H.E.B.R

Hasanuddin Economics and Business Review – Vol 6:2 (2022), 43-51

Financial Confidence in Financial Satisfaction Through Financial Behavior for Ciputra School of Business Makassar Students

Aldrichnan Aprilio Chandra, Felysia Manggala, Richard Phurnama, Yuyun Karystin, Meilisa Suade, Nurfadilah*

Ciputra School of Business, Makassar, Indonesia

Abstract

Financial literacy can lead to financial satisfaction (Henager & Anong, 2014). However, the majority of educated people are less content (Grable, J. E., Britt, S., & Cantrell, J., 2007). A person with greater financial literacy is more likely to excercise caution when making financial decisions and, therefore, less likely to feel confidence with their finances. This is also supported by studies by Hira, Fawslow, and Mugenda (cited in Robb & Woodyard, 2011). This study aims to empirically test the causal relationship of financial confidence and financial satisfaction use in relation to financial behavior. This study is an explanatory study aimed at discovering and explaining the causal relationship between variables (Sujarweni, 2019). The results of the study partially indicate a significant effect of financial satisfaction on financial behavior. Financial satisfaction has a positive relationship with financial behavior, Thus, it is concluded that hypothesis one is supported and tested by data (received) that financial satisfaction has a positive effect on financial behavior.

Keywords: Finance; Confidence; Satisfaction; Behavior

INTRODUCTION

A person's ability to manage their finances is one of the most important factors of success in life. When someone has the skills and abilities to manage money and deal with financial issues in a positive way, financial happiness will prevail. This financial thing will lead to financial satisfaction. Someone who is more financially literate is more likely to be cautious when it comes to making financial decisions, and therefore less likely to feel confidence with their finances.

The findings of Herawati (2015) and Agustina (2016) indicate that financial literacy plays a positive role in financial life. In addition, Nababan, Sadilia (2013) and Octavio (2016) found that improving financial literacy does not unevenly lead to financial well-being. Someone is confident when they are satisfied by their own behavior (Lopez-Garrido, G., 2021). Thus, financial behavior creates satisfaction with well-used money, and satisfaction with money can gradually increase when a

*Author in correspondence,
email: nurfadilah@ciputra.ac.id (Nurfadilah)

ISSN: 2549-3221 (Print) 2549-323X (Online)
DOI: 10.26487/hebr.v6i2.5091

person acquires good financial results (Coşkuner, 2016). Effective financial orientation towards achieving goals and objectives, one by one achieving traditional financial objectives, will lead to financial satisfaction (Patrisia, D., & Fauziah, M., 2019, September).

LITERATURE REVIEW

Financial

Financial is one of systems that have relation to the cycle of money in nation or world economy. It is absolutely the concepts that related the terms of the buildness, management, and the investment. As same as (Hasrina, 2015) opinion about the financial, which are meant of the discipline or knowledge about management or the arts of life skill academic. It is also relating to the efforts of economic activities, like the process of marketing, the planning, and the management of money which are affected to student life in general or in the social life.

Financial Confidence

Financial confidence is self-assurance things that necessarily needed to make well- informed financial decisions (Palameta et al., 2016). Another perspective comes from Atlas et al. (2019), that argued the impact of financial confidence based on financial knowledge on financial decision making is short-lived and very dependent on financial confidence. Thus, financial confidence is no less important than other components. Without financial confidence, people will not be able to make healthy financial choices.

Financial Satisfaction

Life satisfaction and well being as the overall component of financial satisfaction (Plagnol, 2011). According to Rob and Woodyard (2011), financial satisfaction can be measured through satisfaction level of assets, debt, and savings. Research by Robb and Woodyard (2011) also indicates that financial behavior influences financial satisfaction, as financial behavior is valued and serves as an important part of financial satisfaction. Hence, there is correlation between behavior and financial satisfaction.

Financial Behavior

Everyone's actions that are related to managing money or cash are referred to as having financial conduct, and the most common financial behaviors include cash, credit, and saving behavior (Xiao, 2008). How to make the right decisions on the flow of student's cash, preventive measure, and also manage budget planning is part of financial behavior. This is way financial literacy is very important to make better and healthier financial behavior that will lead to better financial security for the future (Lusardi, A., Michaud, P. C., & Mitchell, O. S., 2011; Lusardi & Mitchelli, 2007).

METHODS

Regarding to financial behavior and financial satisfaction, this study intends to empirically investigate the causal relationship (causation) between a number of variables, including financial literacy and financial technology use. This kind of research is an explanatory study intended to identify and clarify the causal connection between various variables (Sujarweni, 2019). In addition, this study is designed to answer the said problems, set goals and test hypotheses.

To obtain information, find answers to formulated problems, set goals and hypotheses to be tested on the descriptive quantitative data derived from measurement data, this study used test and questionnaire methods by distributing questionnaires. A test is a series of questions categorized to measure the abilities of individuals in financial literacy. Survey is a method of data collection that is conducted by giving respondents answers to a set of questions or written information. This study uses a questionnaire to measure the association between financial confidence and financial behavior, and financial satisfaction using a quisioner. This study used a closed questionnaire. A closed question is a question that asks the respondent to choose an answer based on their own knowledge and implementation of financial life.

Probability sampling was the sampling technique employed in this study. The probability sampling method employed is purposive proportional random sampling. The selection criteria in this study are University of Ciputra's students who live with their parents or not and also those who have income periodically. This research is conducted at the University of Ciputra Makassar. The students are from many different financial backgrounds. Some students still stay with their parents or guardians, there are also those who come from far away lands to learn at University of Ciputra Makassar. Using Slovin's

Formula Sampling Techniques, 136 out of 206 student's responses are needed. Among them are those who already have their own business and are still using full support from their parent. Many of them are still finding their financial way, hence this makes them a good candidate to be our respondents.

In this study the measurement of financial literacy variables is measured by tests of simulated conditions about financial confidence, satisfaction and behavior. Scoring methods 1 to 5 are used to determine the level of financial literacy. Respondents can strongly disagree to strongly agree to the condition given in the survey.

FINDINGS AND ANALYSIS

Validation Test

X1

Variables	Pearson Correlation
X1.1	0.797
X1.2	0.860
X1.3	0.726
X1.4	0.587

From the data above the Pearson Correlation values are all above 0.1391, then the data obtained for the variable X1 are all declared valid.

X2

Variables	Pearson Correlation
X2.1	0.280
X2.2	0.326
X2.3	0.461
X2.4	0.470
X2.5	0.532

X.2.6	0.531
X2.7	0.560
X2.8	0.462
X2.9	0.502
X2.10	0.425

From the data above the Pearson Correlation values are all above 0.1391, the data obtained for the variable X2 are all declared valid.

Y

Variables	Pearson Correlation
Y1	0.576
Y2	0.669
Y3	0.579
Y4	0.694
Y5	0.591
Y6	0.665

From the data above the Pearson Correlation values are all above 0.1391, then the data obtained for variable Y are all declared valid.

Realibility Test

This test value of the instrument variable (X1) of the 4 questions is 0.721 which means that the realibility value of 0.721 > 0.60, meaning that the instrumental variable (X1) financial satisfaction high reliability.

X1

Variable	Cronbach'sAlpha
X1	0.721

The realibility value of the instrument variable (X2) of 10 questions is 0.551 which means that the realibility value of 0.551 > 0.40 means that the instrument variable (X2) of financial confidence means that it has a moderate level of reliability.

X2

Variable	Cronbach'sAlpha
X2	0.551

The realibility value of instrument variables (Y) from 6 questions is 0.691 which means that the realibility value of 0.961 > 0.60 means that instrument variables (X2) financial confidence means that they have a high level of reliability.

Y

Variabel	Cronbach'sAlpha
Y	0.691

Normality Test

The normality test used for this data was Kolmogorov Smirnov, because the sample used was 139 respondents. The following is a normality test that has been carried out using SPSS.

Variabel	Asymp. Sig. (2-tailed)
X1, X2, Y	0.200

From the above data taken as a significance value is Asymp.Sig. (2-tailed). The signification value is 0.200 which means 0.200 > 0.05 means that it can be concluded that the data is distributed normally.

1. The Effect of Financial Satisfaction on Financial Behavior

Variabel	Coefficients	Sig.
X1 dan Y	0.329	0.001

Based on the results of the study partially there is a significant influence between the variables of financial satisfaction on financial behavior. The close relationship between financial satisfaction (X1) and financial behavior (Y) is 0.329, meaning that the relationship between financial satisfaction and financial behavior has a strong relationship. And the nature of the relationship + (positive).

Significance results of 0.001 < 0.05, it can be said that financial satisfaction (X1) has proven to have a significant effect on financial behavior. So it can be concluded that hypothesis 1 is supported by data (accepted), proving that financial satisfaction has a positive effect on financial behavior.

2. The Effect of Financial Confidence on Financial Behavior

Variable	Coefficients	Sig.
X2 dan Y	0.354	0.001

Based on the results of the study, there is a partial influence between the variables of financial confidence in financial behavior. The close relationship between financial confidence (X2) and financial behavior (Y) is 0.354, meaning that the relationship between financial confidence and financial behavior has a strong relationship. And the nature of the relationship + (positive).

The result of its significance of 0.001 < 0.05, it can be said that financial confidence (X2) has proven to have a significant effect on financial behavior. So, it can be concluded that hypothesis 2 is supported by the data received, proving that financial confidence has a positive effect on financial behavior. Thus, it can be said that if the higher a person's financial confidence, it is very positively affecting his financial behavior.

3. The Effect of Financial Satisfaction and Financial Confidence on Financial Behavior

Variable	R Square
X1, X2, dan Y	0.170

In the table above, the value of R square is 0.170 which means that the amount of contribution of independent variables in influencing dependent variables is 17% while the remaining 83% is influenced by other variables.

Model	Sig.
X1, X2 and Y	0.001

In the table above, the sig value is 0.001 which means the simultaneous influence of X1 and X2 on Y or fit research models.

Variables	Coefficients	Sig.
X1	0.359	0.007
X2	0.289	0.002
Y	3.884	0.250

Based on the table above, the regression equation can be obtained as follows.

$$Y = 3,884 + 0,359X1 + 0,286X2$$

A constant value of 3.884 is obtained, which means that statistics without X1 and X2, the magnitude of Y is 3.884.

The value of the variable coefficient X1 is 0.359 which means that the magnitude of the influence of X1 on Y is weak because it has a percentage of 35.9%, while the value of the variable coefficient X2 is 0.286 which means that the magnitude of X2's influence on Y is weak.

The sig value of the variable X1 is 0.007 which means 0.007 < 0.05, then X1 has a significant effect on Y, while for the sig value of variable X2 of 0.002 which means 0.007 < 0.05, then X2 also has a significant effect on Y.

CONCLUSION

Money plays a significant role in student's day to day activities. Everything from getting transportation to campus, having brunch in the cafeteria or even personal spending. Student who came from many different backgrounds also have various kinds of needs and income sources. Financial helps manage spending.

How one student behaves by using their money is affected by how much they feel satisfied financially. The study's findings suggest that factors affecting financial satisfaction have a major impact on financial behavior. Financial satisfaction (X1) has a positive relationship with financial behavior (Y), which is 0.329, meaning that there is a positive relationship between financial satisfaction and financial behavior. And the nature of the relationship is + (positive). Significance results 0.001 < 0.05, we can say that financial satisfaction (X1) has a significant impact on financial life. Thus, it is concluded that hypothesis 1 is supported and tested by data (received) that financial satisfaction has a positive effect on financial behavior.

Financial Confidence in Financial Satisfaction Through Financial Behavior.

The impact of financial satisfaction and financial confidence on financial behavior. Thus, it can be said that when a person has a higher degree of financial dependence, it has a significant impact on his or her financial behavior. This results in a constant value of 3.884, which means that in statistics without X1 and X2, the value of Y is 3.884.

The value of the coefficient of variable X1 is 0.359, which means that the magnitude of influence of X1 on Y is weak, which has the value of 35.9%, while the value of the coefficient of variable X2 is 0.286, which means that the magnitude of the influence of X2 on Y is weak. The sig value of variable X1 is 0.007, meaning 0.007 < 0.05, and X1 has a significant effect on Y, whereas the value 0.002 of variable X2, meaning 0.002 < 0.05, and X2 has a significant effect on Y.

Variable of financial behavior only have 17% correlation on financial confidence and financial satisfaction, which means there are many other variables that could have a direct effect on financial behavior. These variables could vary to financial; technology, selfefficacy, autonomy, community-trust, community- support. In hope of having a deeper understanding about financial, we suggest these variables to be used in the next research.

Based on the previous findings and the explanation of these part that related to the financial are causing the implementation or the application of recommendations are:

1) Enough consideration and financial knowledge are needed to build the perspective of financial confidence. There are ways to have more financial knowledge; reading through a financial book, article or journal is some of the ways.
2) Knowing when to take financial discipline could lead to financial satisfaction. Choosing to buy more expensive clothes when there are good cheaper alternatives or even keep spending on secondary things that are based on a wanted list, not needed could have an impact on future days.
3) Making a financial plan could help in behaving better financially. Having a maximum daily spending (except on an emergency situation or special cases) is one of the ways to have a more structured financial life.

REFERENCE

Adiputra, I. G. (2021). The influence of financial literacy, financial attitude and locus of control on financial satisfaction: Evidence from the community in Jakarta. KnE Social Sciences, 636-654.

Agustina, Y. (2016). Pengaruh Literasi Keuangan, Pengalaman Bekerja dan Pendapatan terhadap Perilaku Keuangan Mahasiswa Fakultas Ekonomi Universitas Muhammadiyah Gresik. Universitas Negeri Surabaya, Indonesia.

Archuleta, K. L., Dale, A., & Spann, S. M. (2013). College students and financial distress: exploring debt, financial satisfaction, and financial anxiety. Journal of Financial Counseling and Planning, 24(2), 50-62.

Bi, Q. R. (2015). Three essays on financial technology and personal financial planning (Doctoral dissertation).

Boon, T. H., Yee, H. S., & Ting, H. W. (2011). Financial literacy and personal financial planning in Klang Valley, Malaysia. International Journal of Economics and Management, 5(1), 149-168.

Boonsiritomachai, W., & Pitchayadejanant, K. (2019). Determinants affecting mobile banking adoption by generation Y based on the Unified Theory of Acceptance and Use of Technology Model modified by the Technology Acceptance Model concept. Kasetsart Journal of Social Sciences, 40(2), 349-358.

Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. Financial services review, 7(2), 107-128.

Chuan, C. S., Seong, L. C., & Kai, S. B. (2014). Bequest perceptions among Malaysia’s urban older adults. Australian Journal of Basic and Applied Sciences, 8(5), 23-34.

Coşkuner, S. (2016). Understanding factors affecting financial satisfaction: The influence of financial behavior, financial knowledge and demographics. Imperial Journal of Interdisciplinary Research, 2(5), 377-385.

Dew, J., & Xiao, J. J. (2011). The financial management behavior scale: Development and validation. Journal of Financial Counseling and Planning, 22(1), 43.

Falahati, L., Sabri, M. F., & Paim, L. H. (2012). Assessment a model of financial satisfaction predictors: Examining the mediate effect of financial behaviour and financial strain. World Applied Sciences Journal, 20(2), 190-197.

Fatimah, N. (2018). Pengaruh Pembelajaran Akuntansi Keuangan, Literasi Keuangan, Dan Pendapatan Terhadap Perilaku Keuangan Mahasiswa Fakultas Ekonomi Universitas Muhammadiyah Gresik. Jurnal Pendidikan Akuntansi (JPAK), 6(1).

Gerrans, P., Speelman, C., & Campitelli, G. (2014). The relationship between personal financial wellness and financial wellbeing: A structural equation modelling approach. Journal of Family and Economic Issues, 35(2), 145-160.

Hasibuan, B. K., Lubis, Y. M., & HR, W. A. (2018, January). Financial literacy and financial behavior as a measure of financial satisfaction. In 1st Economics and Business International Conference 2017 (EBIC 2017) (pp. 503-507). Atlantis Press.

Hilgert, M. A., & Hogarth, J. M. (2003). Household financial management: The connection between knowledge and behavior. Federal Reserve Bulletin.

Lopez-Garrido, G. (2021). Self-determination theory and motivation. Simply Psychology.

Lusardi, A., & Mitchelli, O. S. (2007). Financial literacy and retirement preparedness: Evidence and implications for financial education. Business economics, 42(1), 35-44.

Morris, T., Maillet, S., & Koffi, V. (2022). Financial knowledge, financial confidence and learning capacity on financial behavior: a Canadian study. Cogent Social Sciences, 8(1), 1996919.

Octavio, D. Q. (2016). Pengaruh Literasi Keuangan Terhadap Perilaku Keuangan. Universitas Gadjah Mada Yogyakarta.

Palameta, B., Nguyen, C., Hui, T. S. W., & Gyarmati, D. (2016). Link between financial confidence and financial outcomes among working-aged Canadians. Social Research and Demonstration Corporation.

Patrisia, D., & Fauziah, M. (2019, September). The Effect of Financial Literacy and Financial Management Behavior on Retirement Confidence. In Third Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA 2019) (pp. 1-12). Atlantis Press.

Plagnol, A. C. (2011). Financial satisfaction over the life course: The influence of assets and liabilities. Journal of Economic Psychology, 32(1), 45-64.

Robb, C. A., & Woodyard, A. (2011). Financial knowledge and best

practice behavior. Journal of financial counseling and planning, 22(1).
Xiao, J. J., Tang, C., & Shim, S. (2009). Acting for happiness: Financial behavior and life satisfaction of college students. Social indicators research, 92(1), 53-68.