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The Influence of Financial Literacy and Parents' Income on Saving Behavior Based on Parents' Education and School Status

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Abstract

Saving is an important thing in financial management. However, on the other hand, people's saving behavior, especially teenagers, is still low. The purpose of this study is to determine the effect of financial literacy and parents' income on students' saving behavior based on parents' education and school status in Senior High School of Semarang City. This study used a quantitative approach. The population in this study were the students of class XI Social Sciences of Senior High School in Semarang City which had a good category in the National Examination 2019. The technique of data collection used questionnaire. The data analysis techniques used descriptive and inferential. The result of this study concludes that there are effects of financial literacy and parents' income on saving behavior. However, based on parents' education, there is no difference in saving behavior. In line with this, if based on school status, there is no difference in students' saving behavior.

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INTRODUCTION

Saving is an important thing for the welfare of society in the future if being not working and having no income (Putri & Susanti, 2018). Saving can improve the country's economy due to the savings are channeled into several sectors (Ubaidillah & Asandimitra, 2019). Due to the distribution of savings, it can increase capital in various fields of economy so that it can move the wheels of the economy.

However, on the other hand, the saving behavior of the Indonesian people is still low. A survey conducted by Siregar (2019), during the period 20th August – 6th September 2018 with a margin of error of 2.62%, it is found that people allocate only 10.7% of their income to save. Dakhi and Lubis' research (2017) also found that public high school students in Medan have low interest in saving.

Teenagers are members of society who can affect on the economy of a country because later teenagers will work and manage their finances independently (Ulfi, Siswandari & Octorio 2017). Managing finances properly needs to be instilled from an early age. The instillation of the saving behavior is intended so that this behavior will continue to be implemented in the future (Marlina & Iskandar, 2019). Although currently most teenagers do not have financial assets, but they face the decision to save, which may be in the context of saving to buy a new toy or cell phone (Brown & Taylor, 2015). The habit of saving in simple contexts is very useful for the future of teenagers. Teenagers according to the Ministry of Women's Empowerment and Child Protection of the Republic of Indonesia (2015) are individuals aged 15-17 years and if they study at the High School level (SMA).

The Financial Services Authority (FSA) also encourages young generation through financial literacy. Financial literacy according to Potrich, Vierira, & Silva (2016) is the mastery of a set of knowledge of attitudes and behaviors that have roles as basic references for making financial decisions with the aim of achieving welfare that can be accounted for. Financial literacy can also be interpreted as an individual's life skill to plan and manage finances to be prosperous (Financial Services Authority, 2017).

Financial planning can help in using it to be right on target and not to overdo it. This can be a control in the use of finances. If the knowledge and implementation of finances are good, of course, this will also save money for the future. In 2016, FSA conducted a survey on the level of national financial literacy. The survey results stated that the level of financial literacy of the Indonesian people is low, namely at 29.66%.

Family is a place to learn and become a guide for children in behaving in society (Dewi, Rusdarti, & Sunarto, 2017). Parents are also agents of primary socialization regarding the learning process of money management, whether intentional or not (Shalahuddinta & Susanti, 2014). The deliberate learning process about money management occurs when there is a dialogue between parents and children, while the accident is likely to occur when parents manage family finances and their children accidentally see. Parents have an important role in the family that is guiding their children's financial behavior (Vhalery, Leksono, & Irvan, 2019). Therefore, the cultivation of money management to their children starts since childhood, and is always reminded in adolescence.

Parents' income certainly influences the fulfilment of children's needs. Parents who have more income will give more money to their children for their children's needs (Putri & Rahmi, 2019). Of course, this will support children's daily activities. High parents' income tends to be able to provide sufficient funds and various financial facilities to their children, such as to be saved, invested or insured (Arsanti & Riyadi, 2018). The provision of sufficient funds can be a means for children to learn to manage finances. A good money management has a good impact on the future. Money management learning can be done by saving.

In addition, the level of parents' education varies, including graduates from Elementary, Middle, or High Schools. This diversity will certainly influence socialization in family. If the level of parents' education is high, then the mindset will be high so that it can provide good learning for their children. Low level of parents' education, their children should try to be independent in learning to manage finances (Wardani, Susilaningsih, & Sangka, 2017).

A student in his daily activities has a lot of activities in the school environment. Permendikbud No. 23 of 2017 requires that the number of hours of study at school is 8 hours for 5 days a week. This means that students are many involved in the school area which indirectly influence students' behavior. High school students are a level of society who are starting to grow up and are given the trust to make choices by their parents and remain supervised (Damayanti, Susilaningsih & Indriayu, 2019). Schools which are the second place of socialization after family can certainly influence student behavior, including financial behavior.

In the FSA survey 2016, the financial inclusion rate of Semarang City is 67.7%. Meanwhile, the national financial inclusion rate is 67.8%. The level of financial inclusion referred to by FSA is the use of financial products and services from banking, insurance, financing institutions, capital markets, pawnshops, and pension funds in the last 12 months calculated from the time of the survey. This means that the use of financial services in the city of Semarang is still below the national average. In addition, a survey conducted by Ghina, Fadila, and Shafa quoted by Setiawan is reported in https://jateng.tribunnews.com (2018) mentioned that only 39% of Semarang City students have savings. This survey takes a random sample from 7 High School in Semarang City with the number of respondents by 100 students. From the survey, it could be said that the savings for Semarang City students are still low.

Research on saving behavior is conducted by Crongvist and Siegel (2015) in Sweden with the research entitled The Origins of Saving Behavior which concludes that that the saving behavior of individuals is influenced by the tendency of genetic, parents' social, and the interaction of the family environment.

Selcuk (2015) in a study that aims to examine the factors that influence students' financial behavior in Turkey. The research results show that the logistic regression results show that financial literacy, teaching parents about finance, and a positive attitude about money has a positive effect on these three financial behaviors. There are significant differences between male and female in having a budget to control their finances, where male tend to be less likely to have budget. Finance courses that have been taken and work experience have a positive effect on saving. Meanwhile, academic ranking does not affect any financial behavior.

Saving behavior has also been studied by Sirine and Utami (2016), in their research they conclude that financial literacy, parents' socialization, and self-control over behavior have an effect on saving behavior. Meanwhile, peer influence has no influence on saving behavior. Meanwhile, Putri and Susanti (2018) through their research entitled The Influence of Self-Control, Financial Literacy, and Financial Inclusion on Saving Behavior concludes that there is a significant influence between self-control, financial literacy, and financial inclusion simultaneously on saving behavior. Partially, self-control, financial literacy, and financial inclusion have an effect on saving behavior.

Research by Puspasari, Yanto and Prihandono (2018) conducted at Tegal City Vocational School concluded that financial literacy and the family environment directly influence attitudes, subjective norms, and behavior control. The family environment does not have a direct influence on students' behavioral intentions in saving. Furthermore, subjective norms, behavioral control, and behavior directly influence students' saving behavior. Indirectly, financial literacy and family environment have influences on saving behavior through subjective norms, perceived behavioral control, and intention to behave. This study uses a quantitative approach with analysis using path analysis.

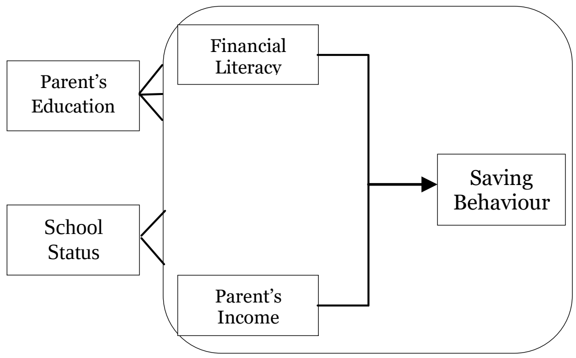

Figure 1. Theoretical Framework

From these various phenomena, the research objective is to determine the influence of financial literacy and parents' income on students' saving behavior based on parents' education and school status in High School of Semarang City. Parents’ education and school status are dummy variables.

METHODS

This study used a quantitative approach with explanative research type to examine existing hypotheses. The population of this study was the students of class XI Social Science of public and private schools which were categorized as at least good with academic results reflected in the National Examination 2019 in Semarang City with a total of 538 students. Sampling used proportional random sampling. The determination of the number of samples used the Yamane formula and obtained a sample of 230 students. Sources of data in this study used questionnaires. The analysis in this study used descriptive analysis, prerequisite tests, and dummy regression.

RESULTS AND DISCUSSIONS

After conducting a series of tests, the following results are obtained:

Table 1. Regression Analysis 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	54.56652	7.029554	7.762445	0.0000
X1	0.345258	0.037006	9.329726	0.0000
X2	0.441181	0.457288	0.964776	0.3357

R-squared	0.211181	Mean dependent var	77.54783
Adjusted R-squared	0.204231	S.D. dependent var	7.983874
S.E. of regression	7.122086	Akaike info criterion	6.777236
Sum squared resid	11514.37	Schwarz criterion	6.822081
Log likelihood	-776.3822	Hannan-Quinn criter.	6.795326
F-statistic	30.38594	Durbin-Watson stat	1.976956
Prob(F-statistic)	0.000000	Wald F-statistic	46.44002
Prob(Wald F-statistic)	0.000000		

Thus, the regression obtained:

$Y = 54.57 + 0.35X_1 + 0.44X_2$

Where:

Y = Saving Behavior

X1 = Financial Literacy

X2 = Parents' Income

Based on the results of multiple regression analysis in Table 1, it is shown that the prob (F-Statistic) value is 0.0000 below 0.05 and it can be concluded that there is together (simultaneous) influence between financial literacy and parents’ income on students' saving behavior. The magnitude of this influence can be seen from the result of R Square of 20.42%. This means that financial literacy and parents' income have effects on saving behavior by 20.42% and the rest is influenced by other factors.

In the partial test of the effect of financial literacy on saving behavior, it is obtained the t value of 9.3297 above the t table of 1.645 and the sig value is 0.000 <0.05. It can be concluded that financial literacy partially has an influence on students' saving behavior. Still, in the partial test of parents' income on saving behavior, the t value is 0.9647 under the t table of 1.645 and the sig value is 0.3357> 0.05. It can be concluded that partially parents' income has no effect on students' saving behavior.

Table 2. Results of Regression Analysis 2 with Parents’ Education as a Dummy Variable

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	52.29594	7.042296	7.425979	0.0000
X1	0.345764	0.037131	9.311879	0.0000
X2	0.637908	0.480749	1.326905	0.1859
D1	-1.317374	1.860287	-0.708156	0.4796
D2	0.000968	1.879424	0.000515	0.9996

R-squared	0.216776	Mean dependent var	77.54783
Adjusted R-squared	0.202852	S.D. dependent var	7.983874
S.E. of regression	7.128254	Akaike info criterion	6.787509
Sum squared resid	11432.70	Schwarz criterion	6.862250
Log likelihood	-775.5635	Hannan-Quinn criter.	6.817658
F-statistic	15.56853	Durbin-Watson stat	1.991830
Prob(F-statistic)	0.000000	Wald F-statistic	23.47261
Prob(Wald F-statistic)	0.000000		

Thus, the regression obtained:

$Y = 52.30 + 0.35X_1 + 0.64X_2 – 1.32D_1 + 0.001D_2$

Where:

Y = Saving Behavior

X1 = Financial Literacy

X2 = Parents' Income

D1 = Parents’ Education

High: 1, other (primary and secondary): 0

D2 = Parents’ Education

Middle: 1, other (basic and high): 0

Based on the regression analysis in Table 2, it is known that the prob (F-Statistic) value is 0.0000 below 0.05, which means that there is a simultaneous influence between financial literacy and parents’ income on saving behavior based on parents’ education.

Table 3. Testing Results of Differences in Saving Behavior Based on Parents' Education

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	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	48.353	2	24.176	.377	.686
Within Groups	14548.621	227	64.091		
Total	14596.974	229			

Based on table 3, it is shown that the Sig (2-tailed) value of 0.686 is greater than 0.05, then it can be concluded that there is no difference in the effect of financial literacy and parents' income on students' saving behavior based on parents' education.

Table 4. Results of Regression Analysis 3 with School Status as a Dummy Variable

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	56.05158	8.231032	6.809788	0.0000
X1	0.347725	0.045193	7.694288	0.0000
X2	0.357250	0.490479	0.728370	0.4671
D3	-0.418469	1.147776	-0.364591	0.7158

R-squared	0.211644	Mean dependent var	77.54783
Adjusted R-squared	0.201180	S.D. dependent var	7.983874
S.E. of regression	7.135728	Akaike info criterion	6.785344
Sum squared resid	11507.61	Schwarz criterion	6.845137
Log likelihood	-776.3145	Hannan-Quinn criter.	6.809463
F-statistic	20.22422	Durbin-Watson stat	1.976205
Prob(F-statistic)	0.000000		

Where:

$Y = 56.05 + 0.35X_1 + 0.36X_2 - 0.42D_3$

Y = Saving Behavior

X1 = Financial Literacy

X2 = Parents' Income

D3 = School Status (Public: 1, Private:0)

Based on the regression analysis in Table 4, it is known that the prob (F-Statistic) value is 0.0000 below 0.05 which means that there is a simultaneous influence between financial literacy and parents' income on saving behavior based on school status.

Table 5. Testing Results of Differences in Saving Behavior Based on School Status

Variabel	Sig. (2-tailed)	Mean Difference	F Hitung
Perilaku Menabung			
Equal variances assumed	0,805	-0,27871	0,061
Equal variances not assumed	0,814	-0,27871	

Based on table 5, it is shown that the Sig (2-tailed) value of 0.805 is greater than 0.05, then it can be concluded that there is no difference in the effect of financial literacy and parents' income on students' saving behavior based on school status.

The Influence of Financial Literacy and Parents 'Income on Students' Saving Behavior

The research results show that financial literacy and parents' income simultaneously have positive influences on the saving behavior of Semarang City High School students by 20.42%. This proves that internal factor in the form of financial literacy and external factor in the form of parents' income have a role for students to do saving activity. This conclusion is in accordance with the Attribution theory which states that one's behavior is simultaneously influenced by internal and external factors.

Financial literacy that is described in the knowledge and skills examined based on the material from the Financial Services Authority (FSA) partially has a significant role in influencing saving behavior, such as a research conducted by Te'eni-Harari (2016) which examines the influence of financial literacy on children's saving. The research which conducts in the center of Israel City concludes that high financial literacy means high savings. Research conducted by Chalimah, et al (2019) also concludes that financial literacy influences the saving behavior of Grade XI Vocational School students. Financial literacy that is reflected in one's knowledge and skills in understanding finances will certainly have an effect on making good financial decisions, especially for saving activities.

Nevertheless, parents' income does not partially influence saving behavior. This is in line with a research conducted by Herdjiono and Damanik (2016) which concludes that parents' income has no influence on financial management behavior, which is proxied to be consumption, saving, and investment activities. In addition, Putri and Rahmi (2019) also concluded that parents' income has no influence on financial behavior such as saving. High parents' income does not necessarily provide high allowance for their children because it is to teach children to be frugal. Because of this, then parents 'income does not influence students' saving behavior. There are still external factors that come from parents, for example the socialization of parents as reflected in giving examples, teaching saving behavior which is assumed to influence saving behavior.

The Influence of Financial Literacy and Parents' Income on Students' Saving Behavior Based on School Status

The research results show that financial literacy and parents' income simultaneously have positive influences on the saving behavior of Semarang City High School students based on parents’ education by 20.63%. However, if a further test is carried out, there is no difference in the effect of financial literacy and parents’ income on saving behavior based on parents’ education. This means that parents’ education, whether high, secondary, or basic, does not differentiate students' saving behavior. Previous research conducted by Arsanti and Riyadi (2018) concluded that parents’ education has no effect on children saving behavior.

The saving behavior of students is considered important by parents, so the instillation of saving behavior between high and non-high educated parents is the same or has no difference. Nampak Saving behavior, which is learning to manage finances, can be instilled from an early age so that saving behavior when becoming teenagers or adults has started to appear.

The Influence of Financial Literacy and Parents' Income on Students' Saving Behavior Based on School Status

The research results show that financial literacy and parents' income simultaneously have positive effect on the saving behavior of Semarang City High School students based on school status by 20.11%. However, if a further test is carried out, there is no difference in the effect of financial literacy and parents' income on saving behavior based on school status. This means that the different status of schools between public and private does not make a difference in students' saving behavior.

When seen from Permendikbud No. 37 of 2018 concerning Core Competencies (KI) and Basic Competencies (KD) for Elementary, Middle, and High Schools, it is written that the learning materials for public and private schools are the same. Basic competencies consist of spiritual, attitude, knowledge, and skills. Character education in financial behavior, especially saving, can be said to be the same between public and private schools.

CONCLUSION

There is a significant positive influence of financial literacy and parents' income on saving behavior. This proves that good financial literacy and high parents’ income can influence good saving behavior.

There is no difference in the influence of financial literacy and parents’ income on saving behavior based on parents’ education. This proves that the cultivation of students' saving behavior is the same between parents who have different education.

There is no difference in the influence of financial literacy and parents' income on saving behavior based on school status. This proves that school status does not become a differentiator for inculcating students' saving behavior.

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