

FINANCIAL LITERACY AND SAVINGS BEHAVIOR FEMALE ENTREPRENEURS IN KIARACONDONG MARKET, BANDUNG CITY

By:

Agnes Soukotta ¹⁾

Ferdinandus Sampe ²⁾

PA. Andiena Nindya Putri ³⁾

Pandu Adi Cakranegara ⁴⁾

Muhammad Yusuf ⁵⁾

Universitas Pattimura, Ambon ¹⁾

Universitas Atma Jaya, Makassar ²⁾

ITB Stikom, Denpasar ³⁾

President University, Bekasi ⁴⁾

STIA, Bandung ⁵⁾

E-mail:

Agnes21makoy@gmail.com ¹⁾,

ferdisampe1404@gmail.com ²⁾

Dinaputri1991@gmail.com ³⁾

pandu.cakranegara@president.ac.id ⁴⁾

yusuf.sukses2016@gmail.com ⁵⁾

ABSTRACT

The researcher wants to know if financial literacy can influence saving behavior in Pasar Kiaracondong, Bandung City, by using lifestyle as a moderating variable. The quantitative method was used by the researcher. The data used are of the primary variety. The study's population consisted of 115 female business actors who ran a kiosk in Bandung's Pasar Kiaracondong. Using 53 respondents from the target population in a number of samples. The distribution of online and offline questionnaires was used to collect data using a simple random sampling technique. Path analysis was used in conjunction with the WarpPls 7.0 software. As a result of the test results, financial literacy variables have a positive effect on lifestyle, lifestyle has a positive effect on saving behavior, financial literacy has a positive effect on saving behavior, and lifestyle has the ability to mediate the relationship between financial literacy and saving behavior.

Kata Kunci : Lifestyle, Financial Literacy, Saving Behavior

1. Introduction

Saving increases financial stability and can be used as an emergency fund to help anticipate future needs. As a result, saving behavior benefits everyone, particularly Indonesian business actors. Because, according to (Ahmadi &

Sulistyowati, 2018), business actors can create jobs that reduce poverty and expand the country's economy. Despite the importance of the benefits of saving, survey data shows that spending with the intention of saving is relatively low and has decreased.

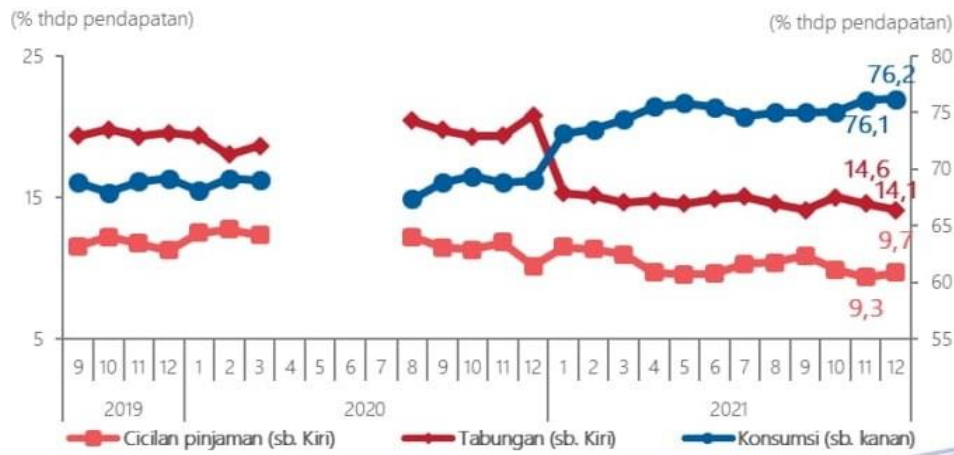


Figure 1. Use of household income

Source: Bank Indonesia Consumer Survey Report 2021

Expenditures to save the people of Bandung are similar to the survey data above. Where spending for the purpose of saving is relatively low, as evidenced by a previous pre-survey on female business actors with kiosks at Pasar Panjang Bandung. According to the pre-

survey results, respondents prefer to spend more on consumption rather than saving. That is, 50% of the budget is spent on consumption, while 20% is saved. Pre-survey findings on female entrepreneurs with stalls in Bandung:

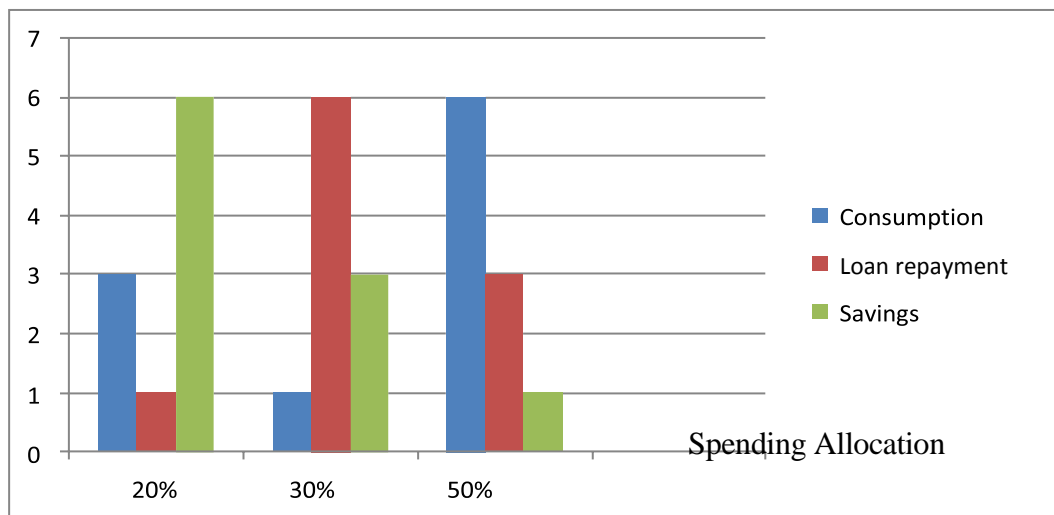


Figure 2. Use of Income Expenditure

Source: Pre-survey Data

Saving behavior is critical, particularly for business actors, in order to maintain business funds and continue to contribute to the country's economic development.

According to the pre-survey, however, the percentage of people's savings is relatively low. This is thought to be due to business actors' lack of financial

literacy. To make matters worse, female Indonesian business actors outnumber men, according to Ahmadi and Sulistyowati (2018), despite the fact that men have higher financial literacy than women. Because business actors cannot manage their finances properly, it is feared that women's low financial literacy will have an impact on their consumerist lifestyle. This will have an impact on financial management through savings.

2. LITERATURE REVIEW

Theory of Planned Behavior (TPB)

Theory of Planned Behavior (TPB) is a subfield of Theory of Reasoned Action (TRA). Reasoned theory (TRA) is divided into two parts: attitudes toward behavior and subjective norms. According to this theory, a person carries out or does not carry out a behavior based on the person's intentions, because the intention directly determines how the behavior acts. Icek Ajzen then expanded and strengthened TRA into a planning theory (TPB). The addition of a section to supplement the previous theory, namely the section on perceived behavior control. TPB shares the assumption that most behavior is not describe a person's consumption pattern. As a result, the run lifestyle will result in a good lifestyle. As a result, it can be assumed

entirely under the control of the individual, so a section on perceptual behavior control is required (Jogiyanto, 2007).TPB has an attachment to the variables in this study. The components of TPB theory are attitude toward behavior, which is reflected in financial literacy.

Financial Literacy Affects Lifestyle

According to the Financial Services Authority (2021), financial literacy is defined as "skills and competencies that will be useful for the welfare of individuals and empowering community groups in an effort to protect consumers through improved financial products and services." Financial literacy is included in the TPB theory component, namely attitudes toward behavior, where a person requires careful consideration before committing an act in order to control each of his behaviors (perceived behavioral control). Individuals with good literacy skills will have good intentions to be able to carry out behaviors such as controlling every consumption they will do. According to the explanation (Wulandari et al., 2016), financial literacy can

Lifestyle Affects Saving Behavior

(Mowen & Minor, 2002) define lifestyle as "the way a person lives."

How does one spend money and time? According to (Suharto & Suryoko, 2017), a person's lifestyle is the way he lives his life and can be recognized and characterizes how he uses money and time (activities), what he thinks is valuable (interests), and what other people think about him and nature. surroundings (opinion) (opinion). One factor that influences lifestyle formation is the reference group. Where the group can influence a person's attitudes and behavior through intermediaries or without intermediaries. As a result, lifestyle is a reflection of subjective norms related to behavioral attitudes. Where these components are incorporated into TPB theory. It is said that lifestyle influences the formation of saving behavior, so it can be assumed that lifestyle has an impact. People who live a bad lifestyle waste their money and time. Individuals who spend their money on frivolous activities will receive no benefits and will instead waste it. Individuals who live a healthy lifestyle, on the other hand, tend to save money. The individual decides to save his money for future use (saving). Personal factors, such as lifestyle indicators, have been shown in research (Setiawan & Amri, 2017) to have a positive and significant influence on saving behavior.

Financial Literacy Affects Saving Behavior

Financial literacy refers to a broad understanding of investment, savings, and insurance. Individuals with good financial knowledge can control their attitudes in their consumption activities. According to (Wulandari et al, 2016), financial literacy is important in shaping one's consumption behavior. According to research, one of the fundamental imbalances in saving interest and behavior is a lack of financial literacy (Robin & Djanuarko, 2021). Financial literacy is an example of a TPB theory concept, along with attitudes toward behavior and perceived behavioral control. As a result, it is reasonable to assume that financial literacy influences the formation of saving behavior.

Financial literacy is one of the factors that can influence saving behavior, according to research (Raszad & Purwanto, 2021). According to (Marwati, 2018), financial literacy influences saving behavior. Financial literacy factors play an important role in developing a well-informed and educated community. Individuals with high financial literacy can comprehend and implement sound financial management practices, one of which is saving.

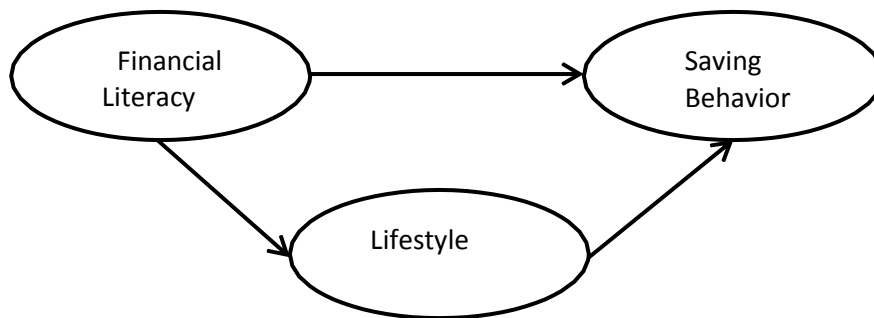
Financial Literacy Affects Savings Behavior Through Lifestyle

Financial literacy can also have an indirect effect on saving behavior. It is well understood that a person's level of financial literacy can influence their lifestyle. According to studies, financial literacy has a significant impact on lifestyle (Isnawati & Kurniawan, 2021). Someone who is well-literate will be more cautious in their consumption activities. As a result, a consumerist

lifestyle can be reduced (Astuti, 2016).

As a result, a person's financial literacy will influence how he manages his finances. Manage your finances so that you can use them now and in the future. Saving one of them is, of course, good financial management. Consistent savings activities can encourage a person's saving behavior. Personal factors, such as discovered lifestyle indicators, have been demonstrated by research (Setiawan & Amri, 2017)

Framework



Framework.3

Source : ,2022

Hyphotesis

- H1 : Financial literacy has a positive effect on the lifestyle of women entrepreneurs in the Kiaracandong Market, Bandung
- H2 : Lifestyle has a positive effect on saving behavior in female entrepreneurs in Kiaracandong Market, Bandung.
- H3 : Financial literacy has a positive effect on saving behavior in female

entrepreneurs in Kiaracandong Market, Bandung.

- H4 : The effect of financial literacy on saving behavior among female entrepreneurs in Pasar Kiaracandong Bandung is moderated by lifestyle.

3. RESEARCH METHOD

Financial literacy is used as the independent variable, with indicators based on personal finance knowledge, credit and debt knowledge, savings and investment knowledge, and insurance knowledge (Firlianda, 2019). In this study, the dependent variable is saving behavior as measured by indicators such as perceptions of future needs, provision for saving, and saving activities (Firlianda, 2019). In this study, the intervening / mediating variable is lifestyle, as indicated by indicators such as activities, interests, and opinions (Puranda & Madiawati, 2017).

Primary data types are used in the research. The researchers chose a sample

of 115 female business actors who operate kiosks in various markets throughout Bandung. The sample size was 53 people from the target population. The distribution of offline and online questionnaires using a simple random sampling technique yielded data collection. Then, using WarpPls 7.0 software, path analysis was performed. Path analysis is used to determine whether a relationship exists directly or indirectly. The stage begins with an examination of the outer model, in which each indicator used in the latent variable is measured, and is followed by an examination of the inner model, which measures the relationship between the latent variables.

4. RESULT AND DISCUSSION

The distribution of the questionnaire obtained the data below :

Tabel 1. Karakteristik R

Charateristic	Amount (Respondent)	Percentage (%)
Age		
22 – 31 Years	21	36,5%
32 – 41 Years	14	25,7%
42 – 51 Years	14	23,3%
Age > 50 Years	8	14,5%
Type of business		
Groceries	8	16%
Food	12	25,7%
Clothes	19	36,5%
Shoes	8	14,2%
Home Equipment	5	8,6%
Long effort		
1 – 10 Years	40	72,9%
11 – 20 Years	11	19,6%
> 20 Years	5	8,5%

Sales Result

1.000.000 – 5.000.000	13	21,6%
6.000.000 – 10.000.000	5	12,3%
> 10.000.000	3	4,8%
Unknown	33	61,3%
Amount Employee		
1 – 2 Employee	12	23,5%
3 – 5 Employee	6	8,5%
Have no Employees	34	67%

Source: Respondent Data

According to table 1, the majority of respondents are between the ages of 21 and 30, and they own a clothing business, followed by a food business. This is due to the fact that this type of business meets the needs of clothing and food. Where these needs are basic necessities that the community always seeks and requires. The company is in operation for one to ten years. With unknown monthly sales results because business actors keep their monthly income hidden. As long as the majority of market participants do not have employees to run their businesses.

Table.2 Outer Loading, AVE, Composite Reliability, dan R-Square

Indikator	Outer Loading	P-Value	Keterangan	AVE	Composite Reliability	R-Square
X. 1	0.721	<0.001	Valid	0.710	0.770	0.548
X. 2	0.771	<0.001	Valid			
X. 3	0.721	<0.001	Valid			
Y.1	0.740	<0.001	Valid	0.767	0.773	
Y.2	0.733	<0.001	Valid			
Y.3	0.721	<0.001	Valid			
Z.1	0.712	<0.001	Valid	0.767	0.773	
Z.3	0.718	<0.001	Valid			

Source : 2022

According to the table above, the measurement model testing in each variable indicator as a whole has an outer loading value of > 0.5, with the exception of the X4 and Z2 indicators, which have

an outer loading value of 0.5. As a result, these indicators are eliminated, and only indicators that meet the outer loading criteria and are declared valid are used to measure the variables of financial literacy (X), saving behavior (Y), and lifestyle (Z) in this study. The AVE test results for each variable show a value greater than 0.5, indicating that it is valid. A construct's composite reliability is measured. Each variable of financial literacy (X), saving behavior (Y), and lifestyle (Z) as a whole has a composite reliability value of 0.7, indicating that the variables used in this study are reliable.

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Mediation Effect Test

In this study, partial mediation includes testing the effect of lifestyle mediation on financial literacy on saving behavior. The VAF calculation yields a mediation value of 0.593 (59.3%), indicating that the p-value in each direct or indirect relationship is less than 0.05. This means that one's way of life can have an indirect impact on the relationship between financial literacy and saving behavior.

The Effect of Financial Literacy on Lifestyle

According to the data processing of the first hypothesis, financial literacy (X) has a positive and significant influence on lifestyle (Z). It means that women entrepreneurs who are more financially literate will have a higher quality of life. Before making a future decision, one should carefully consider financial plans (Anwar et al., 2017).

With their financial literacy, business actors consider all financial activities.

This is done to maintain financial security for business funds, particularly for business actors. What kind of activity is it? will promote a way of life that will lead to good things in the future. According to (Isnawati & Kurniawan, 2021), financial literacy has a significant impact on lifestyle. While (Oktafikasari & Mahmud, 2017) discovered that financial literacy has no effect on lifestyle.

The Effect of Lifestyle on Saving Behavior

The data in the second hypothesis show that lifestyle (Z) has a positive and significant influence on saving behavior (Y). That is, if one's lifestyle improves, one's saving behavior will improve as well. With a good lifestyle that business actors have in carrying out every financial activity, such as not engaging in extravagant behavior and choosing to save. Whereas the act of saving money by putting it aside for later use is a reflection of saving. According to studies, financial literacy influences saving behavior (Farikhah, 2016). According to research (Setiawan & Amri, 2017), personal factors such as lifestyle indicators have a positive and significant effect on saving behavior. The test results, however, contradict (Muntanah et al., 2021)'s claim that financial literacy

has no effect.

The Effect of Financial Literacy on Saving Behavior

According to data processing in the third hypothesis, financial literacy (X) has a positive and significant influence on saving behavior (Y). According to research (Ubaidillah & Asandimitra, 2019), financial literacy has an impact on saving behavior. According to (Rikayanti & Listiadi, 2020), financial literacy has an effect on saving activities. Financial literacy, as reinforced by (Raszad & Purwanto, 2021), has a significant positive impact on saving behavior. That is, as business actors' financial literacy improves, there will be a greater desire to save. As a result, their financial literacy enables business actors to implement good financial management and understand the value of saving. Where saving can ensure the future security of business funds.

Financial Literacy and Saving Behavior: A Lifestyle Approach

Financial literacy with indicators of basic personal finance knowledge received the highest number of respondents who stated they strongly agreed. This is consistent with the statement (Anwar et al., 2017) that, in general, business actors in MSMEs have

implemented financial management, even if it is only revenue and expenditure. Business actors can control transactions in carrying out each of their financial activities, such as avoiding wasteful actions, by performing simple planning and recording. Saving money will lead to a better lifestyle.

According to data processing in the fourth hypothesis, the indirect relationship effect of lifestyle (Z) can mediate the relationship of financial literacy (X) to saving behavior (Y). This means that women business actors with better financial literacy can help them understand financial management so that their lifestyle does not lead to wasteful consumerism. If women entrepreneurs are aware of the importance of saving and live a healthy lifestyle, their saving behavior will improve.

5. CONCLUSION

Based on the explanation that financial literacy affects the behavior of saving through lifestyle on female business actors in Pasar throughout the city of Bandung, it can be concluded that:

1. Financial literacy has a positive and significant effect on lifestyle.
2. Lifestyle can have a positive and significant impact on saving behavior.
3. Financial literacy can have a

positive and significant impact on saving behavior.

4. Lifestyle can moderate the effect of financial literacy on saving behavior. As a result, that way of life can help women entrepreneurs improve

Suggestion

Based on the explanation provided, it can be recommended to female entrepreneurs in the hope that they will be able to maintain and improve their savings behavior beyond what has been done previously. Because entrepreneurs must save in order to ensure the smooth operation of business funds in the future. For example, if unexpected costs or losses occur in the future, business actors can cover them with the money they have saved.

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