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Financial Literacy and Social Environment on Saving Behavior

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Abstract

This study aims to determine the effect of financial literacy and social environment on savings behavior in students of economics faculty in the State University of Jakarta, partially or simultaneously. This research uses a survey method with a quantitative approach. The population of this research is the college students faculty of economics at State University of Jakarta who runs 3.300 with a sample of 98 students. Data collection using questionnaire containing a question with true-false scale (1-0) and statement with Likert scale. Data analysis technique used descriptive analysis and multiple regression analysis which then processed with SPSS program version 22. The results showed that there is a partial influence between financial literacy on saving behavior and social environment on saving behavior. Simultaneously there is the effect of financial literacy and social environment on savings behavior. The effect of financial literacy and social environment on savings behavior in students faculty of economics at the State University of Jakarta is 50,6%, and the rest of 49,4% is influenced by other factors not examined.

Keywords: *Financial Literacy, Social Environment, Saving Behavior*

1. Introduction

Students are the part of a large number of community components and will have an impact on the economy because in the future the students will enter the workforce and begin to be independent including the financial management. Students must take the college to complete their studies. The lecture period is a period in which the student must be willing to study independently in various aspects of life and be responsible for everything that decided.

According to Nababan and Sadalia (2013: 9), students have complex financial problems because most students do not have income, fund reserves are also limited to use each month. It faced can be due to delays in parent money, or monthly

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moneyouts, which can be caused by unexpected needs, or due to false personal financial management (absence of budgeting), as well as extravagant lifestyles and consumption patterns. Student obstacles in saving due to interest and enthusiasm of students. It happens because in general, the students are not yet full self-sufficient financially regarding of not having a permanent job, so they do not have monthly fixed income and student motivation in doing saving activities only for short-term benefits. Another contributing factor is that income earned tends to be used for consumptive activities, for example when peers ask him to go for a walk, sometimes there are outof-pocket expenses, and the absence of financial budgeting, the allowance received from parents is used up for activities or unexpected things. It shows that the level of student's financial literacy is not yet full and stable, especially the influence of social environment or its friends either directly or indirectly.

Constraints on student finance during college because the student is in the transition from the nature of dependence on parents to the financial independence. With this, directly or indirectly will affect one of the mindset or lifestyle of students is regarding of saving, which can raise from frugal behavior.

Facts in the field obtained by researchers are, that the tendency to set aside some expenditure in a month for teens to early adult to save is still very less, compared with the need for secondary goods that are for fun, like watching movies, traveling with friends and buying clothes or shopping. On a priority scale, some students put saving into the last priority, in comparison with secondary need. At priority of course on the primary.

The influence of the surrounding environment and his peers very influential in determining the scale of the students' need and desires. Especially from this case study, students of the Faculty of Economics who of course have obtained courses related to economics, such as introduction to economics, micro and macroeconomics, financial institutions and banks, and development economics, which should have the level of financial literacy owned better or equivalent to the value obtained by students. Another hand, many students who have not applied it in everyday life, especially the behavior in these savings that should be able to affect student saving behavior.

Based on the above problems, considering the importance of saving in human life, it is very interesting for researchers to conduct research on the behavior of saving among students FE UNJ is set forth in the title "The Effect of Financial Literacy and Social Environment on Saving Behavior in Students Faculty of Economics at State University of Jakarta".

2. Method

This research uses a quantitative approach, survey method, and multiple linear regression analysis. Survey method is quantitative research to examine the symptoms of a group or individual behavior. The influence between variables analyzed by using multiple linear regression analysis. This analysis model is a regression analysis that explains the relationship between the response variable (dependent variable) with factors influencing more than one predictor (independent variable).

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Dependent variable in this research is Savings behavior (Y), while independent variables are financial literacy (X1) and social environment (X2).For the constellation of influence between variables, can be drawn in the form as follows in figure III.1 below:

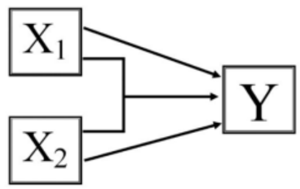

Figure III.1

Constellation of relationships between variables

Figure 1. R&D Research Stages

This study uses panel data regression analysis and is processed using the *Eviews* 8.0 program . Based on the Chow Test and Hausman Test that researchers have done, the researchers decided to use the panel data regression equation with the *fixed effect* model in this study. The data in this study have also been tested and proven to be free from classical assumptions (normality, multicollinearity, and heteroscedasticity).

3. Results

Based on the test results it can be seen that the significance (Asymp sig) saving behavior is 0.200, significance (Asymp.sig) financial literacy (X1) 0,200 and significance (Asymp.sig) social environment (X2) 0.099. Because the data from the three variables have value than 0.05, then it can be concluded that Ha is accepted which means the data is normal. The value of X1 to Y linearity is 0,000, which is less than the significant level of 0.05. Then it can be concluded that Ha accepted and Ho rejected. Financial literacy data with saving behavior has a linear relationship. The linearity value is 0.000, which is less than the significant level of 0.05. Then it can be concluded that Ha accepted and Ho rejected. It means that the social environment data with saving behavior has a linear relationship.

The tolerance value of tolerance of financial literacy (X1) and social environment (X2) is 0,843 meaning more than 0,1 while VIF value equal to 1,186 which means less than 10. So, it can conclude that in the regression model there is no multicollinearity problem. Figure scatterplot can see that the points spread with a pattern that is not clear, that is above and below the number 0 on the Y axis then the regression model there is no problem heteroskedastic.

Multiple linear regression equation as follows:

$$\hat{Y} = 33{,}116 + 0{,}904\ X1 + 0{,}487\ X2$$

The value of constant (α) is 33,116, meaning that if the student does not have the financial literacy which is less support and the social environment influence is minimum or zero (0), then the saving behavior is 33,116.

The value coefficient (β1) of 0.904 is positive, meaning if the financial literacy decreased one score then the behavior of saving will increase by 0.904 assuming other

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independent variables are fixed value. The value of the coefficient (β) of 0.487 and a positive value means if the social environment has increased one score and fixed financial literacy, then the behavior of saving will increase by 0.487.

3.1. Effect of Financial Literacy on Saving Behavior

The result of the above output, t-count for financial literacy has a value of 5.890 and t-table can be searched in the statistical table on the significance of 0.05 / 2 = 0.025 with df = nk -1 or 98-2-1 = 95, can be known t-table equal to 1,985. Then it can be seen that t-count 5,890> t-table 1,985. Ttable calculations can also be calculated using Ms.Excel by searching in empty cells = TINV (5%, 95). So it can be concluded partially there is a positive and significant influence between financial literacy with the behavior of saving.

Based on the results of multiple regression analysis, the influence of financial literacy on the behavior of saving through t-test obtained t-count of 5.890, it can be seen that t-count of 5.890 is greater than t-table that has been determined that is 1.985 which means that financial literacy partially have a positive and significant impact on behavior save.

3.2. Effect of Social Environment On Saving Behavior

The above output result, tcount for the social environment has a value of 4.941 and t-table can be searched on the statistical table at significance 0,05 /2 = 0,025 with df = nk-1 or 98-2-1 = 95, can be known t-table equal to 1,985. Then it can be seen that t-count 4.941> t-table 1.985. Ttable calculations can also be calculated using Ms.Excel by searching in empty cells = TINV (5%, 95). So it can be concluded partially there is positive and significant influence between the social environment with the behavior of saving. The influence of social environment on the behavior of saving, based on the results of multiple regression analysis through t-test obtained t-count of 4.941, it can be seen that t-count of 4.941 larger than t-table that has been determined that is 1.985 which means that the social environment partially have a positive and significant effect on saving behavior.

3.3. Effect of Financial Literacy and Social Environment on Saving Behavior

Based on the results of the F-test output can be seen that the value of F-count for 48.709, it can be known F-count 48.709 greater than the predetermined F-table is 3.09. So it can be concluded that the financial literacy and social environment simultaneously (simultaneously) affect the behavior of saving.

The percentage contribution of the influence of financial literacy and social environment on saving behavior is proved by obtaining the coefficient of determination by looking at R square (R2) of 0.506. It means that the influence of independent variables of financial literacy and social environment on dependent variable saving behavior by 50.6%, while the remaining 49.4% by other factors or other variables.

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4. Conclusions

This study aims to determine the effect of financial literacy and social environment on savings behavior in students of economics faculty in the State University of Jakarta, partially or simultaneously. The results showed that there is a partial influence between financial literacy on saving behavior and social environment on saving behavior. Simultaneously there is the effect of financial literacy and social environment on savings behavior. The effect of financial literacy and social environment on savings behavior in

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students faculty of economics at the State University of Jakarta is 50,6%, and the rest of 49,4% is influenced by other factors not examined.
Based on the results of the research and the conclusion above, the implications obtained based on research results is the responses of respondents in this study indicate that the indicators of peers in the social environment have a great influence. The influence of a large group of peers is a reflection of individuals who are more inclined to listen and follow the advice of friends around him. So the environment of student friends can affect the perception of students in saving.

Acknowledgments

The researcher realizes that the research carried out does not fully reach the absolute truth. Research is inseparable from errors and various limitations experienced by researchers. One of them is the limitation of variables, researchers only examine the variables of financial literacy, social environment (independent variable), while researchers realize that there are still many variables that affect saving behavior (dependent variable).

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