

The Influence of Lifestyle and Financial Planning on Household Financial Behavior in Kenjeran District Surabaya City



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ABSTRACT: This study aims to determine whether lifestyle and financial planning can influence household financial behavior in Kenjeran District, Surabaya City. The research method used in this study is a quantitative method. The population in this study were households in Kenjeran District, Surabaya City, with a total of 51.811 people. Sampling technique using probability sampling by using the Slovin formula for determining the sample and displaying the results of a total of 100 people. Distribution of questionnaires is a data collection method used in this study. Data analysis and processing techniques using Partial Least Square (PLS) with SmartPLS software. In order to obtain the test results, namely: (1) lifestyle has a positive influence on financial behavior, (2) lifestyle has a positive influence on financial planning, (3) financial planning has a positive influence on financial behavior, and (4) lifestyle has a positive influence on financial behavior through financial planning.

KEYWORDS: Financial Behavior; Financial Planning; Lifestyle.

I. INTRODUCTION

Households in their role as consumers cannot be separated from the large number of routine expenditures used to meet their needs. Income or income is a key factor to support these consumption activities. Income comes from salaries, wages, profits from transactions, investments or other income outside of the main income. No matter how big the amount of income or income is, if it is not supported by good financial planning and management, the results will also be inefficient. The inability to plan and manage finances can result in spending that is greater than the amount of income. If the expenditure and income are not balanced or even the amount of expenditure is higher than income, it will result in debt. Debt if not managed properly will only worsen financial conditions (Wulandari & Sri, 2020).

People's income tends to be constant, but needs always increase both in terms of price and quantity of goods, resulting in a gap between expenditure and income (Larasati & Setiawan, 2022). If there is a gap between expenditure and income, it causes a person's inability to manage his finances effectively. As is the case with housewives in Kenjeran District, with an increase in the level percentage unemployment and rising inflation in the city of Surabaya which caused some prices of basic necessities to increase. This can lead to a person's inability to make ends meet. If a person is unable to make ends meet, then that person cannot live properly. So to anticipate an economic crisis in the family, people usually take loans from someone or an institution that provides loans, both legal and illegal.

In Kenjeran District, most of the housewives have debt problems. Many housewives make loans to non-bank financial institutions, namely PT Permodalan Nasional Madani (PNM) through its program, PNM Mekaar. Because the loan process is relatively easy, PNM Mekaar is an alternative to meeting needs. This is evidenced by the increasingly high demand for credit from PNM Mekaar. Data for PNM Mekaar customer members per year are listed in the following table

Table 1. Data on the number of PNM Mekaar customers in Kenjeran District

Year	Number of Customers
2020	6.000 people
2021	7.000 people
2022	7.900 people
2023	8.400 people

Source: PNM Mekaar (2023)

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This situation is caused by the poor financial management of housewives in Kenjeran District, not making a budget for daily expenses or high spending habits and lifestyle. Someone with good personal financial behavior means being able to budget in daily activities (Kumalasari & Anwar, 2022).

With a high lifestyle, financial behavior is also an illustration of how a person behaves when faced with financial decisions that must be made (Azizah, 2020). Someone who has good financial behavior and responsible able to manage and use their finances tend to be more effective such as managing budgets, managing expenses, investing, saving, and so on (Safryani, Aziz, & Triwahyuningtyas, 2020). Having financial planning can have a positive influence on a person's financial behavior and being able to make good use of the money they have to achieve certain goals (Saputra, Rahmayuni, & Febriyanti, 2022).

The research was conducted with the aim of analyzing and testing hypotheses related to the influence of lifestyle and financial planning on financial behavior, as well as to test the ability of variable X2, namely financial planning, to mediate the influence of lifestyle as variable X1 on financial behavior as variable Y.

II. LITERATURE REVIEW

A. Theory of Planned Behaviour (TPB)

This theory was submitted by Ajzen in 1991, whose contents explain the prediction of the intention of a behavior. In the Theory of Planned Behaviour explained how we can analyze and change the behavior of a person. This theory assumes that a person's behavior is not only controlled by himself, but also requires control, namely the availability of resources and opportunities and even certain skills, so it is necessary to add the concept of behavior control (perceived behavioral control) which is perceived to be influence intention and behavior (Azizah, 2020).

Theory of planned behaviour necessary because of the inability of the TRA model to deal with the behavior that belongs to the individual. An individual will have a good attitude towards a given behavior if he believes that the performance of the behavior will lead to the most positive results (Sandi, Worokinasih, & Darmawan, 2020).

B. Financial Behavior

Financial behavior relates to how a person treats, manages, and uses the financial resources at his disposal (Susanti, et al., 2017). Financial Management Behavior is a person's ability to manage (planning, budgeting, checking, managing, controlling, searching and storing) daily financial funds (Kusnandar & Kurniawan, 2018).

Individuals who have responsible financial behavior tend to be effective in using the money they have, such as making a budget, saving money, controlling spending, investing, and paying obligations on time. From there wise and responsible financial behavior will be created (Azizah, 2020).

C. Lifestyle

Lifestyle is one indicator that influences a person's behavior. If interpreted, lifestyle is a pattern of living in the world that is expressed by one's activities, interests and opinions. Lifestyle in principle is a person's pattern of managing his time and money (Kusnandar & Kurniawan, 2018).

Lifestyle describes the "Whole person" who interacts with his environment. Lifestyle is a person's pattern of life which is expressed in his activities, interests, and opinions in spending his money and allocating his time (Azizah, 2020).

D. Financial Planning

Financial planning is a process in which a person will meet the necessities of life as a financial goal through a good financial implementation in a comprehensive manner so as to be able to show one's finances (Susanti et al., 2017).

Financial planning can facilitate the process of financial management in helping someone determine finance decisions according to life goals, so it becomes important to do (Hariwijaya, 2018) in Anjaswati et al. (2022). A person's financial planning is influenced by various factors that can encourage a person's behavior to use money as needed.

E. The Influence of Lifestyle on Financial Behavior

Theory of Planned Behavior (TPB) assumes that a person's behavior is not only controlled by himself, but also needs to be added to the concept of perceived behavioral control that will affect intentions and behavior (Azizah, 2020). The concept of good individual control will direct individuals to behave in a better direction. If someone has a lifestyle that suits their family circumstances, then society will be able to manage their finances (Kusnandar & Kurniawan, 2018). Along with the lifestyle changes experienced by the community, it has an influence on people's behavior, especially behavior in managing finances (Kusnandar & Kurniawan, 2018).

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In line with the research of Rohmanto & Susanti (2021) and Nafitri & Wikartika (2023) which states that if the indicators in lifestyle variables increase, it will also have a high influence on financial behavior.

F. The Influence of Lifestyle on Financial Planning

According to the Theory of Planned Behavior (TPB), individual attitudes toward behavior, subjective norms and individual feelings about the ability to control everything that affects if you want to do that behavior (perceived behavioral control) (Ajzen, 1991). When someone has a level of awareness of their finances, they will control themselves in spending money (Anjaswati, et al., 2022). Lack of knowledge about financial planning is the cause of easy hedonism that prioritizes satisfaction (Parmitasari, et al., 2018). This shows that individuals with high lifestyles tend to do financial planning to be able to manage their lifestyle (Kusnandar & Kurniawan, 2018).

This is in line with research by Purnama & Simarmata (2021) and Maulida (2018) which shows that lifestyle has a positive influence on a person's financial planning. If the higher the lifestyle carried out by an individual, the higher the individual has financial planning.

G. The Influence of Financial Planning on Financial Behavior

According to Theory of Planned Behavior (TPB), human behavior is guided by three kinds of considerations, one of which is a belief about the existence of factors that can facilitate or hinder the performance of behavior (belief control) (Ajzen, 1991). High self-control based on the individual's financial behavior will direct the individual to make judgments in the financial transactions that are carried out. When someone can control himself in using money, it is very possible that someone is able to plan finances well (Anjaswati, et al., 2022). With good financial planning, it can also shape one's financial behavior well (Anjaswati, et al., 2022).

In line with the research of Fadilah & Purwanto (2022) and Fahrizal et al. (2021), that financial planning has an influence on financial behavior. One form of good and correct financial behavior is the financial planning of each individual (Fadilah & Purwanto, 2022).

H. The Influence of Lifestyle on Financial Behavior Through Financial Planning

According to the Theory of Planned Behavior (TPB), the influence of attitudes on behavior and subjective norms on intention is moderated by perceived behavioral control. As a general rule, the greater the perceived control, the stronger the person's intention to perform the behavior in question. When someone can control himself in using money, it is very possible that someone is able to plan finances well (Anjaswati, et al., 2022). With good financial planning, it can shape one's financial behavior well too. Therefore, financial planning is needed to balance income and expenses (Parmitasari, et al., 2018).

Research conducted by Purnama & Simarmata (2021) proves that a good lifestyle has a positive influence on one's financial planning. This is proven by the fact that financial planning has an important role in shaping their financial behavior which can change individual perceptions of their lifestyle (Purnama & Simarmata, 2021).

I. Research Model

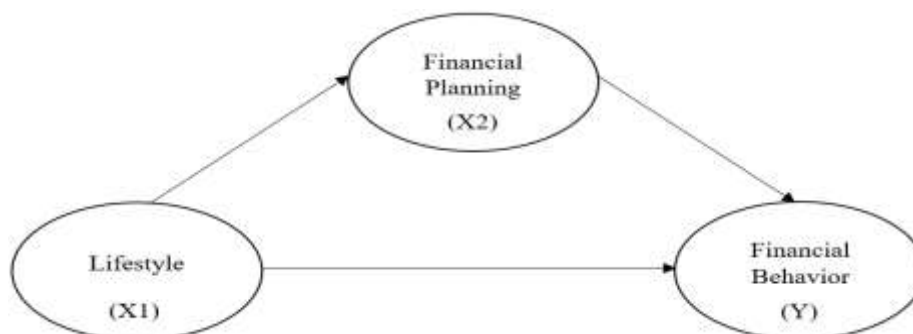


Figure 1. Research Theoretical Framework

- H1. Lifestyle has a positive influence on Financial Behavior.
- H2. Lifestyle has a positive influence on Financial Planning.
- H3. Financial Planning has a positive influence on Financial Behavior.
- H4. Lifestyle has a positive influence on Financial Behavior Through Financial Planning.

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III. RESEARCH METHODS

This research is a quantitative research with the type of primary data, namely the type of data obtained directly from the research subjects. The population in this study is households in Kenjeran District, Surabaya City, totaling 51.811 people (BPS, 2022). The respondents of this study were housewives in Kenjeran District, Surabaya City, with a total of 100 people probability sampling. By distributing questionnaires as a method of data collection. Data analysis and processing techniques using Partial Least Square (PLS) with help software SmartPLS.

IV. RESEARCH RESULTS AND DISCUSSION

A. Research Result

Outer Model Test

Table 2. Convergent & Discriminant Validity Test Results

Variable	Indicator	Outer Loading	AVE	Information
Lifestyle (X1)	X1.1	0,876	0,746	Valid
	X1.2	0,886		Valid
	X1.3	0,880		Valid
	X1.4	0,812		Valid
Financial Planning (X2)	X2.1	0,644	0,585	Valid
	X2.2	0,836		Valid
	X2.3	0,750		Valid
	X2.4	0,827		Valid
	X2.5	0,751		Valid
Financial Behavior (Y)	Y.1	0,505	0,583	Valid
	Y.2	0,850		Valid
	Y.3	0,830		Valid
	Y.4	0,754		Valid
	Y.5	0,824		Valid

Source: Data Processing Results, 2023

Table 2 shows that loading factor value and AVE of all indicators > 0.5 so that all indicators already have good discriminant validity. Mark composite reliability all indicators are presented as follows:

Table 3. Reliability Test

Variable	Composite Reliability	Cronbach's Alpha	Category
Lifestyle (X1)	0,922	0,890	Reliable
Financial Planning (X2)	0,875	0,820	Reliable
Financial Behavior (Y)	0,872	0,814	Reliable

Source: Data Processing Results, 2023

It can be seen in table 3 that all variables have met the requirements, namely they have a composite reliability value greater than 0.7 so it is reliable.

Inner Model Test

Table 4. R-Square Value

	R-Square	R-Square Adjusted
Financial Planning (X2)	0,150	0,142
Financial Behavior (Y)	0,772	0,767

Source: Data Processing Results, 2023

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Table 4 shows that the Financial Planning variable has an R^2 of 0.150. These results indicate that financial planning is influenced by lifestyle by 15%, while 85% is influenced by other than lifestyle variables.

For the variable Financial Behavior has R^2 of 0.772. These results indicate that financial behavior is influenced by lifestyle and financial planning by 77.20%, while 22.80% is influenced by other than lifestyle and financial planning variables.

Hypothesis Test

Table 5. Inner Model Path Coefficients

Variable Influence	β	P Values	Information
Lifestyle (X1) \rightarrow Financial Behavior (Y)	0,219	0,001	Significant
Lifestyle (X1) \rightarrow Financial Planning (X2)	0,388	0,000	Significant
Financial Planning (X2) \rightarrow Financial Behavior (Y)	0,770	0,000	Significant

Source: Data Processing Results, 2023

Table 6. Indirect Effects

Variable Influence	β	P Values	Information
Lifestyle (X1) \rightarrow Financial Planning (X2) \rightarrow Financial Behavior (Y)	0,299	0,000	Significant

Source: Data Processing Results, 2023

From table 5 and table 6 it can be concluded that the hypothesis states:

- H1. Lifestyle (X1) has a positive influence on Financial Behavior (Y) can be accepted.
- H2. Lifestyle (X1) has a positive influence on Financial Planning (X2) can be accepted.
- H3. Financial planning (X2) has a positive influence on Financial Behavior (Y) can be accepted.
- H4. Lifestyle (X1) has a positive influence on Financial Behavior (Y) through Financial Planning (X2) can be accepted.

B. Discussion

The Influence of Lifestyle on Financial Behavior

Based on the results of testing the first hypothesis, it is known that Lifestyle has a significant positive influence on Financial Behavior. This means that lifestyle changes have an influence in the same direction as changes in financial behavior, in other words, if lifestyle increases, there will be an increase in financial behavior. So it can be interpreted that lifestyle has a positive relationship with financial behavior.

The results of this study are in line with the research of Rohmanto & Susanti (2021), whose results state that there is an influence between lifestyle and financial behavior. Research by Nafitri & Wikartika (2023) also states that lifestyle has a significant and positive influence on financial behavior.

The Influence of Lifestyle on Financial Planning

The results of testing the second hypothesis show that Lifestyle has a significant positive influence on Financial Planning. This means that with a high lifestyle, the individual will tend to do financial planning to be able to manage the lifestyle they have. So it can be interpreted that lifestyle has a positive relationship with financial planning.

This research is supported by research by Purnama & Simarmata (2021) which states that lifestyle (lifestyle) a good positive influence on one's financial planning. Maulida's research (2018) also states that lifestyle has a significant influence on family financial planning.

The Influence of Financial Planning on Financial Behavior

The results of testing the third hypothesis show that Financial Planning has a significant positive influence on Financial Behavior. This means that if someone can control himself in the use of money, then it is very possible that someone is able to plan their finances properly. With good financial planning, it can shape one's financial behavior well too. So it can be interpreted that financial planning has a positive relationship with financial behavior.

This is in line with Fadilah & Purwanto's research (2022) which states that financial planning has a significant positive influence on financial behavior. Research Fahrizal et al. (2021) also stated that Financial Planning has a significant influence on Financial Behavior so that this hypothesis can be accepted.

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The Influence of Lifestyle on Financial Behavior through Financial Planning

The results of testing the fourth hypothesis show that Lifestyle has a significant positive influence on Financial Behavior through Financial Planning. This means that by increasing a person's lifestyle, the individual will tend to do financial planning to be able to manage the lifestyle he has. Based on the results of the study, it shows that the indirect influence through financial planning mediation has a greater coefficient value, when compared to the direct influence. So through indirect influence, namely Financial Planning, it can be proven that the Financial Planning variable is a tool for managing the Lifestyle owned by housewives in Kenjeran District so that they can apply their Financial Behavior properly. With good financial planning, it can shape one's financial behavior well too. So it can be interpreted that lifestyle has a positive relationship with financial behavior through financial planning.

The results of this study are in line with the research of Parmitasari, et al. (2018), which states that a person's lack of knowledge about financial planning is the cause of easy hedonism that prioritizes satisfaction resulting in prolonged losses. Therefore, financial planning is needed to balance income and expenses. Research by Purnama & Simarmata (2021) proves that with a certain lifestyle a person can change their consumption patterns so that they can prioritize through their financial planning. Having a good lifestyle has a positive influence on one's financial planning (Purnama & Simarmata, 2021). This is proven by the existence of a person's financial planning has an important role in shaping their financial behavior which can change individual perceptions of their lifestyle.

V. CONCLUSIONS

Based on the results of testing and discussion of the influence of Lifestyle and Financial Planning on Household Financial Behavior in Kenjeran District, Surabaya City, it can be concluded that: (1) Lifestyle is able to contribute to Financial Behavior, (2) Lifestyle is able to contribute to Financial Planning, (3) Financial Planning is able to contribute to Financial Behavior, (4) Lifestyle is able to contribute to Financial Behavior through Financial Planning. With the increase in one's lifestyle can cause problems in financial planning. With good financial planning, it can shape one's financial behavior well too. So that you can avoid unwanted financial problems.

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