SCIENTIFIC JOURNAL OF REFLECTION: p-ISSN 2615-3009
Economic, Accounting, Management and Business e-ISSN 2621-3389
Vol. 6, No. 4, October 2023

THE RELATIONSHIP BETWEEN MATERIALISM AND FINANCIAL LITERACY ON STUDENT FINANCIAL MANAGEMENT BEHAVIOR

Adinda Tasya Salsabilla Anwar[1], Goso Goso[2], Sari Ratna Dewi[3]
Universitas Muhammadiyah Palopo, Indonesia
goso@umpalopo.ac.id

Submitted: 29th June 2023/ **Edited**: 12th September 2023/ **Issued**: 01st October 2023
Cited on: Anwar, A. T. S., Goso, G., & Dewi, S. R. (2023). THE RELATIONSHIP BETWEEN MATERIALISM AND FINANCIAL LITERACY ON STUDENT FINANCIAL MANAGEMENT BEHAVIOR. *SCIENTIFIC JOURNAL OF REFLECTION: Economic, Accounting, Management and Business, 6*(4), 910-919.

ABSTRACT
This study aims to determine the relationship between materialism and financial literacy on the financial management behavior of students of the management study program at the Faculty of Economics and Business, Muhammadiyah University of Palopo. The method used in this research is quantitative. The sample used in this study consisted of 85 respondents. Determination of the sample using purposeful sampling. This research method uses a quantitative approach. Data was collected using the method of distributing questionnaires via Google and analyzed using multiple linear regression analysis, a t-test (partial), and an F-test (simultaneous) using the IBM SPSS 25 application. The results of this study indicate that materialism has a positive and significant effect on student financial behavior. Meanwhile, financial literacy also has a significant influence on student financial management behavior. The conclusion in this study is that there is a relationship between materialism and financial literacy on the financial management behavior of students of the management study program at the Faculty of Economics and Business, Muhammadiyah University of Palopo.
Keyword : Materialism, Finance Literacy, Financial Management Behavior

PROEM

The current Industrial Era 4.0 has brought economic growth and improvements to countries around the world, including Indonesia, which has an impact on people's financial behavior to meet their needs. Individuals must be able to manage their finances carefully in order to make the right and efficient decisions about using or allocating the funds they have. Nowadays, if you see cafes, malls, or tourist attractions, the younger generation is busy with the glamorous activities of the city world. This triggers the emergence of shopping behavior and the failure of financial management among the younger generation in managing their personal finances so that they are able to manage between the income obtained and budgeted expenses properly. If this behavior continues, it will develop into consumptive behavior. This pattern of behavior leads to excessive purchases and the fulfillment of needs in the absence of planning (Dewi, et al., 2021).

Financial management behavior refers to patterns of behavior relating to how individuals manage and operate their finances. Good financial management behavior involves wise decision-making, proper planning, and strict control over all aspects of personal finance. Financial management is the art of balancing human lifestyles, such as consumptive ones, with productive ones, such as investing, saving, or doing business. According to (Indriaswari, et al., 2022), financial management behavior can affect financial stability both now and in the future through consumptive behavior. This pattern of behavior leads to excessive purchases and the fulfillment of needs in the absence of planning (Dewi, et al., 2021)

Materialism is the individual's attachment to worldly possessions. Possession and acquisition of material wealth are the main goals of life. The impact of materialism on financial management behavior can have a negative impact because people tend to shop or buy excessively without thinking about and considering the financial impact that will occur. A shopping lifestyle that is not in line with income capacity and financial conditions can cause financial problems. A person who needs financial literacy or basic financial skills to manage financial resources effectively for his well-being. A low level of financial literacy is indicated when spending is continuous and unlimited, making it difficult or impossible for individuals to control their finances.

Materialism can encourage consumers to take on high levels of debt. For example, when someone impulsively buys expensive items with a credit card, they may simultaneously make financing decisions without fully considering the long-term implications or the financing options (Matos, ey al., 2019).

Understanding and utilizing financial literacy is vital to a more prosperous and quality life. Moreover, if someone can manage finances smartly, including being able to manage credit and invest smartly, This is certainly very useful for future survival, including being used to fund schools or higher education, insurance, and other programs..

Research on the relationship between materialism and financial literacy in financial management behavior has been conducted before with different results. Research conducted by (Munawarah, 2020) with the title "The Effect of Financial

Knowledge, Materialism, and Income on Family Financial Management" obtained the result that materialism has a significant negative effect on financial management. And based on research that has been done by (Fadli, et al., 2022), states that financial literacy has a significant effect on student financial management behavior at the faculty of economics and business at Singaperbangsa University Karawang. However, there is still a gap where the results of previous studies are still debated, so researchers try to prove the research variables that are the focus of our research by using a sample of students at Muhammadiyah Palopo University with a multiple linear regression approach.

THEORETIC

Materialism

According to (Williams, 2020), materialism can be said to be when one pays primary attention to worldly things such as possessions. At a higher level, possessing a particular item or objects can be considered central to an individual's life and become a major source of satisfaction when all desires are fulfilled. Individuals see money as a symbol of strength and dignity, and shopping is one way to express materialist attitudes.

Financial Literacy

Financial knowledge (financial literacy) emphasizes the ability to understand basic concepts from economics and finance and how to apply them appropriately, taking into account knowledge, skills, and confidence in individual financial management (Goso, 2022). The ability of individuals to assess and make effective decisions about personal finance is part of behavioral economics (Goso et al., 2023).

Financial literacy is the understanding and knowledge of basic concepts and principles related to personal finance, investment, financial planning, debt management, and smart financial decision making. Having good financial literacy is important for managing finances effectively, avoiding excessive debt, and achieving long-term financial goals.

Financial Management Behavior

Financial management behavior relates to a person's financial responsibility regarding good financial management, which is judged by how a person manages the budget, controls expenses, saves, and invests if possible. According to Yulistia (2018), financial management behavior is a person's ability to manage all activities related to financial expenses in daily life.

METHOD

In this study, using a quantitative approach, This research was conducted at the campus of Muhammadiyah Palopo University, located on Jl. Jendral Sudirman, km. 3 Binturu, Palopo City, South Sulawesi. The population used for this research is the Muhammadiyah Palopo University Department of Management, with a total of 575 students. In determining the number of research samples using the Slovin formula. This formula is used because the population obtained is 575 students of the University of Muhammadiyah Palopo divided by 85 samples. The data collection method used is a survey method using an online questionnaire tool on Google Forms in the form of a series of sentences and questions sent to respondents to be answered. Questionnaires will be sent directly to students. Respondents provide answers by providing available options so as to measure respondents' attitudes towards the statements submitted using the Likert scale, which consists of strongly disagreeing to strongly agreeing. Then the collected data was processed using the IBM SPSS 25 application and analyzed using the validity test, reliability test, multiple linear regression analysis, t test (partial), and F test (simulation).

Table 1. Indicators of Measurement

Variable	Indicator
Materialism (X1)	1. Prioritizing ownership of goods. 2. Self-focused or selfish. 3. Constantly seeking a lifestyle dominated by ownership. 4. Always wish you had more things in order to achieve greater happiness. (Parfit, 2018)
Financial Literacy (X2)	1. General personal finance knowledge . 2. Savings and borrowing . 3. Insurance. 4. Investment. (Permatasari, 2018)
Financial Management Behavior (Y)	1. Preparation of financial plans for the future 2. Timely bill payment 3. Allowance of money for savings 4. Cost control 5. Fulfillment of needs for oneself and family. (Oktovianti, 2021)

Source: Research data, 2023

RESULT

Validity Test

The results of the validity test stated that all variables used in this study were reliable because overall statements about materialism (X1), financial literacy (X2), and financial management behavior (Y) had a calculated r value > r table (0.2133), so it was feasible to be used as a measuring instrument for questionnaires in this study.

Reliability Test

Reliability tests can be carried out jointly on all items or question items in the research questionnaire (Dacholfany, et al., 2022). The basis for decision-making in reliability tests is that if Cronbach's alpha value is > 0.60, then the questionnaire is declared reliable or consistent.

Table 2. Reliability Test

Variable	Alpha Cronbach's	Limits of Reliability	Information
Materialism (X1)	0,880	0,60	Reliable
Financial Literacy (X2)	0,831	0,60	Reliable
Financial Management Behavior (Y)	0,862	0,60	Reliable

Source: Primary data processed, 2023

Based on the table, it can be concluded that all variables used in this study have been reliable because, overall, the variables have a Cronbach's alpha value greater than 0.60, so it is feasible to use them as a measuring instrument for questionnaires in this study.

Multiple Linear Analysis Test

Table 3. Multiple Linear Analysis

Model		Unstandardized Coefficients B	Std. Error
1	(Constant)	4,520	2,060
	Materialism (X1)	,453	,093
	Financial Literacy (X2)	,536	,124
a.Dependent Variables: Financial Management			

Source: Primary data processed, 2023

Based on the table, a constant value of 4.520 and the coefficient value for the Materialism variable is 0.453 and Financial Literacy is 0.536, then the regression equation is obtained as follows: $Y= 4,520+0,453X_1+0,536X_2+e$

Based on the multiple linear regression equation above, it can be explained as follows:

1. The constant value (a) has a positive value of 4.520. A positive sign means that it shows a unidirectional influence between the independent variable and the

dependent variable. This shows that if all independent variables, which include materialism (X1) and financial literacy (X2), are 0 percent or have no change, then the value of financial management is 4,520.

2. The regression coefficient of the materialism (X1) variable is 0.453, which states that for every 1% increase in the materialism (X1) variable, consumption behavior increases by 0.453 (45.3%). or vice versa. If there is a decrease in the financial literacy variable (X1) by 1%, then consumption behavior decreases by 0.453 (45.3%).
3. The regression coefficient of the Financial Literacy (X2) variable is 0.536, which states that for every increase in the Financial Literacy (X2) variable by 1%, Consumptive Behavior increases by 0.536 (53.6%), or vice versa, if there is a decrease in the Financial Literacy (X2) variable by 1%, then Consumptive Behavior decreases by 0.536 (53.6%).

Partial T Test

Table 4. Partial T Test

Model		t	Sig.
1	(Constant)	2,194	,031
	Materialism (X1)	4,857	,000
	Financial Literacy (X2)	4,315	,000
a.Dependent Financial Management Variables			

Source: Primary data processed, 2023

The test results between independent variables against dependent variables individually (partially) are as follows:

H1 : It is known that the sig. value for the effect of X1 on Y is 0.000 < 0.1 and the calculated value is 4.857 > table 1.989, so it can be concluded that H1 is accepted, which means X1 has a significant effect on Y.

H2 : It is known that the sig. value for the effect of X2 on Y is 0.000 < 0.1 and the calculated value is 4.315 > ttable 1.989, so it can be concluded that H2 is accepted, which means X2 has a significant effect on Y.

F Test (Simultaneous)

The F test is a test to see how all the independent variables together affect the dependent variable.

Table 5. Test F

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	350,703	2	175,352	38,599	,000[b]
	Residual	372,520	82	4,543		
	Total	723,224	84			

Source: Primary data processed, 2023

Based on the results of data testing conducted in SPSS 25 above, it can be concluded that the significant value is 0.000 < 0.05 and the calculated F value is 38.599 > F table = 3.107. Thus, all independent variables (X) in this study simultaneously affect the dependent variable (Y).

Coefficient of Determination (R^2)

The coefficient of determination means the contribution of influence given by the independent variable or independent variable (X) to the dependent variable or dependent variable (Y), or in other words, the value of the coefficient of determination or R square is useful for predicting and seeing how much influence the variable X contributes simultaneously (together) to variable Y.

Table 6. Coefficient of determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.696	.485	.472	2.131

Source: Primary data processed, 2023

The results of the independent variable analysis of the dependent variable show that the R square value of 0.485 comes from the square of the value of the correlation coefficient, or R, which is 0.696 = 0.485. To see the effect of the independent variable on the dependent variable, by calculating the coefficient of determination (KD) = R2 x 100%, the result KD = 48.5% is obtained. Thus, the magnitude of the influence exerted by the independent variable on the dependent variable was 48.5%, while the remaining 51.5% was influenced by other factors that were not studied in this study.

Discussion

The Relationship of Materialism to Student Financial Management Behavior

Based on the results of the data testing and data analysis carried out using the SPSS 25 manager, a discussion will be carried out based on the results of the data analysis on the influence of materialism as X (independent) and the variable financial management as Y (dependent). From the test results using multiple linear regression, namely Y = 4.520 + 0.453X1 + 0.536X2, it is clear that the + sign expresses the direction of a unidirectional relationship, where an increase or decrease in the variable materialism (X) will result in an increase or decrease in the variable financial management (Y).

The results of the coefficient of determination data showed that materialism (X1) and financial literacy (X2) influenced financial management behavior (Y) by 48.5%, while 51.5% were influenced by other variables not discussed in this study. The results of data management regarding the t test were obtained: t count = 4.857 > t table = 1.989 with a significant 0.002 < 0.05, meaning that there is a positive and significant influence on student financial management behavior, then H1 is accepted and H0 is rejected.

The Relationship of Financial Literacy to Student Financial Management Behavior

Based on the results of the data testing and data analysis carried out using the SPSS 25 manager, a discussion will be carried out from the results of the data analysis on the effect of financial literacy as X (independent) with the variable financial management as Y (dependent). From the test results using multiple linear regression, namely Y = 4.520 + 0.453X1 + 0.536X2, it is clear that the + sign expresses the direction of a unidirectional relationship, where an increase or decrease in the financial literacy variable (X) will result in an increase or decrease in the financial management variable (Y).

The results of the coefficient of determination data showed that materialism (X1) and financial literacy (X2) influenced student financial management behavior (Y) by 48.5%, while 51.5% were influenced by other variables that were not discussed in this study. The results of data management regarding the t test were obtained: t count = 4.315 > t table = 1.989 with a significant 0.002 < 0.05, meaning that there is a positive and significant influence on student financial management behavior, then H2 is accepted and H0 is rejected. These results are supported by research that has been done (Yushita, 2017), which has confirmed that financial literacy has a significant effect on student financial management behavior. Which means that the higher one's financial knowledge and ability to implement financial aspects, the more likely it will result in wise financial behavior and effective financial management.

CONCLUSION

Based on the results of the analysis, hypothesis testing, and discussion that have been carried out, namely about the relationship between materialism and financial literacy and financial management behavior, it can be concluded that:

1. Materialism affects student financial management behavior at Universitas Muhammadiyah Palopo.
2. Financial literacy affects students' financial management behavior at Universitas Muhammadiyah Palopo.

Based on the R square value for the student financial management behavior variable, it is 0.485. The acquisition of these scores explained that the influence of materialism and financial literacy on student financial management behavior was 48.5%, and the remaining 51.5% was influenced by other variables outside of this study.

REFERENCES

Dacholfany, M. I., Khataybeh, A. M., Lewaherilla, N. C., Yusuf, M., Sihombing, H. B. M., & Chang, M. L. (2022). APPLICATION OF THE BALANCED SCORE CARD CONCEPT AS A HUMAN RESOURCE PERFORMANCE MEASUREMENT TOOL AT THE MINISTRY OF HIGHER EDUCATION IN INDONESIA. *MULTICULTURAL EDUCATION*, *8*(04), 1-13.

Dewi, Ni Luh Putu Kristina, Agus Wahyudi Salasa Gama, dan N. P. Y. A. (2021). Pengaruh Literasi Keuangan, Gaya Hidup Hedonisme, Dan Pendapatan Terhadap Pengelolaan Keuangan Mahasiswa Unmas. *Jurnal Emas*, *2*(3), 74–86.

Fadli, U. M., Savitri, C., & Rismayadi, B. (2022). Analysis of human capital lecturer factors in the process of achieving the vision of higher education. *IJHCM (International Journal of Human Capital Management)*, *6*(1), 54-65.

Goso, G. (2022). The Relevance of Financial Literacy and Cultural Inheritance in Household Finance Decision-Making. *Scientific Journal of Reflection: Economic, Accounting, Management and Business*, *5*(4), 1214–1223.

Goso, G., Alam, S., Amar, M. Y., & Munizu, M. (2023). Financial Literacy ' s Importance in Household Finance. *BIS-HSS 2021*, *ASSEHR 667*, 966–971.

Indriaswari, I., Ulupui, I. G. K. A., & Warokka, A. (2022). Financial knowledge, financial attitude, and locus of control: Reviewing their influence on financial management behavior using financial literacy as moderation variable. *The International Journal of Social Sciences World (TIJOSSW)*, *4*(2), 431-443.

Matos, C. A. D., Vieira, V., Bonfanti, K., & Mette, F. M. B. (2019). Antecedents of indebtedness for low-income consumers: the mediating role of materialism. *Journal of consumer marketing*, *36*(1), 92-101.

Munawarah. (2020). Pengaruh Pengetahuan Keuangan, Materialisme, Pendapatan terhadap Perilaku Pengelolaan Keuangan Keluarga. *Journal of Business and Banking*, *9*(2), 1–14.

Oktovianti, E. (2021). *Pengaruh Pendapatan, Gaya Hidup, Dan Pengetahuan Keuangan Terhadap Pengelolaan Keuangan Keluarga Masa Pandemi Covid-19*

Di Ds. Krebet Kec. Jambon Kab. Ponorogo. Universitas Muhammadiyah Ponogoro.

Parfit, D. (2018). Equality and Priority 1. In *The Notion of Equality* (pp. 427-446). Routledge.

Widya Permatasari. (2018). *Pengaruh Literasi Keuangan Terhadap Perilaku Konsumen Siswa Pada Mata Pelajaran Ekonomi Di Sekolah Menengah Kejuruan Muhammadiyah 02 Pekanbaru*. Universitas Islam Negeri Sultan Syarif Kasim Riau.

Williams, R. (2020). *Culture and materialism*. Verso Books.

Yulistia, R. (2018). Faktor-Faktor Yang Mempengaruhi Perilaku Pengelolaan Keuangan Keluarga Di Kabupaten Tuban. *Artikel Ilmiah STIE Perbanas Surabaya*, 1–13.