

The Influence of Social Environment, Locus of Control, Love of Money, Parental Income on the Financial Behavior of Economics and Business Faculty Students in Pontianak City

Vinanty Tri Syakira¹, Edy Suryadi²

^{1,2}Universitas Muhammadiyah Pontianak, Indonesia

Email: vinantytri21@gmail.com

Abstract

Financial behavior is an important issue, especially with consumptive behavior that tends to lead to financial irresponsibility. Pontianak City's faculty of economics and business students should be able to solve financial problems. The university environment should provide financial understanding, especially for students of the Staff of Monetary viewpoints and Business. The model in this study relied upon the going with guidelines: (1) students of a staff of economy and business semester 4 to 8 who are dynamic close by in Pontianak. The looking at strategy for this study is purposive investigating. The study was conducted using a standardized sample size of 15,138 students. As indicated by the information investigation and conversation, monetary way of behaving is decidedly affected by friendly climate and locus of control. Locus of control, love of money, and parental income also play a role in shaping students' financial behaviors.

Keywords: *Social Environment, Locus of Control, Love of Money, Parental Income, Financial Behavior.*



A. INTRODUCTION

As time goes by, human needs and wants continue to grow, pushing individuals, including college students, to work to fulfill their income. Students, as the younger generation, need to manage their finances well, but are often affected by the changing times and modernization.

Financial behavior is an important issue, especially with consumptive behavior that tends to lead to financial irresponsibility (Kholilah et al., 2013). Lack of financial knowledge, attitudes to saving, investing, and other aspects play an important role in this problem (Muhidia, 2019).

According to Lubis (2016) Financial behavior is an integration of psychological factors and economic principles to identify the factors that underlie rational decisions regarding spending, borrowing, and managing savings. Meanwhile, According to Fianto (2017), financial behavior includes the implementation of financial knowledge through a number of practices, but is not limited to saving, entrepreneurship, understanding investment concepts, and other financial actions.

The university environment should provide financial understanding, especially for students of the Faculty of Economics and Business. However, the luxurious lifestyle among students and social pressure tend to cause wasteful behavior (Abdurrahman et al., 2020).

The tendency of students who often show their luxurious lifestyle among other students in order to be proud of having everything among other friends in order to be recognized in the friendship environment causes many students to tend to have a wasteful attitude (Ismail,2023). Therefore, it is believed that there is an effect of the social environment on money related approach to acting (Sada, 2022).

Table 1. University and Number of Students

University Origin	Number of Students	Number of Economics Students and Business
Muhammadiyah University Pontianak	5.297	1.587
Tanjungpura University	39.949	5.241
STIMIK Pontianak	1.254	-
OSO University	0	120
STIKES Yarsi Pontianak	322	-
Yarsi Pharmacy Academic Pontianak	427	-
Politeknik Negri Pontianak	6.224	-
Aisiyyah Polytechnic Pontianak	139	-
Panca Bhakti University	4.433	1.502
Bina Sarana University Informatics	0	-
Widya Dharma University	278	3.550
IKIP PGRI	7.873	-
Catholic High School Negri Pontianak	760	-
College of Economics Pontianak	745	745
STIK Muhammadiyah Pontianak	851	-
IAIN Pontianak	7.008	2.393
Poltekkes Kemmkes Pontianak	2.933	-
Total	78.493	15.138

Source: PDDikti Reporting Data 2018/2023

Table 1.1 shows the large number of economics and business faculty students in Pontianak city which indicates that many students experience a luxurious lifestyle in their environment. Economics and business faculty students in Pontianak city should have the choice to deal with issues associated with their assets.

Not only the friendship environment makes students unable to control their finances, students are often influenced, especially social media where students often use social media for their lifestyle, research says the most social media users from groups that have a very high educational background. It can be seen from three groups, one of which is Diploma/S1 as much as 97.55%. (<https://indonesiabaik.id/infografis/pengguna-media-sosial-di-indonesia-19>).

The influence of the friendship environment and social media makes it more difficult for students to control their finances. Locus of control, love of money, and additionally, parental pay has an impact on the financial behavior of students.

Financial approach to acting can in like manner be impacted by locus of control. *locus of control* According to Rizkiawati & Asandimitra (2018:95): "The way a person sees an event and his ability to control events that happen to him greatly affects financial behavior. If someone is able to control themselves from within to only use

money as needed or as necessary, in all likelihood, the singular will similarly finish financial organization suitably".

According to Agustin et al, (2023) It can also mean that a great love of money succeeds in making everyone who is greedy also does not cooperate well. However, if a person's love for money gives a positive impression, it can provide healthy financial management that can contribute to the success of the country's economy (Rusmita et al., 2023).

According to Aprinthsari et al. (2020), The habit of students who often consume goods that are not needed is still the most common thing that happens. This habit is predicted to arise not only because they do not get good knowledge about finance, but also associations that tend towards a luxurious lifestyle among students (Aziz & Taman, 2015).

The financial constraints faced by students, especially those away from their parents, can be resolved with good financial knowledge and management (Herdjiono & Damanik, 2016). Understanding needs, investing, and controlled spending can help students overcome their financial challenges (Nababan & Sadalia, 2012).

Constraints such as these can be distributed to their level of financial knowledge in managing finances individually (Iriyansyah et al., 2023). Parents' occupations vary as well as their parents' income. According to BPS (2021) population income is divided into the following 4 groups:

Table 2 Income Groups

Goals	Average Per Month
Very High	≥ IDR 3,500,000
High Income	IDR 2,500,000 - IDR 3,500,000
Medium	IDR 1,500,00 - IDR 2,500,000
Low	≤ Rp.1,500,000

Source: Central Bureau of Statistics, 2021

B. METHODS

This research employs associative research methods, as defined by Sugiyono (2019). Associative Research aims to depict the relationship and assess the correlation hypothesis between two or more variables in various samples or populations.

Students from Pontianak City's Faculty of Economics and Business made up the study's population. Purposive sampling was the method used for sampling in this investigation. The following criteria were used to choose the study's sample. 1) Active students at the Pontianak City campus, specifically those in semesters 4 through 8 of the Faculty of Economics and Business. 2) who have taken courses in financial management.

Respondents in the survey were taken from data on students of the labor force of monetary angles and business in Pontianak city, which amounted to an estimated 15,138. the author uses the Slovin formula with a critical value (e) of 10% to facilitate the author in the study. The results that have been calculated by the Slovin formula

get a minimum of 100 respondents, but the authors decided to take as many as 150 respondents. variables used are independent and dependent variables. The independent variables in this study are social environment (X1), locus of control (X2), love of money (X3), parental income (X5). The dependent variable is financial behavior (Y). this research processes data using IBM SPSS 22.

C. RESULTS AND DISCUSSION

1. Validity and reliability testing

Validity testing aims to evaluate the appropriateness of the questionnaire used for collecting research data from respondents (Sugiyono, 2017). This evaluation employs Pearson Correlation, and the questionnaire items are deemed valid if the significance level is below 0.05. Reliability testing assesses the consistency of the research instrument, with a Cronbach Alpha value above 0.60 indicating instrument reliability (Ghozali, 2018). Both validity and reliability testing are conducted using the SPSS program for Windows, as illustrated below:

Table 3 validity and Reliability Test Results

Item	r-value	r-table	<i>Cronbach Bach Alpa</i>
X1.1	0,161	0,159	0,857
X1.2	0,216		
X1.3	0,490		
X1.4	0,346		
X1.5	0,334		
X1.6	0,169		
X1.7	0,435		
X1.8	0,253		
X1.9	0,403		
X2.1	0,268	0,159	0,710
X2.2	0,262		
X2.3	0,297		
X2.4	0,293		
X2.5	0,349		
X2.6	0,312		
X2.7	0,198		
X3.1	0,463	0,159	0,654
X3.2	0,299		
X3.4	0,255		
X3.5	0,191		
X3.6	0,206		
X3.7	0,232		
X3.8	0,274		
X3.9	0,280		
X4.1	0,421	0,159	0,682
X4.2	0,317		
X4.3	0,434		
X4.4	0,299		
X4.5	0,415		
X4.6	0,410		

X4.7	0,351	0,159	0,848
X4.8	0,193		
X4.9	0,290		
X4.10	0,429		
Y.1	0,298		
Y.2	0,374		
Y.3	0,309		
Y.4	0,320		
Y.5	0,253		
Y.6	0,270		
Y.7	0,402		
Y.8	0,273		
Y.9	0,361		

Source: Processed Data, 2024

Considering table 3, everything is significant in light of the fact that the decided r-regard is more conspicuous than the essential r-table worth of 0.159, and all variables have sufficiently large alpha coefficients above 0.60. In this way, it might be contemplated that the assessment instrument is trustworthy and proper for use in the investigation (Arikunto, 2013).

2. Classical Assumption Test

Table 4 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		150
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.87769418
	Absolute	.064
	Positive	.039
	Negative	-.064
Test Statistic		.064
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Processed Data, 2024

In Table 4, the Kolmogorov-Smirnov Test shows that the significance regard, saw from Asymp. Sig, is 0.200. This recommends that the showed regard is > 0.05, exhibiting that the information is consistently appropriated (Ghozali, 2013).

Table 5 Linearity Test Results

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig
Social Environment	Between Groups	(Combined)	361,518	20	18,076	2,472	,001
		Linearity	211,943	1	211,943	28,984	,000
		Deviation from Linearity	149,575	19	7,872	1,077	,382

	Within Groups		943,316	129	7,313		
	Total		1304,833	149			
Locus Of Control	Between Groups	(Combined)	236,220	23	10,270	1,211	,248
		Linearity	37,866	1	37,866	4,465	,037
		Deviation from Linearity	198,354	22	9,016	1,063	,396
	Within Groups		1068,613	126	8,481		
	Total		1304,833	149			
Love Of Money	Between Groups	(Combined)	226,274	16	14,142	1,744	,046
		Linearity	109,310	1	109,310	13,479	,000
		Deviation from Linearity	116,964	15	7,798	,962	,499
	Within Groups		1078,559	133	8,109		
	Total		1304,833	149			
Parental Income	Between Groups	(Combined)	228,973	27	8,480	,962	,526
		Linearity	19,103	1	19,103	2,166	,144
		Deviation from Linearity	209,871	26	8,072	,915	,587
	Within Groups		1075,860	122	8,819		
	Total		1304,833	149			

Source: Processed Data, 2024

Based on table 5, it shows that the significance value of linearity is > 0.05 , indicating a linear relationship between social environment, locus of control, love of money, and parental income towards financial behavior (Lupiyoadi et al., 2015).

Table 6 Multicollinearity Test Results

Coefficients ^a								
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.354	3.107		2.689	.008		
	Social Environment	.175	.049	.246	3.543	.001	.846	1.182
	Locus Of Control	.598	.091	.454	6.595	.000	.859	1.165
	Love Of Money	.067	.061	.076	1.095	.275	.855	1.170
	Parental Income	.072	.040	.121	1.799	.074	.901	1.110

a. Dependent Variable: Perilaku Keuangan

Source: Processed Data, 2024

The results of the multicollinearity test in Table 6 show that $VIF < 10.00$ and obstruction > 0.10 , suggesting that the backslide model doesn't contain multicollinearity and is suitable for use (Anwar, 2017).

3. Multiple Linear Regression Analysis

Table 7 Multiple Linear Regression Analysis Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	8.354	3.107		2.689	.008
Social Environment	.175	.049	.246	3.543	.001
Locus Of Control	.598	.091	.454	6.595	.000
Love Of Money	.067	.061	.076	1.095	.275
Parental Income	.072	.040	.121	1.799	.074

a. Dependent Variable: Perilaku keuangan

Source: Processed Data, 2024

The condition 7 tends to a various direct backslide model: $Y = 8.354 + 0.175 X_1 + 0.598 X_2 + 0.067 X_3 + 0.072 X_4 + e$. In the delayed consequences of the backslide condition above, it might be seen that the predictable worth is 8.354. This implies that when the variables Social Environment, Locus of Control, Love of Money, and Parental Income are all zero, the financial behavior variable will increase by 8.354.

The regression coefficient for the Social Environment variable (X_1) is positive, specifically 0.175. This suggests that a decrease of 0.175 in the Social Environment variable has a positive impact on Financial Behavior. In the delayed consequences of the backslide condition above, it might be seen that the predictable worth is 8.354. At 0.067, the Love of Cash variable's relapse coefficient—an incentive—is positive. This implies that a one-unit increase in Love of Money will result in a 0.067 increase in Financial Behavior.

The backslide coefficient a motivation for the Parental Compensation variable (X_4) is positive, expressly 0.072. This can be unraveled as a one-unit development in Parental Compensation provoking a 0.072 extension in Money related Approach to acting. The Locus of Control variable (X_2) has an incentive relapse coefficient of 0.598. This can be translated as a one-unit extension in Locus of Control provoking a 0.598 development in Money related Approach to acting.

The backslide coefficient for the Love of Money variable (X_3) is positive at 0.067. This suggests that a one-unit increase in Love of Money will result in a 0.067 increase in Financial Behavior. The backslide coefficient for the Parental Compensation variable (X_4) is positive, unequivocally 0.072. The outcomes in the table above make sense of the impact of the free factor (X) on the reliant variable (Y) all the while (sujarweni,2015). This can be deciphered as a one-unit expansion in Parental Income leading to a 0.072 increase in Financial Behavior.

4. Correlation and Determination Coefficient Analysis

Table 8 Correlation and Determination Coefficient Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641a	.411	.394	2.303

a. Predictors: (Constant), Parental Income, Love of Money, Locus of Control, Social Environment

Source: Processed Data, 2024

In the table 8, the value of R is 0.641. This indicates a significant relationship among X1, X2, X3, and X4 as it falls within the interval of 0.60-0.799. The coefficient of assurance, utilizing the changed R square worth of 0.394, suggests that the independent variables (Social Environment, Locus of Control, Love of Money, Parental Income) can explain 39.4% of the variance in the dependent variable (Financial Behavior), while the remaining 60.6% is attributed to unexamined factors.

5. Simultaneous Test (F Test)

Table 9 F Test Results

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	535.767	4	133.942	25.253	.000b
	Residual	769.066	145	5.304		
	Total	1304.833	149			

a. Dependent Variable: Perilaku keuangan

b. Predictors: (Constant), Parental Income, Love of Money, Locus of Control, Social Environment

Source: Processed Data, 2024

Together, they basically impact the dependent variable, as shown by the significance worth of $0.000 < 0.005$.

6. Partial Test (t Test)

Table 10. t Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.354	3.107		2.689	.008
	Social Environment	.175	.049	.246	3.543	.001
	Locus Of Control	.598	.091	.454	6.595	.000
	Love Of Money	.067	.061	.076	1.095	.275
	Parental Income	.072	.040	.121	1.799	.074

a. Dependent Variable: Perilaku keuangan

Source: Processed Data, 2024

Considering the above table, it is communicated that the social environment and locus of control factors have a positive effect, while the Fondness for Money and parental compensation factors don't have a positive effect.

7. Social Environment on Financial Behavior

The social environment variable has a significance worth of $0.001 < 0.05$, with a decided t-worth of $3.543 > \text{the ordered t-worth of } 1.976$. We reason that students in the labor force of monetary perspectives and business show strong positive money related approach to acting that is generally affected by their social environment. This recommends that a person's money related approach to acting will overall be positive expecting their correspondences or public action occur in a positive environment. If the environment has a positive impact, individuals are more likely to exhibit positive behavior. Most respondents responded positively, especially regarding the variable of social environment placed in the high category, indicating that the majority of respondents agree that an individual's way of behaving is impacted emphatically by their current circumstance. The outcomes of this study are consistent with the investigation coordinated by Aprinthsari & Widiyanto (2020), stating that the social environment significantly influences financial behavior.

8. Locus of control on financial behavior

The significance worth of the locus of control variable is $0.000 < 0.05$, with a decided t-worth of $6.595 > \text{the coordinated t-worth of } 1.976$. This shows that locus of control influences financial direct. Students who have a high locus of control and a strong sense of self-worth can manage their finances. This result is consistent with the research conducted by Muhidia (2019), which indicates that the locus of control has a significant impact on financial behavior.

9. Love of money on financial behavior

The Love of Money variable has a significance value of $0.275 > 0.05$, with a calculated t-value of $1.095 < 1.976$. It can be concluded that the Love of Money partially does not have a significant positive influence on financial behavior. The higher an individual's love of money, the lower the ethical perception of students, and conversely, the lower the love of money, the higher the ethical perception of students.

10. Parental income on financial behavior

The parental compensation variable has a significance worth of $0.074 > 0.05$, with a decided t-worth of $1.799 < 1.976$. It might be assumed that parental compensation somewhat doesn't influence financial approach to acting. Putri et al. This conclusion is supported by the research (2019), which indicates that parental pay has no significant impact on financial behavior. This is because most students receive different allowances, some work part-time to meet their needs, while others still rely on allowances from their parents.

D. CONCLUSION

From the data analysis and discussion, the conclusion drawn from this research indicates that social environment and Monetary way of behaving is emphatically impacted by locus of control. This is in light of the fact that a significantly supportive

environment can impact the financial approach to acting of students, and then again, students similarly have control in managing their solitary assets. The research findings also reveal that love of money and parental pay don't influence money related approach to acting. This is attributed to the fact that individuals who love money may sometimes exhibit greed, leading to poor financial management. Additionally, parental income does not have an impact due to the varying financial conditions faced by students in each period, along with the diverse financial management approaches of their parents.

REFERENCES

1. (n.d.). (<https://indonesiabaik.id/infografis/pengguna-media-sosial-di-indonesia-19>).
2. Abdurrahman, S. W., & Oktapiani, S. (2020). Pengaruh Literasi Keuangan dan Lingkungan Sosial Terhadap Perilaku Keuangan Mahasiswa Universitas Teknologi Sumbawa. *Jurnal Ekonomi dan Bisnis Indonesia*, 50-55.
3. Agustin, D., Nersiwad, & Verlandes, Y. (2023). Pengaruh Love of Money dan Dender Terhadap Pengelolaan Keuangan Pribadi Pada Generasi Z di Kota Mojokerto. *Jumia*, 58-66.
4. Anggraini, A. D. (2018). Pengguna Media Sosial di Indonesia #19. Retrieved from <https://indonesiabaik.id/infografis/pengguna-media-sosial-di-indonesia-19>
5. Aprinthatari, M. N., & Widiyanto. (2020). Pengaruh Literasi Keuangan Dan Lingkungan Sosial Terhadap Perilaku Keuangan Mahasiswa Fakultas Ekonomi. *Business and Accounting Education Journal*, 65-72.
6. Arikunto. (2013). *Prosedur Penelitian Suatu Pendekatan Praktik*. Jakarta: Pt. Rineka Cipta.
7. Aziz, T. I., & Taman, A. (2015). Pengaruh Love of Money dan Machiavellian terhadap persepsi Etis Mahasiswa akuntansi. *Jurnal Nominal*, IV(2), 31-44.
8. BPS. (2021). *Statistik Pendapatan Agustus 2021*. Badan Pusat Statistika.
9. Fianto, F. M. (2017). *Materi Pendukung Literasi Finansial*. Jakarta: Jakarta Edsa Mahkota.
10. Ghozali. (2013). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21*. Semarang: Badan Penerbit Universitas.
11. Ghozali. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Semarang: Badan Penerbit Universitas Diponegoro.
12. Herdjiono, I., & Damanik, L. A. (2016). Pengaruh Financial Attitude, Financial Knowledge, Parental Income Terhadap Financial Management Behavior. *Jurnal Manajemen Teori dan Terapan*, 226-241.
13. Iriansyah, P., Astagiany, N., & Titing, A. S. (2023). Pengaruh Literasi Keuangan Dan Parental Income Terhadap Perilaku. *SAMMAJIVA: Jurnal Penelitian Bisnis dan Manajemen*, 100-111.
14. Ismail, M. (2023). *Tuntutan gaya hidup mahasiswa mempengaruhi untuk kuliah sambil kerja*.

15. Khairani, F., & Alfarisi, M. F. (2019). Analisis Pengaruh Financial Attitude, Financial Knowledge, Pendidikan Orang Tua dan Parental Income Terhadap Financial Management Behavior pada Mahasiswa S1 Universitas Andalas Padang. *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, 4(1), 360-371.
16. Kholilah, N. A., & Iramani, R. (2013). Studi Financial Management Behavior. *Journal of Business and Banking*, 69-80.
17. Lubis, T. A. (2016). *Manajemen Investasi Dan Perilaku Keuangan: Pendekatan Teoritis dan Empiris*. Jambi: Salim Media Indonesia.
18. Lupiyoadi, R., & Ikhsan, R. (2015). *Pratikum Metode Riset Bisnis*. Jakarta: Selamba Empat.
19. Muhidia, S. C. (2019). pengaruh Pengetahuan Keuangan, Sikap Keuangan, Dan Locus of Control Terhadap Perilaku Keuangan Mahasiswa Prodi Manajemen Universitas Muhammadiyah Gresik. *Jurnal UMG*, 58-65.
20. Nababan, D., & Sadalia, I. (2012). Analisis personal financial literacy dan financial behavior mahasiswa strata I fakultas ekonomi Universitas Sumatera Utara. 1-16.
21. Putri, H. N., & Rahmi, E. (2019). Pengaruh Pendapatan Orang Tua Terhadap Perilaku Keuangan Mahasiswa Pendidikan Ekonomi FE UNP. *Jurnal Ecogen*, 315-326.
22. Rizkiawati, N. L., & Asandimitra, N. (2018). Pengaruh demografi, Financial Knowledge, Financial Attitude, Locus of Control dan Financial Self-Efficacy Terhadap Financial Management Behavior Masyarakat Surabaya. *Jurnal Ilmu Manajemen*, 6(3), 93-107.
23. Rusmita, S., Azzahra, F., Akbar, U. A., Paputungan, P. A., & Maryati, C. (2023). Persepsi Mahasiswa Mengenai Uang Dengan Pendekatan Love of Money. *ABDI EQUATOR*, 53-60.
24. Sada, Y. V. (2022). Pengaruh Literasi Keuangan, Gaya Hidup dan Lingkungan Sosial Terhadap Perilaku Keuangan Mahasiswa. *Jurnal Literasi Akuntansi*, 2(2), 86-99.
25. Sugiyono. (2016). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: Alfabeta.
26. Sugiyono. (2017). *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: Alfabeta.
27. Sugiyono. (2018). *Metode Penelitian Kuantitatif*. Bandung: Alfabeta.
28. Sugiyono. (2019). *Metode Penelitian Pendidikan: Pendekatan Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
29. Sujarweni, V. W. (2015). *Metodologi Penelitian Bisnis dan Ekonomi*. Yogyakarta: Pustaka Baru Press.
30. Sunusi, A. (2017). *Metodologi Penelitian Bisnis*. Jakarta: Selamba Empat.