows that individuals who have a low level of financial literacy tend to have less wise financial behavior, while those with high financial literacy tend to have better financial behavior. The source of financial information for individuals with high financial literacy can indeed involve family and friends (Coşkun et al., 2016).

The next factor that can influence financial management behavior is financial attitude. Financial attitude is defined as an individual's state of mind, opinion, and judgment about financial matters (Pathak & Nathani, 2020). According to Bhushan & Medury (2014) to improve financial management behavior, attention should be focused on developing positive financial attitude among the public. Financial attitude for individuals who show a consistent attitude due to experience in spending, consumption and saving for the future is considered better than individuals who have a negative attitude towards saving for the future who tend not to save (Mutlu & Özer, 2022).

Environmental factors are also inseparable in human life. Humans and the environment have a reciprocal relationship where the environment affects humans and vice versa humans are also influenced by their environment (Safrilsyah & Fitriani, 2014). The third factor that can affect financial management behavior is social environment has a key role in influencing the formation and development of an individual's behavior covering various aspects, including the physical environment and the socio-psychological environment, and both can interact to shape a person's behavior (Kurniawan et al., 2014). The social environment is one of the factors that can influence a person or group to be able to take action and changes in the behavior of each individual (Posumah et al., 2021).

The last factor that may be influential is lifestyle. Lifestyle is a term that encapsulates a number of complex elements that include various methods, habits, behavioral structures, symbols, daily activities, and mentalities shared by similar individuals or social groups which together, these elements have a significant influence in shaping and regulating how individuals live their daily lives (Mashud et al., 2021). A lifestyle is a comprehensive picture of an individual's pattern of living that encompasses the various elements that define who they are, this involves the choice of activities they choose to engage in on a daily basis, the interests and hobbies they develop, and the personal views and preferences they hold. Through their lifestyle, a person visibly reflects the way they organize and manage their financial spending, this includes what they spend, how they allocate their funds, and what they consider to be their priorities in terms of spending. With these conditions, it is certainly very necessary for people to have the ability to manage their personal finances with the aim of being able to efficiently organize and manage the difference between the income they get and the expenses they have budgeted for which managing personal finances is an important skill that allows individuals to achieve financial goals, face financial challenges, and create financial stability (Herlindawati, 2015).

The findings obtained from previous studies show that there are still research gaps in the factors that influence financial management behavior. Research conducted by Sada (2022) shows that financial literacy, social environment, and lifestyle affect financial management behavior. Different results were shown by the research Widyakto et al. (2022) that financial literacy and lifestyle do not affect financial management behavior. Then research conducted Mutlu & Özer (2022) added that the factor that can influence financial management behavior is financial attitude. The results of this study contradict the research of Laga et al. (2023) which found that financial attitude does not affect financial management behavior.

Based on the explanation stated above and the findings of research gaps from previous studies, this study was conducted with the aim of analyzing the influence of financial literacy, financial attitude, social environment, and lifestyle on financial management behavior. The research will be conducted on people in Sidoarjo, especially among generation Z.

Literature Review

The Influence of Financial Literacy on Financial Management Behavior

The young generation as the backbone of the nation's future needs to be equipped with a solid understanding in the field of personal finance from an early age, the importance of this knowledge is not only limited to money management skills, but also includes the ability to plan and manage personal finances wisely, by gaining insight into personal finance from an early age can relieve the younger generation when managing financial planning in the future (Margaretha & Pambudhi, 2015). Financial literacy skills are expected to provide or increase knowledge related to procedures or concepts in order to manage personal finances (financial management behavior) properly and correctly so as to achieve sustainable financial well-being. Referring to previous research by Mutlu & Özer (2022), Sada (2022), dan Laga et al., (2023) shows that financial literacy has a significant positive effect on financial management behavior. Based on the explanation of the effect of financial literacy on financial management behavior which is supported by the results of previous research, the first hypothesis in this study is:

H1: Financial literacy has a positive effect on finance management behavior of generation Z in Sidoarjo.

The Influence of Financial Attitude on Financial Management Behavior

Financial attitude is a state of mind, opinion, and judgment about finance. These things are part of the attitude that cannot be separated from the human mind that affects financial management behavior. This is because financial attitude will help individuals determine their attitudes and behavior in terms of financial management. Referring to the findings of the research conducted Widyakto et al. (2022), Mutlu & Özer (2022), and Hidayat & Paramita (2022) shows that financial management behavior is influenced by financial attitude. Based on the explanation of the effect of financial attitude on financial management behavior which is supported by the results of previous research, the second hypothesis in this study is:

H2: Financial attitude has a positive effect on finance management behavior of generation Z in Sidoarjo.

The Influence of Social Environment on Financial Management Behavior

The social environment is a place where individuals interact and do things together with each other and the environment. Social environment is a concept that involves all aspects of one's social life that includes individuals, groups, organizations, and systems that form the framework of one's social interactions, individuals not only interact with fellow humans but also with various entities in their environment (Kurniawan et al., 2014).

According to Sada (2022) a less productive environment can have a significant impact on student behavior, including hydonistic tendencies and irresponsible financial management. Living hedonistically, seeking immediate pleasure and enjoyment, can be a response to an environment that does not provide positive stimulus or opportunities for personal growth. Study results from previous research conducted by Sada (2022), Aprinthasari & Widiyanto (2020), Wiranti et al. (2023) show that social environment affects financial management behavior. Based on the explanation of the effect of social environment on financial management behavior which is supported by the results of previous research, the third hypothesis in this study is:

H3: Social environment has a positive effect on finance management behavior of generation Z in Sidoarjo.

The Influence of Lifestyle on Financial Management Behavior

Lifestyle is the way individuals choose to live their lives, including their consumptive patterns of time and money, if a person's lifestyle tends to waste time and money in activities that do not provide added value or long-term satisfaction, this can have a negative impact on other aspects of life, including finances. (Mashud et al., 2021). The development of the times and the era of globalization have brought significant changes in people's lifestyles, the impact of which is very diverse which includes both positive and negative aspects that affect the way individuals and communities live their daily lives. A frugal and modest lifestyle reflects a wise attitude towards financial management, individuals with this lifestyle have a tendency to make wiser financial decisions that can have a positive impact on their financial stability.
Frugality and simplicity in lifestyle often include saving, budgeting, and avoiding unnecessary spending. Individuals with this tendency are usually more aware of the value of money and understand the importance of setting priorities in spending, they are less likely to be tempted to follow consumptive trends or make impulse purchases that can be detrimental to finances. Study results from previous research conducted Laga et al. (2023), Sada (2022), dan Aulianingrum & Rochmawati (2021) that lifestyle affects financial management behavior. Based on the explanation of the influence of lifestyle on financial management behavior which is supported by the results of previous research, the fourth hypothesis in this study is:

H4: Lifestyle has a positive effect on finance management behavior of generation Z in Sidoarjo.

Research Methods

This type of research is a type of quantitative research using a causal approach to find evidence of cause and effect through the influence caused between the dependent variable and the independent variable. The population used is generation Z in Sidoarjo with an age range of 11-26 years. The number of samples used was 208 respondents with the sampling technique used was purposive sampling. The criteria used in sampling are: 1) Generation Z people with an age range of 11-26 years, and 2) Generation Z people in Sidoarjo who already have income in the form of a salary (not pocket money). The data collection technique in this study was through a questionnaire. Data obtained from the questionnaire was analyzed using multiple linear regression where the processing was carried out using the SPSS version 25 statistical program.

Data Analysis and Results

Validity Test Results

The validity test in this study is a tool for measuring instruments that can be used to show the level of validity or not of each indicator. This validity test uses SPSS by comparing r count and r table. The test results obtained r count greater than r table and the value is positive so that each statement item on each research variable is valid.

Reliability Test Results

Reliability test is used to determine whether the indicators of each variable can be trusted, reliable or not. Based on the results of the reliability test, it shows that the research variables consisting of financial literacy, financial attitude, social environment, lifestyle, and financial management behavior are reliable because all variables with Cronbach's alpha > 0,70.

Normality Test

The normality test results show that the data tested is normally distributed and it can be said that the regression model fulfills the assumption of normality. This is because based on the non-parametric kolmogorov-mirnov (K-S) statistical test, the significance value > from 0.05, the research data is normally distributed.

Multicollinearity Test

The multicollinearity test aims to see if there is a correlation between independent or independent variables. In the tolerance value, there is no multicollinearity if the tolerance value is greater than 0.10, while the VIF value does not occur multicollinearity when the VIF value is smaller than 10. Based on the results of multicollinearity testing, it shows that the variables of financial literacy, financial attitude, social environment, lifestyle have no symptoms of multicollinearity because the tolerance value is more than 0.1 and the VIF value is smaller than 10.

Heteroscedasticity Test

Heteroscedasticity testing in this study uses observations on the scatterplot graph with the provisions that if the dots form a regular pattern or a certain pattern, it can be said that heteroscedasticity has occurred. Based on the results of the Scatter Plot graph, it shows that the points spread randomly and are spread both above and below the number 0 on the Y axis. Thus, it can be stated that there is no heteroscedasticity in the regression model.

Multiple Linear Regression Analysis

This analysis aims to determine the relationship between the independent variable and the dependent variable whether each variable has a positive relationship or not. The multiple linear regression equation can be formulated as follows:

$Y = -0{,}300 + 0{,}107X_1 + 0{,}140X_2 + 0{,}156X_3 + 0{,}136X_4$

The constant coefficient value of -0,300 means that if the independent variables including financial literacy, financial attitude, social environment, lifestyle are zero, the financial management behavior is – 0,300. The positive financial literacy variable regression coefficient value of 0,107 means that if there is an increase in financial literacy by one unit, it will increase financial management behavior by 0,107. The positive financial attitude regression coefficient value of 0,140 indicates that if there is an increase in financial attitude by one unit, it will increase financial management behavior by 0,140. The positive social environment regression coefficient value of 0,156 indicates that if there is an increase in social environment by one unit, it will increase financial management behavior by 0,156. The positive lifestyle regression coefficient value of 0,136 indicates that if there is an increase in lifestyle by one unit, it will increase financial management behavior by 0,136.

The T Test

The test used in testing the research hypothesis uses the t test. The t statistical test can be done looking at the probability value. If the probability value < 0,05, then Ho is rejected or Ha is accepted. The t test results in this study are shown in Table 1.

Table 1.

Results of the t-test

Independent Variable	t	Sig
Financial literacy (X1)	2,800	0,006
Financial attitude (X2)	2,958	0,005
Social environment (X3)	2,237	0,007
Lifestyle (X4)	3,897	0,000

Source: Primary data, processed (2023)

The financial literacy variable (X1) has a t value of 2,800 with a significant level of 0,006 which is smaller than 0.05 so that Ha is accepted, meaning that financial literacy has a positive effect on financial management behavior of generation Z in Sidoarjo. The financial attitude variable (X2) has a t value of 2,958 with a significant level of 0,005 which is smaller than 0,05 so that Ha is accepted, meaning that financial attitude has a positive effect on financial management behavior of generation Z in Sidoarjo.

The social environment variable (X3) has a t value of 2,237 with a significant level of 0,007 which is smaller than 0,05 so that Ha is accepted, meaning that the social environment has a positive effect on financial management behavior of generation Z in Sidoarjo. The lifestyle variable (X4) has a t value of 3,897 with a significant level of 0,000 which is smaller than 0,05 so that Ha is accepted, meaning that lifestyle has a positive effect on financial management behavior of generation Z in Sidoarjo.

F test

Simultaneous test (F test) is a statistical test that shows whether all independent variables included in the model have a joint influence on the dependent variable. The F test results are shown in Table 2 below.

Tabel 2.
F Test Results

Model		F	Sig.
1	Regression	61.326	.000[b]
	Residual		
	Total		

Source: Primary data, processed (2023)

Table 2 shows the calculated F value obtained is 61,326 with a significant value of 0,000 < 0,05. Based on this, it can be concluded that financial literacy, financial attitude, social environment, lifestyle simultaneously affect financial management behavior.

Coefficient of Determination

The coefficient of determination (R2) essentially measures how far the model's ability to explain variations in the dependent variable the coefficient of determination is between zero and one. A small R2 value means that the ability of the independent variables to explain the variation in the dependent variable is very limited. The coefficient of determination in this study is shown in Table 3 below.

Tabel 3.
Coefficient of Determination Results

Model	R	R Square	Adjusted R Square
1	0,868	0,738	0,736

Source: Primary data, processed (2023)

Based on Table 3, the Adjusted r Square value is 0,736, which shows that the contribution made by financial literacy, financial attitude, social environment, lifestyle to changes that occur in the financial management behavior variable when percented is 73,6% while the remaining 26,4% is explained by other variables not examined.

Results

The Effect of Financial Literacy on Financial Management Behavior

Based on hypothesis testing, it is proven that financial literacy has a positive effect on financial management behavior. This means that the higher the financial literacy owned by generation Z in Sidoarjo, the better the financial management behavior. The results of this study are in line with research Mutlu & Özer (2022), Sada (2022), and Laga et al., (2023) shows that financial literacy has a significant positive effect on financial management behavior. Financial literacy is knowledge related to financial management (regarding savings, investment, insurance, etc.) so that it can affect financial management behavior. If generation Z in Sidoarjo has a good level of financial literacy and knows things related to finance, it will be more capable of behaving to manage its finances properly.

The Effect of Financial Attitude on Financial Management Behavior

Based on hypothesis testing, it is proven that financial attitude has a positive effect on financial management behavior. This means that the better the financial attitude owned by generation Z in Sidoarjo, the better the financial management behavior. The results of this study are in line with research Widyakto et al. (2022), Mutlu & Özer (2022), and Hidayat & Paramita (2022) shows that financial management behavior is influenced by financial attitude. Financial attitude can be understood when thoughts, views and judgments about personal finance are applied to generation Z. Generation Z who has a good financial attitude in financial management will have a positive effect on financial management behavior, otherwise if generation Z is arbitrary in making financial decisions it will have poor financial management behavior.

The Effect of Social Environment on Financial Management Behavior

Based on hypothesis testing, it is proven that the social environment has a positive effect on financial management behavior. This means that the higher the influence of the social environment received by generation Z in Sidoarjo, the better the financial management behavior. The results of this study are in line with previous research conducted by Sada (2022), Aprinthasari & Widiyanto (2020), and Wiranti et al. (2023) shows that social environment affects financial management behavior. The results of this study explain that the strong influence exerted by the social environment around generation Z has a strong influence on financial management behavior. This can happen because the environment has a relationship with individual behavior in everyday life, because there is a mutual interaction or reciprocal relationship involving humans and the environment.

The Effect of Lifestyle on Financial Management Behavior

Based on hypothesis testing, it is proven that lifestyle has a positive effect on financial management behavior. This means that the better the lifestyle owned by generation Z in Sidoarjo, the better the financial management behavior. The results of this study are in line with previous research conducted by Laga et al. (2023), Sada (2022), and Aulianingrum & Rochmawati (2021) that lifestyle affects financial management behavior. Lifestyle describes the whole of an individual who relates to his environment. The lifestyle adopted by generation Z will affect financial management behavior. Generation Z, which tends to have a lifestyle for the consumption of daily life, is quite high, so their financial management behavior will decrease because they often waste money and cannot manage it properly. Conversely, generation Z who live a simple lifestyle and use money as needed, are better at financial management.

Conclusion

The conclusions obtained in this study are: 1) financial literacy has a positive effect of financial management behavior on generation Z in Sidoarjo, 2) financial attitude has a positive effect of financial management behavior of generation Z in Sidoarjo, 3) social environment has a positive effect of financial management behavior on generation Z in Sidoarjo, and 4) lifestyle has a positive effect of financial management behavior on generation Z in Sidoarjo.

The limitation in this study is that the scope of the research was conducted in Sidoarjo and limited to generation Z. For this reason, future research can develop research by conducting research in other cities and focusing on other age groups.

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