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THE INFLUENCE OF LIFESTYLE, INCOME AND FINANCIAL LITERACY ON INDIVIDUAL FINANCIAL DECISION-MAKING CASE STUDY OF THE FACULTY OF ECONOMICS AND BUSINESS STUDENTS, TADULAKO UNIVERSITY

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Abstract:
This research aims to analyze the influence of lifestyle, income and financial literacy on individual decision-making and financial behavior, with a case study at the Faculty of Economics and Business, Tadulako University. Making good financial decisions is critical to an individual's well-being, but often, these decisions are influenced by social factors such as the opinions of others, trends, or environmental pressures. The data collection technique in this research uses a questionnaire technique. The design used in this research is a quantitative approach with a survey research method, namely a research method using a questionnaire as a data collection instrument. The population used in this research were students at the Faculty of Economics and Business, Tadulao University. The data is in the form of the results of a questionnaire to 55 students at the Faculty of Economics and Business, Tadulako University, which contains the variables in this research, namely Lifestyle, Income and Financial Literacy. The results of this research are in line with the findings of Astiti (2023), which shows that lifestyle, income and financial literacy have a positive influence on the financial management of Generation Z. In addition, research by Dian Widyaningtyas et al. (2024) supports that the social environment, locus of control, and lifestyle also make a positive contribution to student financial management.

Keywords: Financial Literacy, Lifestyle, Income, Financial decision making

INTRODUCTION

Economic development does not only focus on developing physical facilities but also needs to improve people's mindsets, especially in financial management (Trisna, 2017). Nowadays, financial knowledge is developing rapidly along with the increasing complexity of human needs. This development encourages individuals to be more intelligent and effective in making decisions for the welfare of society, especially regarding short and long-term decisions in the inevitable era of globalization (Huston, 2010).

Financial management is influenced by culture, family, marketing, economics, education and financial knowledge. The family economy influences the fulfillment of children's needs and preparation for the future. Personal financial management also involves applying financial management principles to one's financial situation (Gaya et al., 2022). Financial decision-making is an important part of a person's life to maintain financial well-being. However, this decision is often influenced by social expectations, such as norms, views, and pressure from the surrounding environment. The social environment plays an important role in individual financial management. Pressure to meet social expectations can force individuals to take financial risks that they do not really need. Priono (2024)

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Lifestyle is a secondary need that can change according to the times or a person's wishes. "Lifestyle is a person's lifestyle expressed in their activities, interests and opinions" (Kotler & Armstrong, 2018). A lifestyle that needs to be adapted to financial capabilities also sometimes causes a person to try as hard as he can (Nurya et al., 2020). Lifestyle is influenced by social and cultural factors that shape how a person spends money. For example, students may be influenced by friends or social trends in determining their spending.

Financial literacy is the ability or intelligence of each individual to master financial aspects such as planning, financial management and financial decision-making. Suwatno et al. (2020). According to Haudi (2023), quality financial literacy can help individuals filter the information needed to carry out financial management and improve their financial welfare.

Students in the young age group are often under pressure to follow a consumerist lifestyle, which is driven by the desire to fulfill social needs, such as following fashion, technology and entertainment trends. This uncontrolled lifestyle can trigger unhealthy financial behavior, such as debt habits or not having a clear financial plan. Students who have an external locus of control tend to influence the environment in financial management, while students who have an internal locus of control are more independent. This self-control influences individual financial management behavior, based on previous research conducted by (Totalia et al. 2023), which shows that financial literacy, lifestyle and income have a positive effect on financial management among students. This means that as financial literacy, lifestyle and income improve, their ability to manage finances will also increase. Based on the description above, this research highlights the influence of this research on whether this research turns out to produce significant results if the research is carried out at the Faculty of Economics, Tadulako University.

Theory of Planned Behavior Ajzen (1991) is a theory that predicts planned and thought-out behavior. Many factors, including background factors, influence this behavior. This background includes social, personal and information aspects. Basic factors such as age, gender, ethnicity, social status, economics, spirituality, personality and education can influence a person's attitudes and desires in acting.

Lifestyle. The lifestyle a person desires. "Lifestyle is a person's lifestyle as expressed in their activities, interests and opinions" (Kotler & Armstrong, 2018). A lifestyle that needs to be adapted to financial capabilities also sometimes causes a person to try as hard as he can (Lestari, 2022). Lifestyle is influenced by social and cultural factors that shape how a person spends money. For example, students may be influenced by friends or social trends in determining their spending.

Apart from consumer behavior. Someone who has a lifestyle that tends to be consumptive will buy things that are not actually needed; they buy things to get maximum satisfaction (Riana, 2019). Lifestyle is how each lives, spends their money, and allocates their time (Susanti 2021). With a lifestyle that is very different from ancient society, financial behavior also reflects how a person behaves when faced with financial decisions that they have to make. (Regista et al., 2021) Argue that a person's lifestyle has a positive and significant influence on students' financial behavior. This research is also supported by research conducted by Pulungan (2021), which states that lifestyle has a positive and significant effect on students' consumption levels and financial behavior. H1: Lifestyle has a positive effect on decision-making ability.

Income is all receipts in the form of money or goods originating from other parties, as well as industrial products, which are valued on the basis of the amount of money from assets in effect at that time. Income is a person's source of income to meet daily needs and is very important for a person's survival and livelihood, directly or indirectly (Arianti, 2020).

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Income indicators, according to Siregar (2019), are (1) Income obtained from parents or transfers. (2) Income obtained from scholarships. (3) Income obtained from one's work (extra money) A person's income level can also be associated with their level of financial literacy; someone who has a higher income tends to have a higher level of financial knowledge, thus supporting better financial management (Marcella, 2023). H2: Income has a positive effect on decision-making ability.

Financial literacy. Financial literacy is the knowledge and understanding of financial concepts and risks, skills, motivation and confidence to make good financial decisions. The goal is to improve the financial well-being of individuals and society and support participation in the economy. (OECD, 2016) in (Soetiono and Cecep 2018:7)

Financial literacy or knowledge in managing finances is an economic behavior that has long existed in society, whether we realize it or not. Financial literacy is closely related to financial management. The higher a person's knowledge, the better their financial management. Low financial literacy can influence everyday decisions. Inappropriate decision-making can result in poor financial management, making society vulnerable to financial crises and potential losses due to crime in this sector. Dewi (2022), financial literacy has a positive influence on personal financial management. This research is also supported by research conducted by Halik et al. (2023), which also obtained positive results regarding financial literacy in personal financial management. H3: Financial literacy has a positive effect on decision-making.

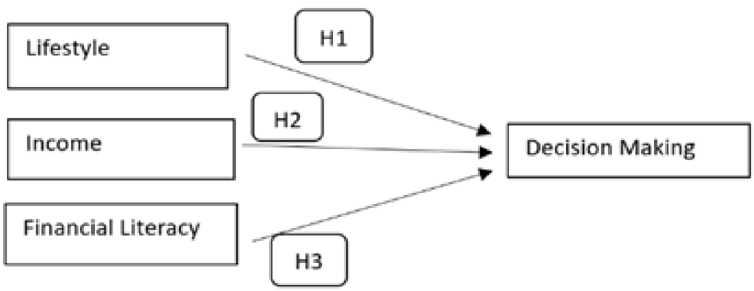

Figure 1. Research Conceptual Framework

METHODS

Data collection techniques are the most strategic step in research because the main aim of research is to collect data. The data collection technique in this research uses a questionnaire technique. The design used in this research is a quantitative approach with a survey research method, namely a research method using a questionnaire as a data collection instrument. The population used in this research were students at the Faculty of Economics and Business, Tadulao University. The data is in the form of the results of a questionnaire to 55 students at the Faculty of Economics and Business, Tadulako University, which contains the variables in this research, namely Lifestyle, Income and Financial Literacy.

Data Analysis Techniques Multiple Linear Regression. The analysis technique used in this research is multiple linear regression. The dependent variable analyzed is financial management, while the independent variables include financial literacy, lifestyle and income. Systematically, the multiple linear regression equation is written as follows:

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Individual decision making = α + β_1GH +β_2PD+ β_3LK
Information:
LS: Lifestyle
RV: Revenue
FL: Financial Literacy

Validity Test. A validity test assesses whether the questionnaire measures what it should (Ghozali, 2018: 52). An instrument is said to be valid if it can quickly reveal data from the variables studied. The high or low validity of the instrument shows the extent to which the data collected is consistent with the description of the variable in question.

Reliability Instrument Test. According to Sugiyono (2015), an instrument is said to be reliable if its errors are consistent and accurate. Reliability testing aims to ensure the consistency of the instrument as a measuring tool so that correction results can be trusted. An instrument is reliable if its analysis of the same group of subjects provides fairly consistent results, even though the aspect being studied could be clearer. In this study, reliability was assessed using Cronbach's Alpha coefficient and composite reliability. The instrument shows that the composite dependency is more than 0.7%.

RESULT AND DISCUSSION

Validity Test. The validity test assesses whether the questionnaire measures what it should (Ghozali 2018). The researchers processed the data and found that the significance value for all statements was smaller than 0.05. Thus, it can be declared that all statements are valid.

Reliability Test. Obtaining SPSS output, Cronbach's Alpha number is 0.909, which exceeds 0.6, so it can be called reliable if it is concluded that the respondent's answers are consistent.

Table 1. Reliability Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.690	3	5.230	8.321	<.001 b
	Residual	32.055	51	.629		
	Total	47.745	54			

a. Dependent Variable: TOTALYY
b. Predictor: (Constant), TOTALC3, TOTALX1, TOTALX2

Based on the results above, financial literacy, lifestyle and income have a positive relationship with financial management. A positive regression coefficient indicates a unidirectional influence, meaning that if financial literacy, lifestyle and income increase, then students' financial management will also improve.

The Influence of Lifestyle on Decision Making Ability. This research found that lifestyle has a positive effect on the financial management abilities of students at the Faculty of Economics and Business, Tadulako University. This means that the better a person's lifestyle, the better their financial management will be. A healthy and wise lifestyle encourages students to manage money according to their needs, avoid excessive consumption behavior, and not just pursue momentary pleasures. Positive perceptions of this lifestyle help students make wise financial decisions, while negative perceptions can be detrimental to their financial management. Therefore, a good lifestyle contributes to wiser and more responsible financial behavior. This finding is supported by research

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by Gunawan et al. (2020), which states that lifestyle has a positive effect on student financial management. Positive towards student financial management.

The Influence of Income on Decision Making. This research shows that income has a positive effect on students' financial management abilities at the Faculty of Economics and Business, Tadulako University. This means that the higher the income, the better the student's financial management. Students who receive scholarships and have their income, while those who are not yet working receive pocket money from their parents. The main challenge students face is how to use their income to meet needs, not wants. The greater the income, the more the expenses also increase. Therefore, good financial understanding is needed so that students can manage their income wisely and avoid debt. This finding is supported by research by Luhbudereni (2023), which states that income has a positive effect on student financial management.

The Influence of Financial Literacy on Decision Making. The research results show that financial literacy has a positive influence on students' financial management abilities at the Faculty of Economics and Business, Tadulako University. The higher the financial literacy, the better the student's financial management. Financial literacy helps students understand how to manage money.

Although some argue that financial literacy limits enjoyment, it actually allows students to enjoy life by managing finances wisely to achieve financial goals; with good financial literacy, students can allocate their financial resources effectively, avoid financial risks, and achieve prosperity in the future.[1][S12] Ningtyas's (2019) research also supports this finding, stating that financial literacy has a positive effect on financial behavior.

CONCLUSION

Lifestyle. Lifestyle has a positive influence on financial management, meaning that the better the lifestyle you have, the higher the ability of students at the Faculty of Economics and Business, Tadulako University, to manage their finances. In other words, a directed and planned lifestyle can help students increase awareness of the use of funds, organize financial priorities, and make wiser decisions in allocating their income. This shows that a positive lifestyle not only reflects healthy consumption patterns but also contributes directly to more effective and efficient financial management among students.

Income. Income also has a positive effect on financial management abilities, which means that the higher the income a student has, the better their ability to manage their finances. This shows that a larger income provides greater financial flexibility, allowing students to meet primary and secondary needs more optimally while allocating a portion of their income for savings, investments, or emergency funds. In other words, higher income can be one of the main supporting factors in increasing students' ability to plan, organize and control their expenses wisely, thereby helping to achieve long-term financial stability.

Financial literacy. Financial literacy has a positive effect on financial management, which means that the better financial literacy they have, the greater the ability of students at the Faculty of Economics and Business, Tadulako University, to manage their finances. Financial literacy includes an understanding of basic financial concepts, such as budgeting, debt management, saving, investing, and long-term financial planning. With better financial literacy, students can make wiser financial decisions, prioritize needs over wants, and avoid financial risks that could disrupt personal economic stability. This confirms that high financial literacy not only helps students face daily

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financial challenges but also prepares them to manage their finances in a more structured manner in the future.

The results of this research are in line with the findings of Astiti (2023), which shows that lifestyle, income and financial literacy have a positive influence on the financial management of Generation Z. In addition, research by Dian Widyaningtyas et al. (2024) supports that the social environment, locus of control, and lifestyle also make a positive contribution to student financial management. These two studies emphasize the importance of various psychological, social and economic factors in influencing the ability of individuals, especially students, to manage their finances effectively.

Based on the research results and conclusions, this research provides suggestions for further research, namely increasing the number of samples and expanding the research area by involving all departments at Tadulako University so that the research results can be generalized on a wider scale.

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