

The Influence of Financial Literacy, Work Experience, Parents' Socioeconomic Status on the Personal Financial Management of Accounting Education Students

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ABSTRACT

Objectives: The role of students is expected to be able to improve the economy with good financial management patterns. This seems difficult to achieve because the financial literacy of youth age groups such as university students and school students is relatively low. **Method:** This research analyzes factors that influence students' personal financial management, such as financial literacy, work experience, and socio-economic status. This quantitative research used random sampling techniques with a sample size of 32 respondents. Data was collected using questionnaires and questionnaires which were then analyzed using multiple linear regression. **Results:** The research results show that financial literacy, work experience and parents' socio-economic status simultaneously or partially influence students' personal financial management. **Novelty:** This research focuses on accounting education students whose scientific basis is in accordance with financial literacy and is still rarely researched.

INTRODUCTION

The role of students is expected to be able to improve the economy with good financial management patterns. However, this seems difficult to achieve because knowledge of finances in adolescent age groups such as university students and school students can be said to be low (Aulianingrum & Rochmawati, 2021 ; Mendari & Kewal, 2013). A consumer lifestyle where students tend to follow their desires rather than their needs also contributes to the difficulty of implementing personal financial management (Rosa & Listiadi, 2020) . Referring to a survey of Accounting Education students at the Faculty of Economics, Surabaya State University, of the 57 students who had completed the financial management course, 29 of them had not applied the knowledge from the course to their personal financial management (Rosa & Listiadi, 2020). Personal financial management is a process in achieving personal financial goals based on structured financial management (Herlindawati, 2017). Financial management behavior can be formed through education (Mendari & Kewal, 2013). Therefore, as students with economic status, especially those from an economics scientific background, they should be able to manage their own finances by controlling their consumptive lifestyle because students must budget their pocket money which is divided into food, boarding, transportation, etc. (Rosa & Listiadi, 2020).

Personal financial management in this research is thought to be formed by the influence of several factors. The first factor that can influence personal financial management is financial literacy, where the better the financial literacy, the better the personal financial management (Pradiningtyas & Lukiastuti, 2019). According to

(Mendari & Kewal, 2013), financial literacy is basic knowledge for individuals in anticipating financial problems in the form of a function of income and errors in financial management (mismanagement). Financial literacy, which is increasingly gaining attention in many developed countries, makes us increasingly aware of how important the level of financial 'literacy' is. In several countries, financial literacy has even been declared a national program (Yushita & Amanita, 2017). Low financial literacy is directly proportional to low personal financial management abilities (Khoirunnisa & Rochmawati, 2021). Results of research conducted by Yushita and Amanita (2017) in general, it shows that there is still a low level of financial literacy in developed countries and even more so in developing countries, including Indonesia. This condition is quite a serious problem considering that financial literacy has a positive effect on personal financial inclusion and behavior (Aulianingrum & Rochmawati, 2021).

The next factor that is thought to influence personal financial management is work experience as stated by (Sina, 2014), that work experience is closely related to personal finance because it can be used as a lesson in creating financial freedom. According to Erawati (2017) Students with work experience will be more effective and careful in applying financial behavior, including financial decision making and management. Often students who decide to study while working still experience difficulties in allocating their finances. The financial problem experienced by these students is that students behave wastefully, because the income they earn from working for one month is only used for their monthly living needs, while the costs for one semester of college are still paid for by their parents (Fatimah & Susanti, 2018). Meanwhile, the third factor that is thought to influence personal financial management is the socio-economic status of parents. Socioeconomic status is defined as a person's position in the eyes of society based on the assets or materials they own. Students whose parents' economic status is at the upper level will have more opportunities to manage their own personal finances than students whose parents are at the lower economic level, but this does not mean that the opportunity to manage personal finances is as great as success in managing them (Aulianingrum & Rochmawati, 2021)

Based on the phenomena described above, researchers are interested in examining the influence of financial literacy, work experience and parents' socio-economic status on personal financial management among accounting education students. It is hoped that this research will be able to provide a source of scientific reference regarding the role of literacy, work experience, and parents' socio-economic status which can have an influence on the personal financial management of accounting education students. Based on the research design above, the hypotheses that can be raised are: (H1) There is an influence between financial literacy, work experience and parents' socio-economic status on the personal financial management of accounting education students; (H2) There is an influence between financial literacy on the personal financial management of accounting education students; (H3) There is an influence between work experience on the personal financial management of accounting education students. (H4) There is an influence

between parents' socio-economic status on the personal financial management of accounting education students.

RESEARCH METHOD

This research uses quantitative research by collecting data through questionnaires distributed to subjects and then the results are presented in numerical form. The population in this research is Accounting Education students at the Faculty of Economics and Business, UNESA, using a random sampling method where the sampling selection is carried out randomly and each sample in the population has the same opportunity (Sugiyono, 2016). In this study there were 32 respondents who were research subjects. The type of data used in this research is primary data. The basis for collecting data in this research is by distributing questionnaires about the problem in the form of a Google form. The variables financial literacy, work experience and personal financial management were measured using a questionnaire with four Likert scales, point 1 = strongly disagree and 4 = strongly agree (Saputra et al., 2019; Saputra et al., 2023). Meanwhile, the socio-economic status variable of parents is measured using questionnaire questions and filled in according to the condition of each respondent.

This research began with pre-research tests, namely validity and reliability tests and continued with data analysis procedures. Next, classical assumptions were tested, including normality, multicollinearity and heteroscedasticity tests. Then, using IBM SPSS Statistics 25, multiple linear regression analysis was carried out using a simultaneous test (f test) and partial test (t test). Simultaneous tests will be carried out to see how Financial Literacy, Work Experience and Parental Socioeconomic Status jointly influence the Personal Financial Management of Accounting Education Students. Meanwhile, partial tests were carried out to determine the influence of each Financial Literacy variable on Personal Financial Management, Work Experience on Personal Financial Management, and Socioeconomic Status of Parents on Personal Financial Management.

RESULTS AND DISCUSSION

Results

The results of the analysis presented in table 1 show that the financial literacy variable has a calculated t value of $2.528 < t_{table} 1.693$, with a significance level of 0.002 (<0.05). This shows that financial literacy has a significant influence on students' personal financial management. These results are in line with the results of research conducted by Paradita et al. (2021), Sugiharti and Maula (2019), Laily (2013) and Robb and Sharpe (2009) which show that financial literacy has a positive influence on students' financial management. Table 1 also shows that the work experience variable has a calculated t value of $2,606 < t_{table} 1,693$ with a significance value of 0.000 (<0.05). This value shows that work experience has a positive influence on students' financial management and is in line with the results of research conducted by Tyas and Listiadi (2021) and Cakranegara and Fetesond (2022). Apart from that, table 1 also shows that the social status variable has a calculated t value of $2.601 < t_{table} 1.693$ with a significance value of

0.023 (<0.05), which means that social status has a significant influence on student financial management and is consistent with the results of research conducted by Aulianingrum and Rochmawati (2021) and Hidayat and Asiyah (2022).

Table 1. T Test (Partially Test)

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-3.904	7.048		-1.259	.019
Financial Literacy	.186	.163	.042	2.528	.002
Work experience	.227	.063	.091	2.606	.000
Social status	.150	.084	.048	2.601	.023

a. Dependent Variable: Financial Management

From the results of the coefficient calculations, the regression equation is obtained:

$$Y = -3.904 + 0.186 X_1 + 0.227 X_2 + 0.150 X_3 + \varepsilon$$

Table 2. Determination Coefficient Test (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914 ^a	.836	.818	3.584

a. Predictors: (Constant), Social Status, Work Experience, Financial Literacy

Judging from the linear regression test, the coefficient of determination results are as shown in the table above. Adjusted R square value. Namely 0.818. So it can be interpreted that in this study the variables of financial literacy, work experience and social status influence personal financial management variables by 81.8 % while 18.2% can be influenced by other factors.

Table 3. F Test (Simultaneous Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1832.188	3	610.729	47.542	.000 ^b
	Residual	359.687	28	12.846		
	Total	2191.875	31			

a. Dependent Variable: Financial Management

b. Predictors: (Constant), Social Status, Work Experience, Financial Literacy

$$\begin{aligned}
 F_{\text{table}} &= F(k; nk) \\
 &= F(3; 32-3) \\
 &= F(3; 29) = 2.93
 \end{aligned}$$

Discussion

The Influence of Literacy, Work Experience, and Parents' Socioeconomic Status on the Personal Financial Management of Accounting Education Students

A good understanding of finances and experience of working to earn an income, as well as awareness of parents' socio-economic status, give accounting education students a tendency to carry out personal financial management. Which means that H1 in this study is accepted. The coefficient of determination test (R^2) describes the calculation of the comparison of the intensity of the independent variable to the dependent variable. The percentage of Adjusted R. Square is 0.818 based on the results of the coefficient of determination test (R^2). This means, in this study, financial management of accounting education students was influenced by financial literacy, work experience, and social status by 81.8 %. In the financial planning indicator, the item "I always compare the prices of goods in shops or supermarkets every time I shop for daily necessities" gets the highest score. Accounting education students always compare the prices of goods when they want to buy, this is assumed to be a consideration of the benefits obtained from the price of the goods, so that they can save more money but will still get the benefits they need from the goods they buy. Personal Budget Project (hereafter, PBP aims to prepare students with the basic level of financial literacy necessary to successfully navigate their formative years of managing personal finances (Guthrie & Nicholls, 2015) . This is one way of managing finances carried out by education students accounting. Based on the second characteristic of financial management, namely implementing planning, the item "I have a goal in financial management" indicates that financial management carried out by accounting education students has a motive or goal for the future personal financial management, namely financial literacy, where the better the financial literacy, the better the personal financial management (Pradiningtyas & Lukiastuti, 2019). Also supports Sina's (2015) research, that work experience is closely related to personal finance because it can be used as learning create financial freedom. One wrong step in managing personal finances can have a big impact in the long term (Estelami, 2014; Goyal et al., 2021; Schuchardt et al., 2007).

The Influence of Literacy t towards the Personal Financial Management of Accounting Education Students

Good financial literacy skills will lead to good financial management as well. Accounting Education Students gain additional understanding about how to manage money well, so that with this understanding they will apply it to managing their personal finances. So from the results of this research H2 is accepted. This research is in line with research by Mendari and Kewal (2013), financial literacy is basic knowledge for individuals in anticipating financial problems in the form of a function of income and errors in financial management (mismanagement). Financial literacy, which is increasingly gaining attention in many developed countries, makes us increasingly aware of how important the level of financial 'literacy' is. In several countries, financial literacy has even been declared a national program (Yushita & Amanita, 2017). Low financial literacy is directly proportional to low personal financial management abilities (Khoirunnisa & Rochmawati, 2021). Financial management behavior can be formed through education (Mendari & Kewal, 2013). Therefore, as someone with student status, especially from an

economics scientific background, they should be able to manage their own finances by controlling their consumptive lifestyle because students must budget their pocket money which is divided into food, boarding, transportation, etc. (Rosa & Listiadi, 2020).

Influence of Work Experience towards the Personal Financial Management of Accounting Education Students

When someone has their own income, they will tend to have better money management skills. The effort to earn that money must be commensurate with the value a person gets from the money they earn, so it must be managed well. With this statement, H3 is accepted. The results of this study support research Erawati and Susanti (2013) stated that students with work experience will be more effective and careful in applying financial behavior, including making financial decisions and their management. Often students who decide to study while working still experience difficulties in allocating their finances. The financial problem experienced by these students is that students behave wastefully, because the income they earn from working for one month is only used for their monthly living needs, while the costs for one semester of college are still paid for by their parents (Fatimah & Susanti, 2018).

Influence of Parents' Socioeconomic Status towards the Personal Financial Management of Accounting Education Students

Parents' socio-economic status influences the personal financial management of accounting education students. Parents' better socio-economic status tends to have an influence on better financial management abilities. So H4 in this research is accepted. The results of this research are in line with the following research with the statement that students whose parents' economic status is at the upper level, will have more opportunities to manage their own personal finances than students whose parents are at the lower economic level, but this does not mean that the opportunity to manage personal finances This is as big as success in its management (Aulianingrum & Rochmawati, 2021).

CONCLUSION

Fundamental Findings: The results of the analysis and interpretation above prove that financial literacy, work experience and parents' socio-economic status have an influence on students' personal financial management simultaneously. Likewise, partially, each variable also has a positive and substantial influence on students' personal financial management. **Implications:** The better the student's financial literacy, the stronger the positive influence on personal financial management. Students who have work experience also tend to be better able to manage their personal finances. Likewise, the socio-economic status of parents. With better economic status of parents, personal finances will also be better managed. **Limitation:** This study was limited to respondents who came from accounting education students and only totaled 32 students at one university. In addition, most respondents have not experienced financial freedom. **Future Research:** It is hoped that the next research can reach a wider or national range of respondents and focus on people who have experienced financial freedom.

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