

Analysis of Financial Literacy, Lifestyle and Parents' Income in Santri Financial Management Behavior

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ABSTRACT

The purpose of this study is to investigate how students' financial management practises are influenced by their lifestyle, parental income, and financial literacy. Everybody can benefit from practising sound financial management habits. Extremely low financial literacy has an impact on lifestyle, influencing how much a person wants to spend according to their income. This study use interviews as a method of data collecting for its qualitative research design. Thirty kids from Al Lathifiyyah Islamic Boarding School 2 Bahrul Ulum Tambakberas Jombang served as the sample. The act of methodically looking through and gathering information from field notes, interviews, and other sources is the analytical approach that is employed in order to make the data easily comprehensible and provide others with useful information. The research results show that financial literacy, lifestyle and parental income indicate that the majority of students have practiced good financial management behavior, such as managing finances so that they have enough for one month, paying bills on time, and comparing prices when buying products. This can be taken into consideration for developing a financial literacy program at the Al Lathifiyyah 2 Bahrul Ulum Tambakberas Islamic Boarding School, Jombang.

Keywords: *Financial literacy, Lifestyle, Parental Income, Financial Management Behavior*

INTRODUCTION

Indonesia in the midst of globalization has felt the impact of economic growth and development which affects the financial behavior of its people. Humans are basically driven by unlimited needs and desires, which then has an impact on the financial habits of the Indonesian people, causing some people to ignore financial principles, and ultimately contributing to a more consumptive lifestyle (Rachmawati, 2021). The financial principle in question is to focus on purchasing goods or services based on needs, not wants. However, people often forget this principle, so they prefer to buy goods or services that they want rather than what they need. Thus, an understanding of financial literacy is needed to make wise economic decisions in consumption and avoid a lavish lifestyle. Good financial literacy will make a person consider decisions in using their money.

The focus of research in this idea is the boarding school, where students are hereinafter referred to as santri. The study of ancient literature is still practised at Pesantren, a historic educational institution. Dhofier describes a pesantren as essentially a regular Islamic boarding school, with students living together and learning under the direction of one or more "kyai," or instructors. Within the pesantren compound, where the kyai resides, is the student dormitory. There, you may find a mosque for prayer, study spaces, and other amenities for religious pursuits.

A lifestyle that is often discussed among santri is clothing. At first, clothing only serves as a cover for the body, especially to keep the aurat in accordance with certain guidelines. Therefore, simple clothing models are in accordance with the rules regarding the limits of aurat for men and women. However, along with the development of increasingly modern lifestyles and technological advances, various models of clothing such as jubah, gamis, kabaya, and others began to appear. At their current age, they are very concerned about their appearance and try as much as possible to look perfect and attractive in the eyes of others. For Al Lathifiyyah santri, it is not only important in terms of clothing, but

also important in terms of physical appearance, such as the use of makeup, as an additional value so that they feel more confident in their appearance.

Some companies target AL Lathifiyyah santri to promote items aimed at young people because these santri are naive, readily influenced by ads and salespeople, and they tend to spend lavishly, follow trends, and follow their friends. So they are easily tempted to buy these products through various advertisements presented. Finally, santri financial control is less than optimal and their financial behavior becomes uncontrollable. As a santri, it is required not to be israf. However, because Al Lathifiyyah santri are not only modern santri but also enter college which incidentally struggles with the outside world or modern causes santri to not be able to manage their finances wisely or even tend to be israf. It is very important for santri to apply the meaning of financial literacy in this modern life in order to become santri who can manage their finances, reduce consumptive lifestyles and live prosperously in the future.

METHOD

This study use interviews as a method of data collecting for its qualitative research design. Thirty Pondok Pesantren Al Lathifiyyah 2 Bahrul Ulum Tambakberas Jombang students, split into three ribaths Ribath Az-Zakiyyah, Ribath As-Sakinah, and Ribath As-Sa'adah constituted the sample. Data gathered from interviews, semi-structured interviews, observation, and documentation are systematically searched for and compiled using the analytical process as the data gathering approach. strategies for data analysis including data reduction, data visualization, and conclusion drafting. Data validity techniques through credibility (Internal Validity).

RESULT AND DISCUSSION

Result

In this discussion, the author explains the results of field research on each independent variable (financial literacy, lifestyle and parental income) dependent variable (financial management behavior), so that the following can be explained:

Frequency Distribution Based on Age

There were 30 respondents in this study. Each respondent was given questions and questionnaires to provide answers to the statements that had been provided, the questionnaire was distributed on March 1-4, 2023. Based on the data collected, the respondents have different characteristics so that the respondents can be distributed according to certain groups. The following is the distribution of respondents.

From the table above, it can be seen that it is known that the santri of Pondok Putri Al-Lathifiyyah 2 Bahrul Ulum Tambakberas Jombang who were taken as respondents showed that the majority of 12 years old were 1 respondent or with a percentage of 3%, 13 years old were 5 respondents or with a percentage of 17%, 14 years old were 2 respondents or with a percentage of 7%, 15 years old were 3 respondents or with a percentage of 10%, 16 years old were 4 respondents or with a percentage of 13%, 17 years old were 13 years old or with a percentage of 43%, and 18 year old students were 2 respondents or with a percentage of 7%.

Financial Literacy

Financial literacy is the capacity to interpret financial situations and concepts and use that understanding to proper conduct. Everyone needs to be financially literate in order to prevent financial difficulties (Silalahi, 2020). To stay out of financial trouble, everyone has to be financially literate. Lifestyle choices positively impact financial well-being, financial knowledge positively influences financial behavior, and the social environment positively impacts financial well-being (Kenale Sada, 2022). The most crucial factor in achieving financial prosperity is financial knowledge. Community standards of living are likely to rise with sound financial management underpinned by strong financial literacy, as financial stability is unachievable without sound financial management, regardless of an individual's income level. (Yushita, 2017).

According to the interview data gathered for the first question's financial literacy variable, 53% of respondents said they always set aside money for unforeseen expenses, while 47% said they seldom ever do so. In the second question item, 53% stated that they always buy things according to their needs rather than their desires, and 47% stated that they sometimes follow their desires more often than their needs. In the third question item, as many as 10% they always record the expenditure or income of the money they receive, 30% stated that they rarely record the income or expenditure of the money they receive, and 60% stated that they never record the expenditure or income of the money they receive. In question item 4,

20% of them always separate education money and pocket money, and 80% stated that they never set aside education money and pocket money, because they are only given pocket money, if the problem of education money is a matter of parents and boarding school administration.

Lifestyle

Lifestyle is essentially a conduct that mirrors the issues that a person truly has in their thoughts, which often melds with other aspects of personal emotional and psychological issues (Aunu & Azhari, 2021). This can be acquired by habits or the environment around you (Rohmanto & Susanti, 2021). A person's hobbies, interests, and income, as well as how they spend their money and manage their time, all contribute to their lifestyle (Gunawan et al., 2020). Students' money management practices might be influenced by their lifestyle. The findings demonstrated that poorer financial conduct was associated with greater lifestyle levels. This is a result of a lifestyle that encourages consumerism (Baroroh, 2019). Furthermore, further research demonstrates that lifestyle has a favorable and noteworthy impact on management students' financial conduct (Noviani, 2021).

According to the lifestyle variable interview findings, 47% of respondents said they always purchase new things, 30% said they buy new things seldom, and 23% said they never buy new things in response to the first question. In the second item, 56% of respondents stated that they always buy side dishes from outside, 40% of respondents stated that they rarely buy side dishes from outside, and 4% of respondents stated that they never buy side dishes from outside. In the third item, 6% of respondents stated that they always participate in extravagance, 27% of respondents stated that they rarely participate in extravagance, and 67% of respondents stated that they never participate in extravagance. In the fourth item, 13% of respondents stated that they always bought goods, 37% of respondents stated that they rarely bought goods, and 50% of respondents stated that they did not buy goods.

Income of Santri Parents

The income of class parents in the family is certainly very influential on buying behavior in general, because the higher the income of parents, the greater the opportunity to spend money given by parents, and vice versa. The lower the parents' income, the smaller the opportunity to spend money given by parents (Sipunga & Muhammad, 2014). Parental income is the income obtained from the utilization of factors of production of goods and services by a person obtained in one month. The relationship with learning activities is that parental income is a driving force to be able to achieve the desired goals, without parental income, learning goals will not be achieved (Rahmawati & Sayekti, 2023).

The following table shows the average household income of Pondok Pesantren Putri Al-Lathifiyyah 2 Bahrul Ulum Tambakberas Jombang students. Students who reported a very high family income numbered 8, those who reported a high family income numbered 10, those who reported a moderate family income numbered 9, and those who reported a poor family income numbered 3.

Behavioral Finance Management

Within the field of finance, one of the key ideas is financial management behavior. According to Humaira and Sagoro (2018), financial management behavior is the way that an individual manages their finances as perceived through the lens of their own psychology and habits. The capacity of santri to plan, arrange, and control their daily spending in order to satisfy their directed requirements is known as santri financial management behavior (Baroroh, 2019). According (Fitriarianti, n.d.), financial management behavior includes planning, tracking spending and costs on a daily, monthly, and other basis, setting aside money for unforeseen expenses, and saving.

Based on the interview results obtained for the first question financial management behavior variable, 56% of respondents stated that they were always biased in managing finances, 27% of respondents stated that they were rarely biased in managing finances, and 17% of respondents stated that they were not biased in managing finances. In the second item, 53% of respondents stated that they paid bills on time, 27% of respondents stated that they could rarely pay bills on time, and 20% of respondents stated that they could not pay bills on time. Regarding the third question, findings showed that 76% of participants often compare costs, 20% said they only occasionally do so, and 4% said they are unable to do so.

Discussion

In this discussion, the author explains the results of field research on each independent variable (financial literacy, lifestyle and parental income) dependent variable (financial management behavior), so the following can be explained:

- Financial literacy is the capacity of a person to comprehend and efficiently handle money. Prior

studies have demonstrated that financial management behavior is positively impacted by financial literacy. The lifestyle and desire to satisfy demands in line with income can be impacted by low financial literacy, and students' financial management behavior can also be influenced by the income of their parents. In order to manage one's personal money, it may be argued that financial literacy is crucial for everyone. Financial behavior, such as choosing investments and handling personal money, can be influenced by financial literacy. Therefore, in order to handle money more effectively and sensibly, it is critical for everyone to increase their level of financial literacy.

- Lifestyle also affects financial management behavior. Spending and savings patterns might be impacted by a hedonistic, consumptive lifestyle. Santri's money management practices may be impacted by their lifestyle. The findings demonstrated that poorer financial conduct was associated with greater lifestyle levels.
- Parents' income also affects the financial management behavior of santri. The higher the parents' income, the more likely the santri have good financial management behavior. Parents' income plays an important role in shaping their financial practices. Family income levels can affect santri's access to resources and opportunities to learn and practice good financial management.

CONCLUSION

Based on the results of the santri interviews regarding financial literacy, lifestyle, parents' income, and financial management behavior, several important conclusions can be drawn:

- **Financial Literacy**
The majority of santri have realized the importance of setting aside money for sudden needs. Some students still need to increase literacy in terms of recording expenses and income and separating money for sudden needs.
- **Lifestyle**
Most santri have a tendency to live simply and economically, showing awareness of wise financial management. Although there is a tendency to be attracted to trends, the majority are still able to maintain a balance between wants and needs.
- **Parents' Income**
Variations in parental income are seen from very high to low income categories. Most santri have parents with high and medium income.
- **Financial Management Behavior**
The majority of santri have practiced good financial management behavior, such as managing finances, paying bills on time, and comparing prices when shopping. Some santri still need to improve the habit of recording expenses and income and separating money for certain purposes.

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