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Yth. Sdr. Uliil Hartono & Yuyun Isbanah di Tempat

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Mohon kerjasamanya untuk dapat merevisi artikel dengan:

1. Mengembalikan hasil revisi melalui email [pengelola.jurnal@ekonomi.untan.ac.id](mailto:pengelola.jurnal@ekonomi.untan.ac.id)
2. Mengisi kolom jawaban penulis pada form penilaian reviewer 1 dan 2.
3. Redaksi yang berubah pada manuskrip artikel diberi tanda (warna lain).
4. Menggunakan aplikasi Mendeley dalam penulisan referensi / daftar pustaka.
5. Sesuai arah dan petunjuk Hasil Reviewer 1 dan Hasil Reviewer 2 menyesuaikan dengan *Author Guidelines* JEBIK, *Template* JEBIK, serta *Mendeley* JEBIK.
6. Mulai Edisi April 2022, JEBIK terbit dalam bahasa Inggris dan terdapat biaya publikasi artikel sebesar Rp 1.000.000,-
7. Berdasarkan author guidelines JEBIK 2022:
  - Minimal jumlah kata 4800 di luar tabel, gambar dan daftar pustaka

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5. Sesuai arah dan petunjuk Hasil Reviewer 1 dan Hasil Reviewer 2 menyesuaikan dengan *Author Guidelines* JEBIK, *Template* JEBIK, serta *Mendeley* JEBIK.

6. Mulai Edisi April 2022, JEBIK terbit dalam bahasa Inggris dan terdapat biaya publikasi artikel sebesar Rp 1.000.000,-

7. Berdasarkan author guidelines JEBIK 2022:

- Minimal jumlah kata 4800 di luar tabel, gambar dan daftar pustaka.
- *The submitted manuscript must be written in English.* Oleh karena itu, penulis dapat melampirkan bukti *proofreading*.

Hasil revisi dapat dikembalikan paling lambat tanggal 22 November 2022.

Sekian yang dapat kami sampaikan.

Terima kasih atas perhatian serta kerjasamanya.

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Yth. Editor JEBIK  
Di tempat

berikut kami kirimkan revisi artikel sesuai dengan komantar/saran reviewer, disesuaikan dengan templete JEBIK, dan telah menggunakan manager referensi Mendeley, bagian yang direvisi telah kami beri warna lain (warna kuning).

sekan yang dapat kami sampaikan, terima kasih atas perhatian dan berkenannya untuk menerbitkan artikel kami dalam jurnal JEBIK.

Salam hormat  
Ulii Hartono  
Yuyun Isbanah

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Berikut kami juga kirimkan bukti transfer biaya publikasi artikel, terima kasih

Salam hormat  
Ulii Hartono  
Yuyun Isbanah

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Bersama ini disampaikan, terkait persiapan publikasi JEBIK Desember 2022 terdapat *Article Processing Charge* (APC) sebesar Rp 1.000.000 dan Biaya *Proofread* Rp 35.000/lembar diluar tabel, gambar dan daftar pustaka. Artikel Saudara dikenakan biaya *proofread* sebesar Rp 385.000 (11 hlm). *Article Processing Charge* (APC) sebesar Rp 1.000.000 artikel Saudara telah kami terima pada tanggal 20 November 2022.

Sehingga total yang belum dibayarkan sebesar Rp 385.000. Informasi *Virtual Account* (VA) dapat dilihat di <https://jurnal.untan.ac.id/index.php/JJ/about/submissions#authorFees>.

Pembayaran paling lambat tanggal 30 Desember 2022. Mohon kerjasamanya untuk mengirimkan bukti penyelesaian transfer atau setor tunai ke [pengelola.jurnal@ekonomi.untan.ac.id](mailto:pengelola.jurnal@ekonomi.untan.ac.id).

Sekian disampaikan.

Salam hormat  
Yuni Kusuma Wati  
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**FORMULIR PENILAIAN ARTIKEL  
(DOUBLE BLIND-REVIEW)**

**Judul Artikel** : Student Saving Behavior: What Are the Motives that Influence Them to Save?

**Nomor Artikel** : 56561

**Bagian I**

*Penilaian Artikel*

No	Item Penilaian	Kolom Penilaian*			Komentar Reviewer	Jawaban Penulis
		1	2	3		
<b>A. ABSTRAK</b>						
1	Abstrak mengandung unsur-unsur utama berikut: a) Tujuan penelitian, b) Metode yang digunakan, c) Hasil yang diperoleh, dan d) kesimpulan singkat/ intepretasi dari hasil yang didapatkan			√		
2	Abstrak disajikan dengan redaksional, gramatikal, dan sistematika yang baik.			√		
<b>B. PENDAHULUAN</b>						
1	Latar belakang mampu menjelaskan isu, gejala permasalahan, rumusan masalah, tujuan, kebaruan dan kontribusi riset secara baik dan sistematis.		√		Penulis tidak langsung focus menjelaskan urgensi ketiga anteseden dan mediator yang diajukan dalam menentukan saving behaviour. Jelaskan secara langsung agar pembaca paham arah riset sejak awal.	Sudah direvisi
2	Terdapat kesenjangan hasil penelitian		√			

	terhadap hal yang diteliti ( <i>research gap</i> )					
<b>C.</b>	<b>KAJIAN LITERATUR</b>					
1	Literatur dan teori relevan dengan isu yang diangkat.			√		
2	Literatur dan teori disampaikan dengan bahasa yang padat dan ringkas sehingga mampu mengarahkan hasil sintesis teori/riset terdahulu dan konsep-konsep penting lainnya ke model penelitian dan hipotesis yang dikembangkan.			√		
3	Kebaruan dan kontribusi riset telah diuraikan secara baik dan sistematis.			√		
<b>D.</b>	<b>METODE PENELITIAN</b>					
1	Penyampaian metode penelitian disajikan secara lengkap (diperkenankan berbentuk narasi atau dikombinasikan tabel dan gambar).		√			
2	Metode penelitian menjelaskan : jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan		√		Peneliti belum menjelaskan Teknik sampling, dari mana saja asal responden sehingga dapat merepresentasikan Indonesia, dan bagaimana distribusi pengkoleksian	Sudah direvisi

	(jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).				sampel sehingga dapat mewakili Indonesia. Jika sampel hanya mewakili beberapa area tertentu saja, maka tidak dapat merepresentasikan Indonesia, dan tidak menjadi masalah jika dijelaskan dengan justifikasi metodologis yang baik.	
3	Untuk riset kuantitatif, artikel telah memuat model penelitian dan kerangka penelitian.		√		Peneliti belum menjelaskan tahapan validasi konstruk (Outer model). Padahal tahapan tersebut penting dalam SEM. Peneliti juga tidak menjelaskan kriteria pengujian model dan keterdukungan hipotesis.	Sudah direvisi
<b>E.</b>	<b>HASIL &amp; PEMBAHASAN</b>					
1	Hasil pembahasan sudah memuat penjelasan hipotesis penelitian serta dukungan hasil penelitian sebelumnya.		√		Pembahasan belum mencakup pengujian validitas konstruk.	Sudah direvisi
2	Penyampaian pembahasan jelas dan sesuai dengan hasil penelitian.			√		
3	Penyampaian hasil dan pembahasan informatif sehingga			√		

	tidak melakukan <i>copy-paste</i> langsung dari hasil oleh <i>software</i> statistik.					
<b>F.</b>	<b>SIMPULAN &amp; REKOMENDASI</b>					
1	Simpulan telah menjawab semua tujuan penelitian serta memberikan alasan atas hasil penelitian		√		Peneliti tidak menjelaskan implikasi kebaruan yang dijustifikasinya di kesimpulan. Hal ini penting untuk menerangkan posisi dari kebaruan penelitian itu sendiri.	Sudah direvisi
2	Rekomendasi yang diberikan sesuai dan realistis.	√			Rekomendasi belum dijelaskan sejara jelas dan spesifik.	Sudah direvisi
3	Penulis menyampaikan berbagai keterbatasan dalam risetnya, yang diikuti dengan arahan untuk penyempurnaan riset ke depan bagi peneliti selanjutnya		√			
<b>G.</b>	<b>DAFTAR PUSTAKA</b>					
1	Referensi yang digunakan relevan, sesuai, mutakhir, dan cukup		√			
2	Sumber pustaka yang digunakan paling tidak 80% bersumber dari artikel yang dipublikasikan oleh jurnal nasional atau internasional dan diterbitkan dalam 10 tahun terakhir.		√			

<b>Catatan Khusus Reviewer:</b>						

Keterangan:

\* Berikan tanda “x” pada opsi yang dipilih dengan kategori berikut:

1: Lemah

2: Baik

3: Sangat Baik

## Bagian II

### Rekomendasi kepada Editor JEBIK

Setelah membaca dan melakukan penilaian, maka saya menyarankan supaya Artikel ini (berikan tanda “x” pada rekomendasi yang dipilih):

Diterima	
Revisi Minor	√
Revisi Mayor	
Ditolak untuk dipublikasikan	

**FORMULIR PENILAIAN ARTIKEL  
(DOUBLE BLIND-REVIEW)**

**Judul Artikel : STUDENTS SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

**Nomor Artikel : 56561**

**Bagian I**  
*Penilaian Artikel*

No	Item Penilaian	Kolom Penilaian*			Komentar Reviewer	Jawaban Penulis
		1	2	3		
<b>A. ABSTRAK</b>						
1	Abstrak mengandung unsur-unsur utama berikut: a) Tujuan penelitian, b) Metode yang digunakan, c) Hasil yang diperoleh, dan d) kesimpulan singkat/ intepretasi dari hasil yang didapatkan			√	Sudah sesuai	
2	Abstrak disajikan dengan redaksional, gramatikal, dan sistematika yang baik.			√	Sudah sesuai	
<b>B. PENDAHULUAN</b>						
1	Latar belakang mampu menjelaskan isu, gejala permasalahan, rumusan masalah, tujuan, kebaruan dan kontribusi riset secara baik dan sistematis.		√		Maish terdapat kalimat atau paragraf yang tidak lengkap, sehingga sulit dihamai maknanya (paragraph pembuka)	sudah direvisi
2	Terdapat kesenjangan hasil penelitian terhadap hal yang diteliti ( <i>research gap</i> )		√		Pentingnya penelitian masih perlu dijelaskan dalam latar belakang.	sudah direvisi

					Data yang ditampilkan pada bagian ini masih belum menampilkan bagaimana data di tingkat Indonesia/universitas (dapat juga diambil dari penelitian sebelumnya).	sudah direvisi
<b>C. KAJIAN LITERATUR</b>						
1	Literatur dan teori relevan dengan isu yang diangkat.		√		Pada bagian ini masih menjelaskan konsep, belum ada teori utama yang digunakan. Perlu dipahami bahwa konsep tidak sama dengan teori.	sudah direvisi
2	Literatur dan teori disampaikan dengan bahasa yang padat dan ringkas sehingga mampu mengarahkan hasil sintesis teori/riset terdahulu dan konsep-konsep penting lainnya ke model penelitian dan hipotesis yang dikembangkan.		√		Penjelasan konsep cukup baik, namun perlu menambahkan "teori utama" nya apa?	sudah direvisi
3	Kebaruan dan kontribusi riset telah diuraikan secara baik dan sistematis.	√			Pada akhir bagian kajian Pustaka, perlu ditambahkan kontribusi riset yang akan dilakukan seperti apa? (masih belum ada)	sudah direvisi
<b>D. METODE PENELITIAN</b>						
1	Penyampaian metode penelitian disajikan	√			Sub bagian pada metode penelitian	sudah direvisi

	secara lengkap (diperkenalkan berbentuk narasi atau dikombinasikan tabel dan gambar).				masih belum mengikuti template meliputi: jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan (jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).	
2	Metode penelitian menjelaskan : jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan (jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).	√			Masih belum mengikuti template	sudah direvisi
3	Untuk riset kuantitatif, artikel telah memuat model penelitian dan kerangka penelitian.	√			Model penelitian masih belum ada, hanya sebatas definisi operasional variabel. Prosedur analisis juga belum ada.	sudah direvisi
<b>E.</b>	<b>HASIL &amp; PEMBAHASAN</b>					
1	Hasil pembahasan sudah memuat penjelasan hipotesis penelitian serta dukungan hasil		√		Hipotesis sudah dijelaskan sesuai hasil-hasil yang ditampilkan. Namun sebelum menampilkan tabel 2,	sudah direvisi

	penelitian sebelumnya.				penulis perlu menambahkan narasi paragraph sebagai pengantar dalam bagian “hasil dan pembahasan”.	
2	Penyampaian pembahasan jelas dan sesuai dengan hasil penelitian.		√		Penyampaian hasil dan pembahasan sesuai dengan hipotesis yang diajukan, namun data dukung terkait interpretasi hasil masih belum ada (perlu ditambahkan data dukung nya). serta belum mengaitkan dengan teori utama seperti apa?	sudah direvisi
3	Penyampaian hasil dan pembahasan informatif sehingga tidak melakukan <i>copy-paste</i> langsung dari hasil oleh <i>software</i> statistik.			√	sesuai	
<b>F.</b>	<b>SIMPULAN &amp; REKOMENDASI</b>					
1	Simpulan telah menjawab semua tujuan penelitian serta memberikan alasan atas hasil penelitian		√		Kesimpulan ditulis seperti hasil-hasil temuan. Penulis perlu menyampaikan temuannya seperti apa?? Bukan hanya dalam bentuk hasil uji statistik, namun secara substansi.	sudah direvisi
2	Rekomendasi yang diberikan sesuai dan realistis.		√		Rekomendasi harus disesuaikan dengan temuan yang diperoleh, serta	

					bersifat teknis bukan normative.	
3	Penulis menyampaikan berbagai keterbatasan dalam risetnya, yang diikuti dengan arahan untuk penyempurnaan riset ke depan bagi peneliti selanjutnya			√	Keterbatasan sudah disampaikan dalam bagian rekomendasi	
<b>G. DAFTAR PUSTAKA</b>						
1	Referensi yang digunakan relevan, sesuai, mutakhir, dan cukup			√	Referensi telah memadai	
2	Sumber pustaka yang digunakan paling tidak 80% bersumber dari artikel yang dipublikasikan oleh jurnal nasional atau internasional dan diterbitkan dalam 10 tahun terakhir.			√	Sumber primer yang digunakan telah memenuhi syarat minimum 80% dan diterbitkan maksimal 10 tahun terakhir	

### Catatan Khusus Reviewer:

1. Masih terdapat beberapa referensi dalam draft yang ditulis secara manual/tidak menggunakan Reference Manager (Mendeley, dst).
2. Perlu penambahan teori utama, karena dalam draft baru sebatas konsep saja.
3. Pada bagian metpen perlu menyesuaikan dengan item-item sesuai template.
4. Perlu menambahkan data, baik di latar belakang maupun dalam pembahasan hasil.
5. Pembahasan hasil perlu mengaitkan dengan teori utama.

Keterangan:

\* Berikan tanda "x" pada opsi yang dipilih dengan kategori berikut:

1: Lemah

2: Baik

3: Sangat Baik

## **Bagian II**

### *Rekomendasi kepada Editor JEBIK*

Setelah membaca dan melakukan penilaian, maka saya menyarankan supaya Artikel ini (berikan tanda “x” pada rekomendasi yang dipilih):

Diterima	
Revisi Minor	
Revisi Mayor	√
Ditolak untuk dipublikasikan	

**FORMULIR PENILAIAN ARTIKEL  
(DOUBLE BLIND-REVIEW)**

**Judul Artikel : STUDENTS SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

**Nomor Artikel : 56561**

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*Penilaian Artikel*

No	Item Penilaian	Kolom Penilaian*			Komentar Reviewer	Jawaban Penulis
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2	Abstrak disajikan dengan redaksional, gramatikal, dan sistematika yang baik.			√	Sudah sesuai	
<b>B. PENDAHULUAN</b>						
1	Latar belakang mampu menjelaskan isu, gejala permasalahan, rumusan masalah, tujuan, kebaruan dan kontribusi riset secara baik dan sistematis.		√		Maish terdapat kalimat atau paragraf yang tidak lengkap, sehingga sulit dihamai maknanya (paragraph pembuka)	sudah direvisi
2	Terdapat kesenjangan hasil penelitian terhadap hal yang diteliti ( <i>research gap</i> )		√		Pentingnya penelitian masih perlu dijelaskan dalam latar belakang.	sudah direvisi

					Data yang ditampilkan pada bagian ini masih belum menampilkan bagaimana data di tingkat Indonesia/universitas (dapat juga diambil dari penelitian sebelumnya).	sudah direvisi
<b>C. KAJIAN LITERATUR</b>						
1	Literatur dan teori relevan dengan isu yang diangkat.		√		Pada bagian ini masih menjelaskan konsep, belum ada teori utama yang digunakan. Perlu dipahami bahwa konsep tidak sama dengan teori.	sudah direvisi
2	Literatur dan teori disampaikan dengan bahasa yang padat dan ringkas sehingga mampu mengarahkan hasil sintesis teori/riset terdahulu dan konsep-konsep penting lainnya ke model penelitian dan hipotesis yang dikembangkan.		√		Penjelasan konsep cukup baik, namun perlu menambahkan "teori utama" nya apa?	sudah direvisi
3	Kebaruan dan kontribusi riset telah diuraikan secara baik dan sistematis.	√			Pada akhir bagian kajian Pustaka, perlu ditambahkan kontribusi riset yang akan dilakukan seperti apa? (masih belum ada)	sudah direvisi
<b>D. METODE PENELITIAN</b>						
1	Penyampaian metode penelitian disajikan	√			Sub bagian pada metode penelitian	sudah direvisi

	secara lengkap (diperkenalkan berbentuk narasi atau dikombinasikan tabel dan gambar).				masih belum mengikuti template meliputi: jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan (jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).	
2	Metode penelitian menjelaskan : jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan (jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).	√			Masih belum mengikuti template	sudah direvisi
3	Untuk riset kuantitatif, artikel telah memuat model penelitian dan kerangka penelitian.	√			Model penelitian masih belum ada, hanya sebatas definisi operasional variabel. Prosedur analisis juga belum ada.	sudah direvisi
<b>E.</b>	<b>HASIL &amp; PEMBAHASAN</b>					
1	Hasil pembahasan sudah memuat penjelasan hipotesis penelitian serta dukungan hasil		√		Hipotesis sudah dijelaskan sesuai hasil-hasil yang ditampilkan. Namun sebelum menampilkan tabel 2,	sudah direvisi

	penelitian sebelumnya.				penulis perlu menambahkan narasi paragraph sebagai pengantar dalam bagian “hasil dan pembahasan”.	
2	Penyampaian pembahasan jelas dan sesuai dengan hasil penelitian.		√		Penyampaian hasil dan pembahasan sesuai dengan hipotesis yang diajukan, namun data dukung terkait interpretasi hasil masih belum ada (perlu ditambahkan data dukung nya). serta belum mengaitkan dengan teori utama seperti apa?	sudah direvisi
3	Penyampaian hasil dan pembahasan informatif sehingga tidak melakukan <i>copy-paste</i> langsung dari hasil oleh <i>software</i> statistik.			√	sesuai	
<b>F.</b>	<b>SIMPULAN &amp; REKOMENDASI</b>					
1	Simpulan telah menjawab semua tujuan penelitian serta memberikan alasan atas hasil penelitian		√		Kesimpulan ditulis seperti hasil-hasil temuan. Penulis perlu menyampaikan temuannya seperti apa?? Bukan hanya dalam bentuk hasil uji statistik, namun secara substansi.	sudah direvisi
2	Rekomendasi yang diberikan sesuai dan realistis.		√		Rekomendasi harus disesuaikan dengan temuan yang diperoleh, serta	

					bersifat teknis bukan normative.	
3	Penulis menyampaikan berbagai keterbatasan dalam risetnya, yang diikuti dengan arahan untuk penyempurnaan riset ke depan bagi peneliti selanjutnya			√	Keterbatasan sudah disampaikan dalam bagian rekomendasi	
<b>G. DAFTAR PUSTAKA</b>						
1	Referensi yang digunakan relevan, sesuai, mutakhir, dan cukup			√	Referensi telah memadai	
2	Sumber pustaka yang digunakan paling tidak 80% bersumber dari artikel yang dipublikasikan oleh jurnal nasional atau internasional dan diterbitkan dalam 10 tahun terakhir.			√	Sumber primer yang digunakan telah memenuhi syarat minimum 80% dan diterbitkan maksimal 10 tahun terakhir	

### Catatan Khusus Reviewer:

1. Masih terdapat beberapa referensi dalam draft yang ditulis secara manual/tidak menggunakan Reference Manager (Mendeley, dst).
2. Perlu penambahan teori utama, karena dalam draft baru sebatas konsep saja.
3. Pada bagian metpen perlu menyesuaikan dengan item-item sesuai template.
4. Perlu menambahkan data, baik di latar belakang maupun dalam pembahasan hasil.
5. Pembahasan hasil perlu mengaitkan dengan teori utama.

### Keterangan:

\* Berikan tanda "x" pada opsi yang dipilih dengan kategori berikut:

- 1: Lemah
- 2: Baik
- 3: Sangat Baik

## **Bagian II**

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Diterima	
Revisi Minor	
Revisi Mayor	√
Ditolak untuk dipublikasikan	

**FORMULIR PENILAIAN ARTIKEL  
(DOUBLE BLIND-REVIEW)**

**Judul Artikel** : Student Saving Behavior: What Are the Motives that Influence Them to Save?

**Nomor Artikel** : 56561

**Bagian I**

*Penilaian Artikel*

No	Item Penilaian	Kolom Penilaian*			Komentar Reviewer	Jawaban Penulis
		1	2	3		
<b>A.</b>	<b>ABSTRAK</b>					
1	Abstrak mengandung unsur-unsur utama berikut: a) Tujuan penelitian, b) Metode yang digunakan, c) Hasil yang diperoleh, dan d) kesimpulan singkat/ intepretasi dari hasil yang didapatkan			√		
2	Abstrak disajikan dengan redaksional, gramatikal, dan sistematika yang baik.			√		
<b>B.</b>	<b>PENDAHULUAN</b>					
1	Latar belakang mampu menjelaskan isu, gejala permasalahan, rumusan masalah, tujuan, kebaruan dan kontribusi riset secara baik dan sistematis.		√		Penulis tidak langsung focus menjelaskan urgensi ketiga anteseden dan mediator yang diajukan dalam menentukan saving behaviour. Jelaskan secara langsung agar pembaca paham arah riset sejak awal.	Sudah direvisi
2	Terdapat kesenjangan hasil penelitian		√			

	terhadap hal yang diteliti ( <i>research gap</i> )					
<b>C.</b>	<b>KAJIAN LITERATUR</b>					
1	Literatur dan teori relevan dengan isu yang diangkat.			√		
2	Literatur dan teori disampaikan dengan bahasa yang padat dan ringkas sehingga mampu mengarahkan hasil sintesis teori/riset terdahulu dan konsep-konsep penting lainnya ke model penelitian dan hipotesis yang dikembangkan.			√		
3	Kebaruan dan kontribusi riset telah diuraikan secara baik dan sistematis.			√		
<b>D.</b>	<b>METODE PENELITIAN</b>					
1	Penyampaian metode penelitian disajikan secara lengkap (diperkenankan berbentuk narasi atau dikombinasikan tabel dan gambar).		√			
2	Metode penelitian menjelaskan : jenis penelitian, populasi, sampel, teknik pengambilan sampel, instrumen riset (jika ada), pilot test (jika ada), responden/partisipan		√		Peneliti belum menjelaskan Teknik sampling, dari mana saja asal responden sehingga dapat merepresentasikan Indonesia, dan bagaimana distribusi pengkoleksian	Sudah direvisi

	(jika ada), alat analisis, dan teknik pengujian hipotesis (untuk riset kuantitatif).				sampel sehingga dapat mewakili Indonesia. Jika sampel hanya mewakili beberapa area tertentu saja, maka tidak dapat merepresentasikan Indonesia, dan tidak menjadi masalah jika dijelaskan dengan justifikasi metodologis yang baik.	
3	Untuk riset kuantitatif, artikel telah memuat model penelitian dan kerangka penelitian.		√		Peneliti belum menjelaskan tahapan validasi konstruk (Outer model). Padahal tahapan tersebut penting dalam SEM. Peneliti juga tidak menjelaskan kriteria pengujian model dan keterdukungan hipotesis.	Sudah direvisi
<b>E.</b>	<b>HASIL &amp; PEMBAHASAN</b>					
1	Hasil pembahasan sudah memuat penjelasan hipotesis penelitian serta dukungan hasil penelitian sebelumnya.		√		Pembahasan belum mencakup pengujian validitas konstruk.	Sudah direvisi
2	Penyampaian pembahasan jelas dan sesuai dengan hasil penelitian.			√		
3	Penyampaian hasil dan pembahasan informatif sehingga			√		

	tidak melakukan <i>copy-paste</i> langsung dari hasil oleh <i>software</i> statistik.					
<b>F.</b>	<b>SIMPULAN &amp; REKOMENDASI</b>					
1	Simpulan telah menjawab semua tujuan penelitian serta memberikan alasan atas hasil penelitian		√		Peneliti tidak menjelaskan implikasi kebaruan yang dijustifikasinya di kesimpulan. Hal ini penting untuk menerangkan posisi dari kebaruan penelitian itu sendiri.	Sudah direvisi
2	Rekomendasi yang diberikan sesuai dan realistis.	√			Rekomendasi belum dijelaskan sejara jelas dan spesifik.	Sudah direvisi
3	Penulis menyampaikan berbagai keterbatasan dalam risetnya, yang diikuti dengan arahan untuk penyempurnaan riset ke depan bagi peneliti selanjutnya		√			
<b>G.</b>	<b>DAFTAR PUSTAKA</b>					
1	Referensi yang digunakan relevan, sesuai, mutakhir, dan cukup		√			
2	Sumber pustaka yang digunakan paling tidak 80% bersumber dari artikel yang dipublikasikan oleh jurnal nasional atau internasional dan diterbitkan dalam 10 tahun terakhir.		√			

<b>Catatan Khusus Reviewer:</b>						

Keterangan:

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## SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?

### ABSTRACT

*This study aimed to determine the determinants of saving behaviour by using financial literacy as a mediating variable. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors; financial literacy, parental socialization, peer influence and self-control. The respondents of this study were students in Indonesia, with 300 respondents. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The mediating role of the financial literacy variable was tested using the Sobel test. The results showed that parental socialization and peer influence positively affected financial literacy, while self-control had no effect. Financial literacy has also been shown to affect saving behaviour directly. Parental socialization and peer influence also have a direct impact on saving behaviour. In addition, financial literacy is also a mediating variable between parental socialization and peer influence on saving behaviour. This study provides a new understanding of financial literacy's importance in encouraging student saving behaviour. The role of parents and peers in the environment is essential in growing student financial literacy and saving behaviour.*

**JEL** : G41, G410.

**Keywords** : *financial literacy, peer influence, parental socialization, self-control, saving behaviour.*

### ABSTRAK

Tujuan penelitian ini untuk mengetahui determinan dari *saving behaviour* dengan menggunakan *financial literacy* sebagai variabel mediasi. Variabel endogen dalam penelitian ini adalah *saving behaviour* sedangkan variabel eksogen terdiri dari empat faktor utama; *financial literacy, parental socialization, peer influence* dan *self-control*. Responden penelitian ini adalah mahasiswa di Indonesia dengan jumlah 300 responden. Data akan dianalisis dengan Structural Equation Modeling (SEM) menggunakan software STATA. Peran mediasi pada variabel *financial literacy* diuji menggunakan sobel test. Hasil penelitian menunjukkan bahwa *parental socialization* dan *peer influence* berpengaruh positif pada *financial literacy*, sedangkan *self-control* tidak berpengaruh. *Financial literacy* juga terbukti berpengaruh secara langsung pada *saving behaviour*. *Parental socialization* dan *peer influence* juga memiliki pengaruh langsung pada *saving behaviour*. Selain itu *financial literacy* juga menjadi variabel mediasi antara *parental socialization* dan *peer influence* pada *saving behaviour*. Hasil penelitian ini memberikan pemahaman baru mengenai pentingnya literasi keuangan untuk mendorong perilaku menabung bagi mahasiswa. Peran orang tua dan teman sebaya di lingkungan menjadi faktor penting dalam menumbuhkan literasi keuangan dan perilaku menabung mahasiswa.

**Kata Kunci** : *literasi keuangan, peer influence, parental socialization, self-control, saving behaviour.*

## 1. INTRODUCTION

Life and current financial needs in college are one of the main demands. The students are mostly young people and always try to equip themselves with the skills to face challenges outside campus life. Therefore, the need for students to manage money wisely becomes very important. Governments, parents, higher education institutions, and students benefit from intelligent money management behaviour (Barr & McClellan, 2018).

Savings are considered the main factor influencing the economic growth of developing countries (Jagadeesh, 2015). In developing countries, saving is essential to household welfare (Zzfar et al., 2018). The right attitude towards saving behaviour must be instilled from a young age. It is known that any financial planning cannot be started without the necessary savings input. (Chalimah et al., 2019) emphasizes that saving behaviour must be instilled early to minimize future needs that will never run out. The millennial generation must be educated about financial prudence

early, especially in college. The saving achievement is related to how some individuals carry out their saving behaviour. When a person saves, it involves reducing consumption or spending.

Saving behaviour is prevalent in economics. Many factors can affect student saving behaviour. Financial literacy and parental socialization are among these factors (Sarpong-Danquah et al., 2018). Proper identification of these factors can facilitate increasing savings and mobilizing these for efficient utilization. Most of this research is limited to specific groups of people such as employees (Ismail et al., 2018; Yong et al., 2018), households Ahmad, Simun, & Masuod, 2014; Jonubi, & Abad, 2013) and students (Albeerdy & Gharleghi, 2015; Alwi et al., 2015; Azlan et al., 2015; Omar et al., 2019). Many studies have been conducted to determine the factors that influence student saving habits (Alwi et al., 2015; Syahrom et al., 2017), and the results show various factors that cause it. In this study, financial literacy as a mediating variable based on considerations in previous research obtained a direct influence between peer influence, parental socialization and self-control on financial literacy (Strömbäck et al., 2017; Alwi et al., 2015;) and also obtained a direct influence financial literacy on saving behaviour (Lusardi et al., 2014; Isomidinova et al., 2017; Remund, 2010). This study aims to determine the determinants of saving behaviour with financial literacy as an intervention.

## **2. LITERATUR REVIEW**

### **2.1. Saving Behaviour**

In this article, liquidity is defined as a condition where the bond transaction can be concluded very fast, and trading in large amounts does not affect much of both bid-ask spread and instrument price (Gravelle, 1999). In addition, Fleming (2003) defined *a liquid bond market* as a market where the transaction can be concluded at no cost. Therefore, a market with meagre transaction costs can be considered a liquid market. In practice, dealers issue bonds in the primary market and then trade in the secondary market. Liquidity reflects an issue for secondary rather than the primary market.

### **2.2. Financial Literacy**

Financial literacy is necessary for a person and firm's sustainable financial and economic situation (Refera & Kolech, 2015). Although inquiry about the financial literacy field has increased over a long time, there have not been consistent definitions of financial literacy (Potrich et al., 2015). A study by Parotta (1996) shows that personal financial management behaviour includes learning to make a financial plan and putting it into practice together with adjusting it to make it suitable for individuals or families. According to Xiao (2008), any human behaviour related to money management has been considered financial management behaviour. Meanwhile, Holzmann (2010) confirms that a person who can manage finance has financial skills, knowledge, and the ability to recognize the value of the suggested method to increase financial well-being.

### **2.3. Peer Influence**

Someone who is bonded with peers will result in changes in their attitudes, values, and behaviour. Duflo & Saez (2003) explain the influence of peers in maintaining saving decisions. Peer groups have the maximum influence during adolescence because young adolescents have less knowledge and are uncertain in decision-making during this period. Tooth (2006) shows that people's consumption choices can change after looking at peer preferences.

## **2.4. Parental Socialization**

Parental saving socialization suggests that socialization agents such as parents, schools, peers, and media facilitate healthy financial behaviours in adolescents by disseminating financial knowledge, passing along saving values and norms, and modelling financial behaviours (Moschis & Churchill, 1978). Gudmunson and Danes (2011) indicate that socialization activities performed by parents could shape healthy financial behaviours in their children directly and indirectly as mediated by financial knowledge, attitudes, confidence, and control.

## **2.5. Self Control**

Self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behaviour. Self-discipline exertion characterizes the will and the capacity to delay fulfilment (Baumeister, 2002). Thus, students with low self-control are believed to spend more on their wishes and preferences, resulting in not saving, and ultimately facing financial difficulties (Chia et al., 2011).

## **2.6. Research Hypothesis**

Financial literacy refers to understanding the main financial terms and concepts needed in managing daily life (Brigham & Houston, 2014). As explained by (Afsar et al., 2018), financial literacy is a skill or skill that can help individuals make effective financial decisions. (Alwi et al., 2015) revealed that parental socialization increases children's financial literacy. According to (Afsar et al., 2018) discussions between parents and children about financial problems affect saving and borrowing habits. Homan (2016) argues that parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018).

H<sub>1</sub>: Parental Socialization affects financial literacy.

Alwi et al. (2015) show that peer influence affects financial literacy. According to (Ogonowski et al., 2014), adolescents/young people are strongly influenced by their peers in various characteristics, namely spending and investment. Azlan et al. (2015) found that their peers strongly influenced students' ability to save. This finding is supported by Alwi et al. (2015), where the results find that many decisions made by Generation Y are influenced by peer force. (Azlan et al., 2015) also agree that peer pressure can affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers.

H<sub>2</sub>: Peer influence affects financial literacy.

(Strömbäck et al., 2017) found that people with good self-control are more likely to save from their income. This finding also explains that they have better general financial behaviour, are less worried about financial problems and feel more confident about their current and future financial situation. Students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting (Chalimah et al., 2019). (Davidson et al., 2019) found that self-control allows people to suppress stereotypes and prejudices. By increasing self-control, the intention to

resist consumption increases, especially for those who believe that self-control is a source of happiness later in life. The literature agrees that restraint can be defined as the capacity to change or override dominant response tendencies and regulate an individual's behaviour, thoughts, and emotions (de Ridder et al., 2018).

H<sub>3</sub>: Self-control affects financial literacy.

(Lusardi et al., 2014) describe financial literacy as the ability to make financial plans, build and maintain wealth, make informed decisions about debt and retirement and use economic knowledge. (Isomidinova et al., 2017) showed that financial education had the most substantial influence on the financial literacy of Uzbek students. Financial literacy is more than just a measure of awareness that reflects competence in actively managing individual or personal finances (Remund, 2010). (Alwi et al., 2015; Te'eni-Harari, 2016) stated that financial literacy has a positive influence on saving habits. Gaisina & Kaidarova (2017) show that it positively affects the saving rates as well as one can observe that the higher the financial literacy level, the higher the saving rates.

H<sub>4</sub>: Financial literacy affects saving behaviour.

Homan (2016) states that parental socialization can help increase individual savings and reduce borrowing. Individual saving habits can be developed when parents educate children in childhood. The role of parents in financial management issues can affect children's saving behaviour. Bucciol & Veronesi (2014) suggest that parental socialization is more effective than receiving formal education at school and based on different socio-demographic variables, they exhibit different behaviours. Parental socialization determines the ability to meet financial problems in the future and is more effective, especially when there is a combination of different teaching methods. Wong (2013) stated that individuals whose financial habits were monitored by their parents during childhood have effectively managed their own money.

H<sub>5</sub>: Parental Socialization affects saving behaviour.

Parents remain a potent agent of socialization in the childhood phase, but during adolescence, the role of peers is essential in influencing saving behaviour. They become less dependent on their parents and more peer-oriented. Compare their status with peers, money management problems, their free time, and their involvement in shopping activities (Younis & Haynie (1992). Jamal et al. (2015) explored the saving behaviour of students. It was found that family involvement played a significant role in maintaining saving behaviour, followed by financial literacy and peer influence. Student involvement in activities, free time, and financial problems affect saving behaviour. Cronqvist and Siegel (2015) found that parents strongly influence saving in younger children, but this influence wanes as children grow into adolescents and adults.

H<sub>6</sub>: Peer influence affects saving behaviour.

Self-control regulates impulsive buying patterns to achieve financial goals (Baumeister, 2002; Otto, Davies, & Chater, 2007). Self-control is linked to better general financial behaviour. Adolescents with low self-control are relatively more vulnerable to risky financial behaviour (Weaver, Moschis, & Davis, 2011). Self-control is one of the determining factors in saving because the ability to control oneself against the effects of an excessive and negative lifestyle is different for each student (Jamal et al., 2016). Self-control in childhood can predict adolescent mistakes so

that it helps them to have better life outcomes when they improve their self-control over time (Wang, 2013). Cuandra & Desianti (2022) showed different results where self-control negatively affected saving behaviour.

H<sub>7</sub>: Self-control affects saving behaviour.

This study examines the relationship between variables: saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Variable relationships are presented in the research model in Figure 1.

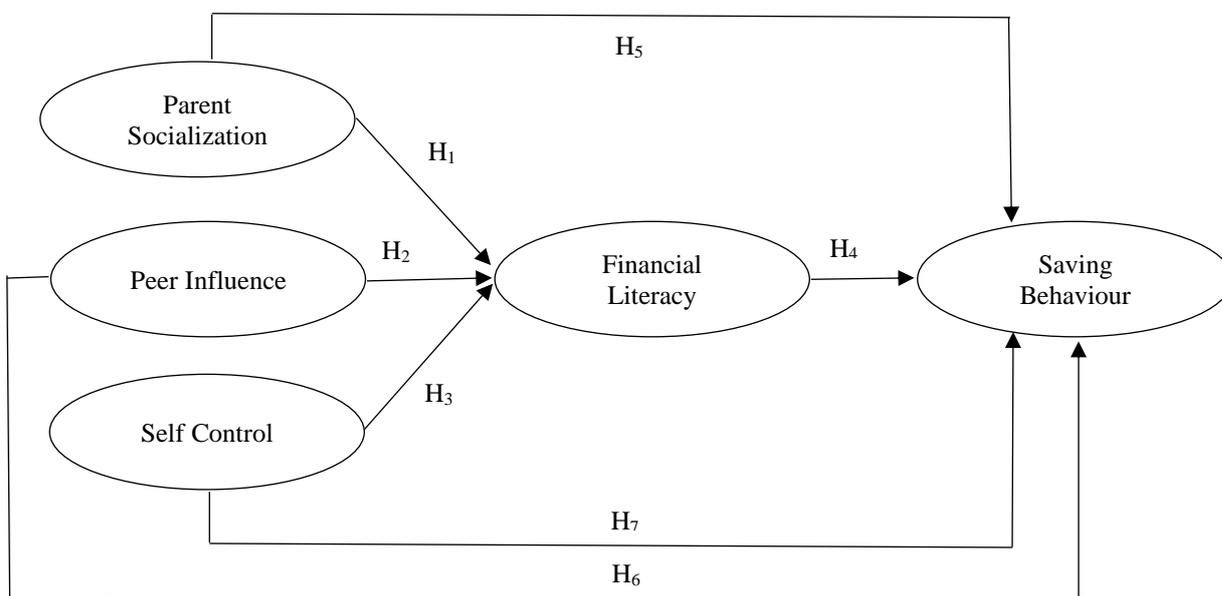


Figure 1. Research Model

### 3. RESEARCH METHODS

This research is causality research. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors; financial literacy, parental socialization, peer influence and self-control. This research instrument was developed based on previous literature, namely saving behaviour, financial literacy, parental socialization, peer influence, and self-control and presented in Table 1. The respondents of this study were students in Indonesia with 300 respondents. Data was obtained through the distribution of online questionnaires. The questionnaire consists of two parts. The first part is the respondent's profile, which focuses on personal information such as gender, age, marital status, type of student, level of education, and income. The following section contains questions about saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The role of mediation on the financial literacy variable was tested using the Sobel test.

Table 1. Variables Measurement

No	Variabel	Indikator
1	Financial Literacy	<p>I have better understanding of how to invest my money</p> <p>I have better understanding of how to manage my credit use</p> <p>I have a very clear idea of my financial needs during retirement</p> <p>I have the ability to maintain financial records for my income and expenditure</p> <p>I have little or no difficulty in managing my money</p> <p>I have better understanding of financial instruments</p> <p>I have the ability to prepare my own weekly (monthly) budget.</p>
2	Parental Socialization	<p>My parents are good example for me when it comes to money management</p> <p>I always talk about money management with my parents</p> <p>It's good when my parents control my spending</p> <p>It's a good thing to ask my parents to keep hold of my money sometimes to help me save</p> <p>My parents are proud of me for saving</p> <p>I appreciate it when my parents give me advice about what to do with my money.</p> <p>I save money because I don't think my parents should pay for things I don't really need but like</p> <p>Saving is something I do regularly because my parents wanted me to save when I was little.</p>
3	Peer Influence	<p>As far as I know, some of my friends regularly do save with a saving account.</p> <p>I always discuss about money management issue (saving) with my friends.</p> <p>I always compare the amount of saving and spending with my friends</p> <p>I always spend my leisure time with friends</p> <p>I always involve in money spending activities with friends</p>
4	Self-Control	<p>I don't save, because I think it's too hard</p> <p>I enjoy spending money on things that aren't practical</p> <p>When I get money, I always spend it immediately (within 1 or 2 days)</p> <p>'I see it, I like it, I buy it' describes me.</p> <p>Just do it' describes the way I buy things.</p> <p>'Buy now, think about it later' describes me</p> <p>I'm easily attracted by lure</p> <p>I always failed to control myself from spending money</p> <p>When I set saving goals for myself, I rarely achieve them</p> <p>I am more concerned with what happens to me in short run than in the long run.</p>
5	Saving Behaviour	<p>I put money aside on a regular basis for the future</p> <p>In order to save, I often compare prices before I make a purchase</p> <p>In order to save, I often consider whether the real necessity before I make a purchase</p> <p>In order to save, I always follow a careful monthly budget</p> <p>I always have money available in the event of emergency</p> <p>In order to save, I plan to reduce my expenditure.</p> <p>I save to achieve certain goals</p> <p>I save until the end of my semester</p>

#### 4. RESULTS AND DISCUSSIONS

Based on demographic characteristics, the general description of the respondents in this study in terms of gender consisted of 37% male and 63% female. 49.7% were under 20 years old, 43% were between 21-30 years old, and the rest were over 31 years old. Based on the level of education, 50% completed undergraduate education, while the income level of 70% of respondents was <Rp1,700,000. The data will be presented in Table 2.

**Table 2. Respondent's Profile**

Characteristic	Total	Percentage
<b>Gender:</b>		
Male	112	37,3%
Female	188	62.7%
<b>Age:</b>		
under 20 years	149	49,6%
21-30 years	129	43%
31-40 years	11	3,7%
>41 years	11	3,7%
<b>Marital Status</b>		
Merried	26	8,7%
Single	274	91,3%
<b>Educational background</b>		
Diploma (D3)	28	9,3%
Bachelor (S1)	237	79%
Master (S2)	35	11,7%
<b>Income</b>		
IDR < 1,7 million	216	72%
IDR 1,7 to <3,4 million	38	12,7%
IDR >3,4 to < 5 million	20	6,7%
IDR > 5 million	26	8,6%

Sources: Processed questionnaire data 2021

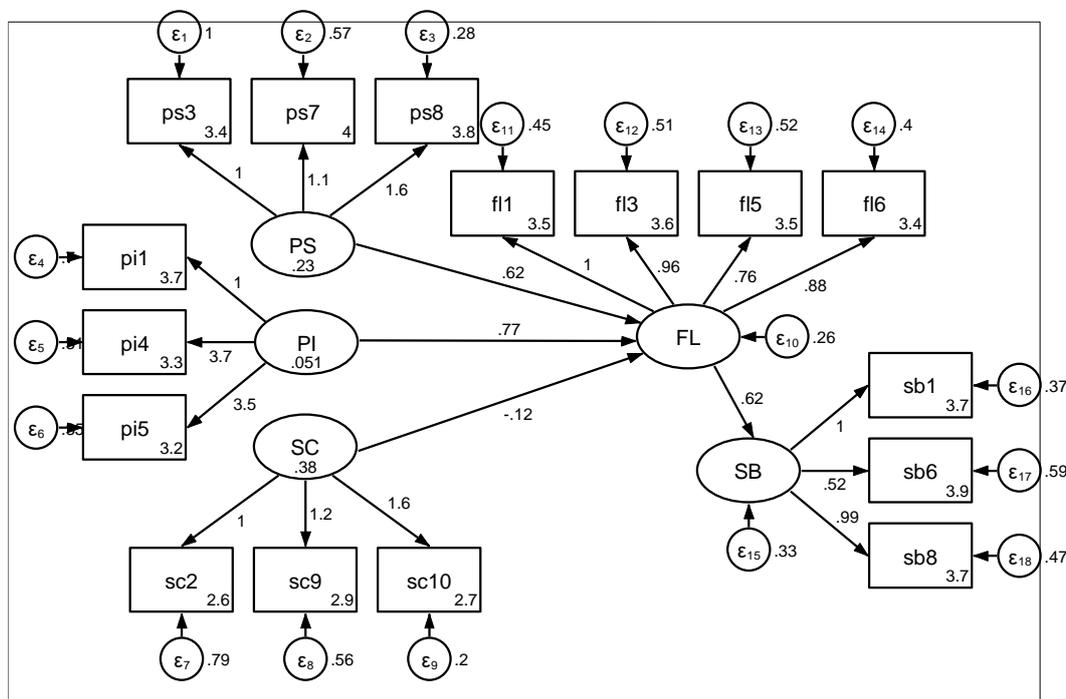


Figure.2. Path diagram

The variables of saving behaviour, financial literacy, parental socialization, peer influence and self-control are latent variables, with the number of indicators on saving behaviour as many as 8 indicators, namely sb 1-sb8. Financial literacy has 7 indicators fl1-fl7. Parental socialization has 8 indicators, ps1-ps8. Peer influence has five indicators pi1-pi5, and self-control has 10 indicators, namely sc1-sc10. Before estimation, the data were tested for normality. Unreliable indicators are dropped from the model. The results presented in Figure 2.

The results of hypothesis testing are shown from the structural model on the SEM output, presented in Table 3.

**Table 3. Hypothesis Testing**

	Coef	OIM Std Error	z	P <  z	Results
Structural					
FL←					
PS	.6166949	.136653	4.51	0.000	H1 Supported
PI	.7743637	.2707852	2.86	0.004	H2 Supported
SC	-.1177719	.0710001	-1.66	0.097	H3 Not Supported
SB←					
FL	.623188	.1018553	6.12	0.000	H4 Supported
PS	.384316	.1006518	3.82	0.000	H5 Supported
PI	.4825742	.1810044	2.67	0.008	H6 Supported
SC	-.073394	.0456222	-1.61	0.108	H7 Not Supported

Sources: Data processed, 2021

Table 3 proves that hypothesis 1 is supported. Parental socialization affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.6166949. Peer influence affects financial literacy with a significance of 0.004 and a correlation coefficient of 0.7743637, so hypothesis 2 is supported. Self-control has no effect on financial literacy with a significance of 0.097, so hypothesis 3 is not supported. Financial literacy affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.62318, so H4 is supported. H6 is supported, parental socialization affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.384316. H7 is supported, Peer influence affects saving behaviour with a significance of 0.008 and a correlation coefficient of 0.1810044. H7 is not supported, self control has no effects on saving behaviour with significance 0,108. Furthermore, to test the role of mediation used the Sobel test calculator, the result will be presented in Table 4.

**Table 4. Indirect Effect**

Indirect effect	Test Statistik	Std Error	p-value	Results
PS—FL—SB	3.63179896	0,10581997	0,00028145	H8 Supported
PI—FL—SB	2,59068533	0,18627278	0,0095785	H9 Supported
SC—FL—SB	-1,60096357	0,04584366	0,10938499	H10 Not Supported

This study failed to prove the effect of self control on saving behaviour either directly or through the mediation of financial literacy. The results of the Sobel test in Table 3 show that financial literacy can mediate the influence of parent socialization on saving behaviour and the influence of peer influence on saving behaviour. So H8 and H9 are supported while H10 is not supported.

The magnitude of parental socialization, peer influence, and self-control on financial literacy is 0.3193 or 31.93%. In contrast, the joint effect of the parental socialization, peer influence, self-control, and financial literacy variables on saving behaviour is 31.37%, while other variables outside the research model influence 68.53%. The results of the Likelihood ratio show a significance of 0.000 so that together financial literacy, parental socialization, peer influence and self-control affect saving behaviour.

**Table 5 Goodness of Fit and Likelihood Ratio**

variable	Goodness of Fit		Likelihood Ratio	
	R-Squared	Fit Statistik	Value	Discription
Laten:		Likelihood ratio		
FL	.3193672	chi2_ms100	335.143	Model vs. saturated
SB	.3137416	p>chi2	.0000	

Overall	.9937153	chi2_bs120 p>chi2	1413.556 .0000	Baseline vs. saturated
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Parental socialization has a positive effect on financial literacy. The higher the parental socialization that students have, the financial literacy will also increase. These results are consistent with (Alwi et al., 2015) that parental socialization increases children's financial literacy. These results support on Homan (2016), parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018).

Peer influence directly has a positive effect on financial literacy and saving behaviour. The higher the peer influence students have, the financial literacy will also increase and saving behaviour will also increase (Alwi et al., 2015). Peer pressure can also affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers (Azlan et al., 2015).

Self-control does not affect financial literacy. Self-control is also not proven to affect saving behaviour. These results are inconsistent with (Chalimah et al., 2019; Davidson et al., 2019; Strömbäck et al., 2017). (Chalimah et al., 2019) states that students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting. However, this study did not prove the role of self-control in understanding literacy and saving behaviour. If viewed from the respondents' perception on the self-control aspect, it is known that the self-control index value is 51.49 or in the moderate range, so on this basis self-control is not able to be a determinant of literacy and saving behaviour.

The results of the financial literacy test have a positive effect on saving behaviour. The higher students' financial literacy, the saving behaviour will also increase. When students have high financial literacy, they can make financial planning, build and maintain wealth, and make the right decisions, one of which is by making saving decisions rather than spending it for consumption. High financial literacy also reflects competence in managing finances. The results of this study are in line with (Alwi et al., 2015; Te'eni-Harari, 2016), which states that financial literacy positively influences saving habits.

The results also directly prove that parental socialization positively affects saving behaviour. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018). This result is relevant to the respondent's answer that the respondent's perception of the statement item about parental socialization is included in the high category. Thus, it encourages a high level of financial understanding and saving behaviour of respondents.

Peer pressure can also affect an individual's financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers. These results are in line with research (Alwi et al., 2015; Azlan et al., 2015; Syahrom et al., 2017).

This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. The high role of parents and peers can increase financial literacy and ultimately encourage students to improve their desire to save. Financial literacy was not proven to be a mediating variable between self-control and saving behaviour, possibly due to the respondent's perception of self-control in the medium category.

Respondents' self-control is considered not good enough so that it does not affect financial literacy and students' desire to save.

## 5. CONCLUSION

Based on the results, this study indicates that parental socialization and peer influence directly affect financial literacy. Parental socialization and peer influence have also been shown to affect saving behaviour directly. Self-control is not proven to affect financial literacy and saving behaviour. This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. This study provides a new understanding of the importance of financial literacy to encourage saving behaviour for students. The role of parents and peers in the environment is an essential factor in growing student financial literacy.

In this study, most respondents did not have their income, only getting pocket money from their parents. So that the role of parents is very dominant in determining students' financial behaviour and saving decisions, further research should use respondents who already have their income, so that the decision to save is entirely motivated by themselves. In addition, in this study, demographic factors were only used to identify the characteristics of the respondents. Further research can use these demographic factors as a determinant of saving behaviour.

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## **STUDENTS SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

### **ABSTRACT**

This study aims to determine the determinants of saving behaviour by using financial literacy as a mediating variable. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors: financial literacy, parental socialisation, peer influence, and self-control. The respondents of this study were students of the Faculty of Economics in Indonesia with a total of 300 people. Data were analysed by Structural Equation Modeling (SEM) using STATA software. The role of mediation on the financial literacy variable was tested using the Sobel test. The results showed that parental socialisation and peer influence positively affected financial literacy, while self-control did not. Financial literacy has also been shown to affect saving behaviour directly. Parental socialisation and peer influence also have a direct influence on saving behaviour. In addition, financial literacy is also a mediating variable between parental socialisation and peer influence on saving behaviour. The results of this study provide a new understanding of the importance of financial literacy to encourage saving behaviour for students. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behaviour. The banking industry can improve financial literacy by collaborating with universities through a virtual account program and socialising students' savings. It is also an opportunity for savings service providers to introduce their products to consumers early.

**JEL:** G41, G410.

**Keywords:** *financial literacy, peer influence, parental socialization, self-control, saving behaviour.*

### **ABSTRAK**

*Tujuan penelitian ini untuk mengetahui determinan dari saving behaviour dengan menggunakan financial literacy sebagai variabel mediasi. Variabel endogen dalam penelitian ini adalah saving behaviour sedangkan variabel eksogen terdiri dari empat faktor utama, yaitu financial literacy, parental socialization, peer influence, dan self-control. Responden penelitian ini adalah mahasiswa Fakultas Ekonomi di Indonesia dengan jumlah 300 orang. Data dianalisis dengan Structural Equation Modeling (SEM) menggunakan software STATA. Peran mediasi pada variabel financial literacy diuji menggunakan sobel test. Hasil penelitian menunjukkan bahwa parental socialization dan peer influence berpengaruh positif terhadap financial literacy, sedangkan self-control tidak berpengaruh terhadap financial literacy. Financial literacy juga terbukti berpengaruh secara langsung pada saving behaviour. Parental socialization dan peer influence juga memiliki pengaruh langsung pada saving behaviour. Selain itu, financial literacy juga menjadi variabel mediasi antara parental socialization dan peer influence pada saving behaviour. Hasil penelitian ini memberikan pemahaman baru mengenai pentingnya literasi keuangan untuk mendorong perilaku menabung bagi mahasiswa. Peran orang tua dan teman sebaya di lingkungan menjadi faktor penting dalam menumbuhkan literasi keuangan dan perilaku menabung mahasiswa. Industri perbankan dapat berperan dalam meningkatkan financial literacy melalui kerjasama dg universitas dalam bentuk program virtual Account sekaligus untuk sosialisasi tabungan ke mahasiswa. Hal tersebut juga menjadi peluang bagi penyedia layanan tabungan untuk memperkenalkan produknya ke konsumen lebih dini.*

**Kata Kunci:** *literasi keuangan, peer influence, parental socialization, self-control, saving behaviour.*

## **1. INTRODUCTION**

In developing countries, saving is essential to household welfare (Afsar et al., 2018). Savings are considered the main factor influencing the economic growth of developing countries (Jagadeesh, 2015). De Sartiges et al. (2020) reported the commercial bank product usage in Southeast Asia: bank accounts, debit cards, credit cards, loans, investment products, and e-wallets. Data shows that only 61% of Indonesian people have bank accounts in commercial banks. This percentage is lower than in other Southeast Asia countries (Singapore, Malaysia, and Thailand)

(De Sartiges et al., 2020). Thus, the number of people who save their money in the bank has to be increased.

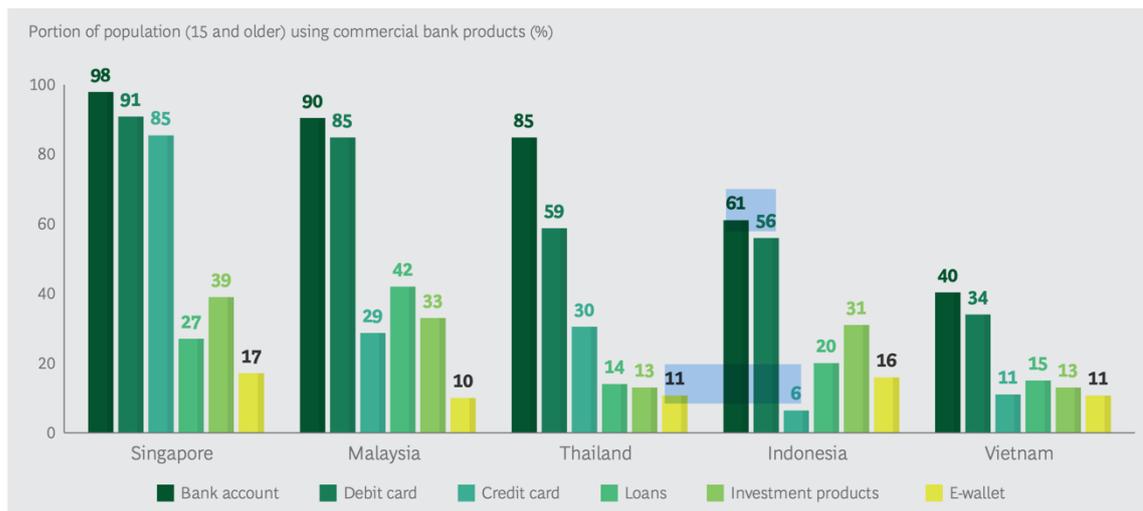


Figure 1. Use of Commercial Banking Product Across Southeast Asia

Source: De Sartiges et al. (2020)

However, the right attitude towards saving behaviour must be instilled from a young age. It is known that any financial planning cannot be started without the necessary savings input. Chalimah et al. (2019) emphasizes that saving behaviour must be instilled early to minimize future needs that will never run out. The millennial generation must be educated about financial prudence early, especially in college. The saving achievement is related to how some individuals carry out their saving behaviour. When a person saves, it involves reducing consumption or spending.

Undergraduates who live away from their parents should be able to responsibly manage their funds Khalisharani et al. (2022). Life and current financial needs in college are one of the main demands. The students are mostly young people and always try to equip themselves with the skills to face challenges outside campus life. Therefore, the need for students to manage money wisely becomes very important. Governments, parents, higher education institutions, and students benefit from intelligent money management behaviour (Barr & McClellan, 2018).

Many factors can affect student saving behaviour. Financial literacy and parental socialization are among these factors (Sarpong-Danquah et al., 2018). Proper identification of these factors can facilitate increasing savings and mobilizing these for efficient utilization. Most of this research is limited to specific groups of people such as employees (Ismail et al., 2018; Yong et al., 2018), households (Ahmad et al., 2014) and students (Albeedy & Gharlegghi, 2015; Alwi et al., 2015; Azlan et al., 2015; Omar et al., 2019). Many studies have been conducted to determine the factors that influence student saving habits (Alwi et al., 2015; Syahrom et al., 2017), and the results show various factors that cause it. In this study, financial literacy as a mediating variable based on considerations in previous research obtained a direct influence between peer influence, parental socialization, and self-control on financial literacy (Alwi et al., 2015; Strömbäck et al., 2017) and obtained a direct influence financial literacy on saving behaviour (Isomidinova et al., 2017; Lusardi et al., 2014; Remund, 2010). This study aims to determine the determinants of saving behaviour with financial literacy as an intervention.

## **2. LITERATUR REVIEW**

### **2.1. Saving Behaviour**

According to Khalisharani et al. (2022), undergraduate students frequently take on more substantial obligations, particularly when it comes to their finances, when they move out and start to become independent from their parents. There is a disadvantage to having more financial flexibility. Students need to be mindful of their spending patterns as being financially responsible becomes more and more important to getting by. Positive financial behavior, such as saving behavior, should be used to counteract these increasingly adult thoughts and feelings as the cost of living tends to rise dramatically each year and as students develop into financially independent adults.

The choice to save is essential to accumulating individual wealth (Barnea et al., 2010). For individuals, saving helps provide for future personal and household needs. Savings also serve to meet the needs of unforeseen circumstances. Saving is part of an individual's income (Mori, 2019). The benefits of saving include hedging against unforeseen circumstances, building assets, preparing for investment opportunities, providing pensions, buying or repairing housing, paying off debt, and obtaining social services (Faridi & Bashir, 2010). Life theory describes the structure of saving behaviour by stipulating that the level of saving depends on the demographics of society rather than family income (Modigliani & Brumberg, 1954). People's consumption habits can change only when they experience changes in their permanent income (Clancy et al., 2001). From an economic point of view, current income reflects expectations of future income. Individual features can influence people's saving behaviour because their current income can affect their future (Mori, 2019).

### **2.2. Financial Literacy**

Financial literacy is necessary for a person and firm's sustainable financial and economic situation (Refera & Kolech, 2015). Although inquiry about the financial literacy field has increased over a long time, there have not been consistent definitions of financial literacy (Potrich et al., 2015). A study by Parotta, (1996) shows that personal financial management behaviour includes learning to make a financial plan and putting it into practice together with adjusting it to make it suitable for individuals or families. According to Xiao (2008), any human behaviour related to money management has been considered financial management behaviour.

Financial literacy entails the ability to make informed decisions in the use and management of money (Remund, 2010). Other research defined financial literacy as financial knowledge and the ability to process economic information towards making informed decisions about financial management (Lusardi et al., 2014). Holzmann (2010) confirms that a person who can manage their finances possesses the necessary financial expertise and knowledge as well as the capacity to appreciate the benefits of the suggested approach to enhancing financial security.

### **2.3. Peer Influence**

Someone who is bonded with peers or close fellow will result in changes in their attitudes, values, and behaviour (Alshebami & Seraj, 2021). McKenna & Tooth (2006) shows that people's consumption choices can change after looking at peer preferences. When students living far away from their parents find it challenging to spend their money, peers can be responsible for being associated with their spending related behaviour (Zulfaris et al., 2020).

Previous research shows that individual's financial knowledge is influenced by the financial knowledge of her/his peer or reference group (Alessie et al., 2011; Bucher-Koenen & Lusardi, 2011; Klapper et al., 2013). However, Duflo & Saez (2003) explain the influence of peers in maintaining saving decisions. Lopez et al. (2022) specified that only older or close friends advising the participants to save – not friends around the same age. Peer groups have the maximum influence during adolescence because young adolescents have less knowledge and are uncertain in decision-making during this period (Zulfaris et al., 2020).

#### **2.4. Parental Socialization**

Parents have a duty to provide a good example for their kids' financial behaviour from a young age (Chatterjee et al., 2018; Gerrans & Heaney, 2019). The discussion between parents and children which may include financial goals and opportunities provided by parents for children to practice financial principles is known by financial socialization (LeBaron et al., 2019). According to Family Financial Socialization Theory, family interactions and relationships influence the purposive financial socialization techniques parents use to teach their children about finances (Gudmunson & Danes, 2011).

Parental saving socialization suggests that socialization agents such as parents, schools, peers, and media facilitate healthy financial behaviours in adolescents by disseminating financial knowledge, passing along saving values and norms, and modelling financial behaviours (Moschis & Churchill Jr, 1978). Gudmunson & Danes (2011) indicate that socialization activities performed by parents could shape healthy financial behaviours in their children directly and indirectly as mediated by financial knowledge, attitudes, confidence, and control.

#### **2.5. Self-Control**

Typically, self-control is demonstrated by our capacity to break undesirable habits, resist temptations, and suppress our initial instincts (Baumeister, 2002; Fujita et al., 2006). On the other word, self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behaviour. Self-discipline exertion characterizes the will and the capacity to delay fulfilment (Baumeister, 2002). Thus, students with low self-control are believed to spend more on their wishes and preferences, resulting in not saving, and ultimately facing financial difficulties (Chia et al., 2011). Self-control is important in determining the level of financial literacy efforts in influencing consumer financial behaviour (Meneau & Moorthy, 2021).

Self-control failure align with the behavioural life cycle (BLC) which believe that people act as if there is an ongoing conflict within every person between a “planner,” who thinks about the long run, and a “doer” who is more concerned about the current situation. Furthermore, people's financial behaviour throughout life is determined by their ability to control impulses and the costs of exercising such self-control (Goyal et al., 2022; Shefrin & Thaler, 1988).

#### **2.6. Research Hypothesis**

Financial literacy refers to understanding the main financial terms and concepts needed in managing daily life (Brigham & Houston, 2014). As explained by Afsar et al. (2018), financial literacy is a skill or skill that can help individuals make effective financial decisions. Alwi et al. (2015) revealed that parental socialization increases children's financial literacy. According to Afsar et al. (2018) discussions between parents and children about financial problems affect saving and borrowing habits. Homan (2016) argues that parental socialization can help increase

individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018).

H<sub>1</sub>: Parental socialization affects financial literacy.

Alwi et al. (2015) show that peer influence affects financial literacy. According to (Ogonowski et al., 2014), adolescents/young people are strongly influenced by their peers in various characteristics, namely spending and investment. Azlan et al. (2015) found that their peers strongly influenced students' ability to save. This finding is supported by Alwi et al. (2015), where the results find that many decisions made by Generation Y are influenced by peer force. (Azlan et al., 2015) also agree that peer pressure can affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers.

H<sub>2</sub>: Peer influence affects financial literacy.

Stromback et al. (2017) found that people with good self-control are more likely to save from their income. This finding also explains that they have better general financial behaviour, are less worried about financial problems and feel more confident about their current and future financial situation. Students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting (Chalimah et al., 2019). Davidson et al. (2019) found that self-control allows people to suppress stereotypes and prejudices. By increasing self-control, the intention to resist consumption increases, especially for those who believe that self-control is a source of happiness later in life. The literature agrees that restraint can be defined as the capacity to change or override dominant response tendencies and regulate an individual's behaviour, thoughts, and emotions (de Ridder et al., 2018).

H<sub>3</sub>: Self-control affects financial literacy.

Lusardi et al. (2014) describe financial literacy as the ability to make financial plans, build and maintain wealth, make informed decisions about debt and retirement and use economic knowledge. Isomidinova et al. (2017) showed that financial education had the most substantial influence on the financial literacy of Uzbek students. Financial literacy is more than just a measure of awareness that reflects competence in actively managing individual or personal finances (Remund, 2010). Alwi et al. (2015) dan Te'eni-Harari (2016) stated that financial literacy has a positive influence on saving habits. Gaisina & Kaidarova (2017) show that it positively affects the saving rates as well as one can observe that the higher the financial literacy level, the higher the saving rates.

H<sub>4</sub>: Financial literacy affects saving behaviour.

Homan (2016) states that parental socialization can help increase individual savings and reduce borrowing. Individual saving habits can be developed when parents educate children in childhood. The role of parents in financial management issues can affect children's saving behaviour. Bucciol & Veronesi (2014) suggest that parental socialization is more effective than receiving formal education at school and based on different socio-demographic variables, they exhibit different behaviours. Parental socialization determines the ability to meet financial

problems in the future and is more effective, especially when there is a combination of different teaching methods. Wong (2013) stated that individuals whose financial habits were monitored by their parents during childhood have effectively managed their own money.

H<sub>5</sub>: Parental socialization affects saving behaviour.

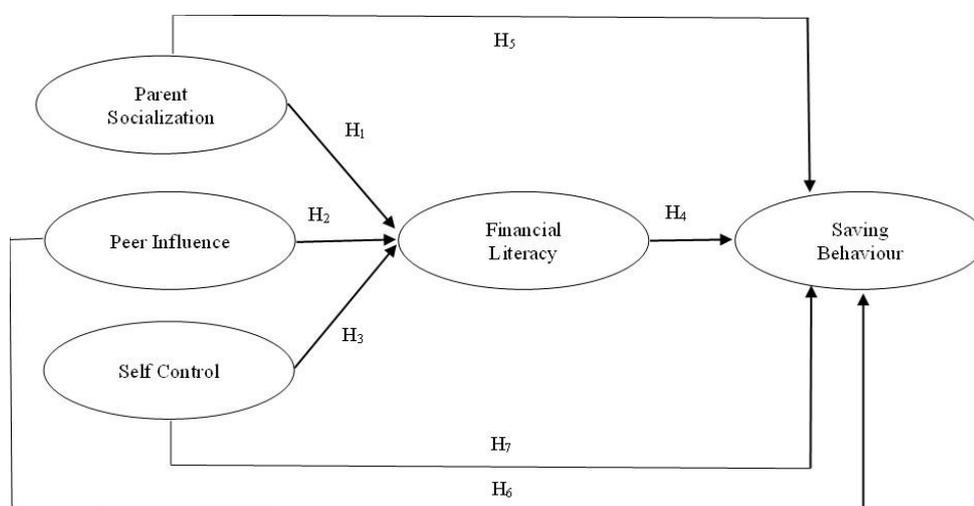
Parents remain a potent agent of socialization in the childhood phase, but during adolescence, the role of peers is essential in influencing saving behaviour. They become less dependent on their parents and more peer oriented. Compare their status with peers, money management problems, their free time, and their involvement in shopping activities (Youniss & Haynie, 1992). Jamal et al. (2016) explored the saving behaviour of students. It was found that family involvement played a significant role in maintaining saving behaviour, followed by financial literacy and peer influence. Student involvement in activities, free time, and financial problems affect saving behaviour. Barnea et al. (2010) found that parents strongly influence saving in younger children, but this influence wanes as children grow into adolescents and adults. However, peer influence is not significant in affecting saving behaviour (Kamarudin & Hashim, 2018).

H<sub>6</sub>: Peer influence affects saving behaviour.

Self-control regulates impulsive buying patterns to achieve financial goals (Baumeister, 2002; Otto et al., 2007). Self-control is linked to better general financial behaviour. Adolescents with low self-control are relatively more vulnerable to risky financial behaviour (Weaver et al., 2011). Self-control is one of the determining factors in saving because the ability to control oneself against the effects of an excessive and negative lifestyle is different for each student (Jamal et al., 2016). Self-control in childhood can predict adolescent mistakes so that it helps them to have better life outcomes when they improve their self-control over time (Li et al., 2013). Cuandra & Desianti (2022) showed different results i.e., self-control negatively affected saving behaviour.

H<sub>7</sub>: Self-control affects saving behaviour.

This study examines the relationship between variables: saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Variable relationships are presented in the research model in Figure 1.



**Figure 1. Research Model**

### 3. RESEARCH METHODS

This research is causality research. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors (financial literacy, parental socialization, peer influence and self-control). This research instrument was developed based on previous literature, i.e., saving behaviour, financial literacy, parental socialization, peer influence, and self-control and presented in Table 1.

The respondents of this study were 300 undergraduate students of Economics and Business Faculty in Indonesia. Data was obtained through the distribution of online questionnaires. The questionnaire consists of two parts. The first part is the respondent's profile, which focuses on personal information such as gender, age, marital status, type of student, level of education, and income. The following section contains questions about saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The role of mediation on the financial literacy variable was tested using the Sobel test.

**Table 1. Variables Measurement**

No	Variabel	Indikator
1	Financial Literacy	I have better understanding of how to invest my money I have better understanding of how to manage my credit use I have a very clear idea of my financial needs during retirement I have the ability to maintain financial records for my income and expenditure I have little or no difficulty in managing my money I have better understanding of financial instruments I have the ability to prepare my own weekly (monthly) budget.
2	Parental Socialization	My parents are good example for me when it comes to money management I always talk about money management with my parents It's good when my parents control my spending It's a good thing to ask my parents to keep hold of my money sometimes to help me save My parents are proud of me for saving I appreciate it when my parents give me advice about what to do with my money. I save money because I don't think my parents should pay for things I don't really need but like Saving is something I do regularly because my parents wanted me to save when I was little.
3	Peer Influence	As far as I know, some of my friends regularly do save with a saving account. I always discuss about money management issue (saving) with my friends. I always compare the amount of saving and spending with my friends I always spend my leisure time with friends I always involve in money spending activities with friends
4	Self-Control	I don't save, because I think it's too hard I enjoy spending money on things that aren't practical When I get money, I always spend it immediately (within 1 or 2 days) 'I see it, I like it, I buy it' describes me. Just do it' describes the way I buy things. 'Buy now, think about it later' describes me I'm easily attracted by lure I always failed to control myself from spending money When I set saving goals for myself, I rarely achieve them I am more concerned with what happens to me in short run than in the long run.
5	Saving Behaviour	I put money aside on a regular basis for the future In order to save, I often compare prices before I make a purchase

No	Variabel	Indikator
		In order to save, I often consider whether the real necessity before I make a purchase
		In order to save, I always follow a careful monthly budget
		I always have money available in the event of emergency
		In order to save, I plan to reduce my expenditure.
		I save to achieve certain goals
		I save until the end of my semester

#### 4. RESULTS AND DISCUSSIONS

**Table 2. Respondent's Profile**

Characteristic	Total	Percentage
Gender:		
Male	112	37,3%
Female	188	62.7%
Age:		
under 20 years	149	49,6%
21-30 years	129	43%
31-40 years	11	3,7%
>41 years	11	3,7%
Marital Status		
Merried	26	8,7%
Single	274	91,3%
Educational background		
Diploma (D3)	28	9,3%
Bachelor (S1)	237	79%
Master (S2)	35	11,7%
Income		
IDR < 1,7 million	216	72%
IDR 1,7 to <3,4 million	38	12,7%
IDR >3,4 to < 5 million	20	6,7%
IDR > 5 million	26	8,6%

Sources: Processed questionnaire data 2021

Based on demographic characteristics, the general description of the respondents in this study in terms of gender consisted of 37% male and 63% female. 49.7% were under 20 years old, 43% were between 21-30 years old, and the rest were over 31 years old. Based on the level of education, 50% completed undergraduate education, while the income level of 70% of respondents was <Rp1,700,000. The data will be presented in Table 2.

The variables of saving behaviour, financial literacy, parental socialization, peer influence and self-control are latent variables, with the number of indicators on saving behaviour as many as 8 indicators, namely sb 1-sb8. Financial literacy has 7 indicators fl1-fl7. Parental socialization has 8 indicators, ps1-ps8. Peer influence has five indicators pi1-pi5, and self-control has 10 indicators, namely sc1-sc10. Before estimation, the data were tested for normality. Unreliable indicators are dropped from the model. The results presented in Figure 2.

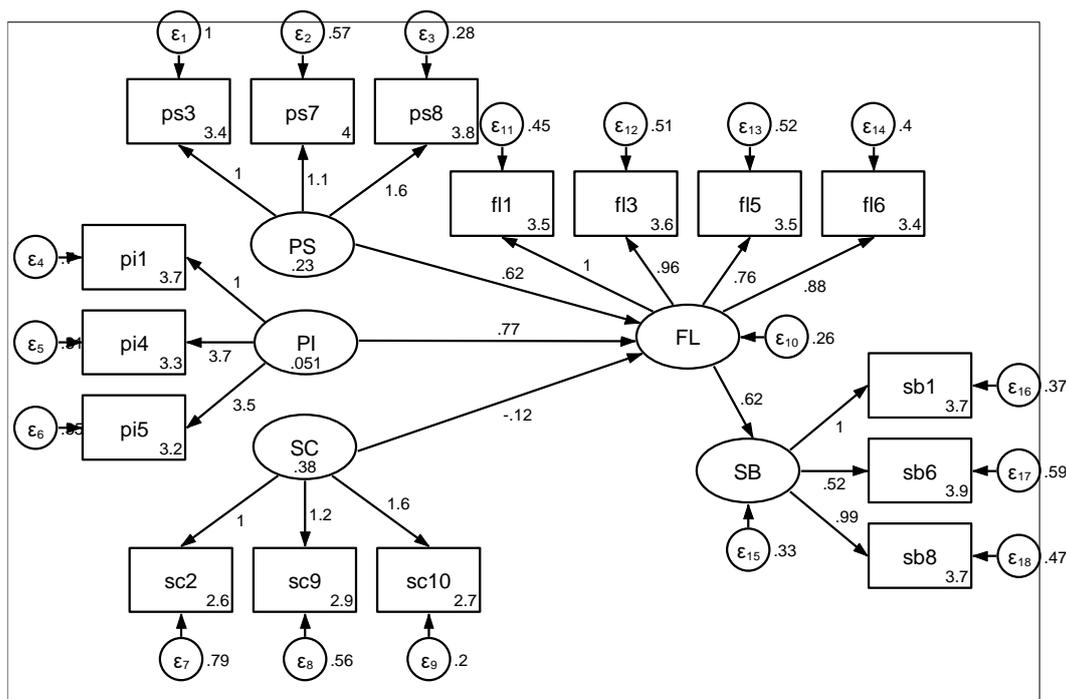


Figure.2. Path diagram

The results of hypothesis testing are shown from the structural model on the SEM output, presented in Table 3.

Table 3. Hypothesis Testing

	Coef	OIM Std Error	z	P <   z	Results
Structural					
FL ←					
PS	.6166949	.136653	4.51	0.000	H1 Supported
PI	.7743637	.2707852	2.86	0.004	H2 Supported
SC	-.1177719	.0710001	-1.66	0.097	H3 Not Supported
SB ←					
FL	.623188	.1018553	6.12	0.000	H4 Supported
PS	.384316	.1006518	3.82	0.000	H5 Supported
PI	.4825742	.1810044	2.67	0.008	H6 Supported
SC	-.073394	.0456222	-1.61	0.108	H7 Not Supported

Sources: Data processed, 2021

Table 3 proves that hypothesis 1 is supported. Parental socialization affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.6166949. Peer influence affects financial literacy with a significance of 0.004 and a correlation coefficient of 0.7743637, so hypothesis 2 is supported. Self-control has no effect on financial literacy with a significance of 0.097, so hypothesis 3 is not supported. Financial literacy affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.62318, so H4 is supported. H6 is supported, parental socialization affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.384316. H7 is supported, Peer influence affects saving behaviour with a significance of 0.008 and a correlation coefficient of 0.1810044. H7 is not supported, self-control has no effects on saving behaviour with significance 0.108. Furthermore, to test the role of mediation used the Sobel test calculator, the result will be presented in Table 4.

Table 4. Indirect Effect

Indirect effect	Test Statistik	Std Error	p-value	Results
PS—FL—SB	3.63179896	0,10581997	0,00028145	H8 Supported
PI—FL—SB	2,59068533	0,18627278	0,0095785	H9 Supported
SC—FL—SB	-1,60096357	0,04584366	0,10938499	H10 Not Supported

This study failed to prove the effect of self-control on saving behaviour either directly or through the mediation of financial literacy. The results of the Sobel test in Table 3 show that financial literacy can mediate the influence of parent socialization on saving behaviour and the influence of peer influence on saving behaviour. So H8 and H9 are supported while H10 is not supported.

The magnitude of parental socialization, peer influence, and self-control on financial literacy is 0.3193 or 31.93%. In contrast, the joint effect of the parental socialization, peer influence, self-control, and financial literacy variables on saving behaviour is 31.37%, while other variables outside the research model influence 68.53%. The results of the Likelihood ratio show a significance of 0.000 so that together financial literacy, parental socialization, peer influence and self-control affect saving behaviour.

**Table 5 Goodness of Fit and Likelihood Ratio**

variable	Goodness of Fit		Likelihood Ratio	
	R-Squared	Fit Statistik	Value	Discription
Laten:		Likelihood ratio		
FL	.3193672	chi2_ms100	335.143	Model vs. saturated
SB	.3137416	p>chi2	.0000	
Overall	.9937153	chi2_bs120	1413.556	Baseline vs. saturated
		p>chi2	.0000	

### Parental socialization affects financial literacy

Parental socialization has a positive effect on financial literacy. The higher the parental socialization that students have, the financial literacy will also increase. These results are consistent with (Alwi et al., 2015) that parental socialization increases children's financial literacy. These results support on (Homan, 2016), parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018). Relevant to Khalisharani et al.(2022), financial socialisation should begin during childhood. Policymakers can develop programmes and interventions which encourage parents to have frequent discussions with their children about financial matters throughout childhood, such as the importance of savings, having emergency funds, avoiding unsecured loans, and impulsive buying.

The findings of this study encourage companies in the financial sector to involve parents in improving students' financial literacy. Companies can take advantage of parents through activities to increase their understanding of financial literacy and financial service facilities so that parents can transmit/pass on this understanding to students according to their financial capacity. Parents can also be given special/premium facilities to give a positive impression of the company. As a result, parents will socialise the excellent experience with students and encourage them to take advantage of the same facilities for the younger generation armed with this experience.

The role of parental social socialisation shows that students are not ready or not independent and still depend on their parents for financial matters. If students have more financial independence, their parents are less influential. It raises the need to increase the financial independence of undergraduate students. In Indonesia, most students are full-time students who receive financial support from their parents. It presents an opportunity to examine students' financial literacy in other developing countries and compare the results in each country.

**Peer influence affects financial literacy**

Peer influence directly has a positive effect on financial literacy and saving behaviour. The higher the peer influence students have, the financial literacy will also increase and saving behaviour will also increase (Alwi et al., 2015). Peer pressure can also affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers (Azlan et al., 2015).

The influence of friends in young people's lives also affects how they behave, making it essential to create communities where young people can discuss positive things. One of the communities in the campus environment is the investment gallery and communities at many universities in Indonesia collaborate with the Indonesia Stock Exchange, which is a means to introduce the capital market from an early age. Furthermore, the positive influence of peers on saving behaviour has managerial implications in terms of the introduction of marketing of financial service products; it is very important to pay attention to the age factor, use influencers from young people, and raise themes of strengthening peer intimacy. Another important thing is that financial service products must be more attractive, up to date with high flexibility characteristics and can be accessed more quickly, pay attention to gender, suit the needs of young people, and reflect the needs of generation Z, who live full of technology. It also raises an exciting call to compare student financial literacy by gender in future studies.

**Self-control affects financial literacy**

Self-control does not affect financial literacy. Self-control is also not proven to affect saving behaviour. These results are inconsistent with (Chalimah et al., 2019; Davidson et al., 2019; Strömbäck et al., 2017). Chalimah et al. (2019) states that students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting. However, this study did not prove the role of self-control in understanding literacy and saving behaviour. Respondents' perception on the self-control aspect is in the moderate range, so on this basis self-control is not able to be a determinant of literacy and saving behaviour. However, young people are often full of enthusiasm, so they don't restrict themselves too much from exploring their surroundings. Interesting financial learning by involving games on smartphones can be an effort to take advantage of their curiosity about the outside world to learn finance. For companies, the managerial implication of the lack of self-control in financial literacy shows that the company's focus on encouraging increased financial literacy does not focus on increasing students' financial capacity. It is because the dominant financial capacity of students still comes from parents' income. In addition, there is a need to create jobs for students. Government policies related to independent learning can also encourage students to start a career and earn income from college with the support of all parties who play a role, such as universities, the industrial world, and the community.

**Financial literacy affects saving behaviour**

The results of the financial literacy test have a positive effect on saving behaviour. The higher students' financial literacy, the saving behaviour will also increase. When students have high financial literacy, they can make financial planning, build, and maintain wealth, and make the right decisions, one of which is by making saving decisions rather than spending it for consumption. High financial literacy also reflects competence in managing finances. The results of this study are in line with (Alwi et al., 2015; Te'eni-Harari, 2016), which states that financial literacy positively influences saving habits. Positively effect of financial literacy on saving behaviour has managerial implications for companies to encourage students to improve the quality and quantity of their financial literacy. It implies that the banking industry can take an opportunity for savings service providers to introduce their products early to young consumers. It also becomes interesting to discuss saving and consumption behaviour in future research frameworks.

### **Parental socialization affects saving behaviour**

The results also directly prove that parental socialization positively affects saving behaviour. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018). This result is relevant to the respondent's answer that the respondent's perception of the statement item about parental socialization is included in the high category. Thus, it encourages a high level of financial understanding and saving behaviour of respondents. However, the banking industry can offer a parent and child bundling program to facilitate parental socialization so that when they are young adults, they are familiar with savings products and can start saving on their own.

The positive influence of parental socialisation on students' saving behaviour has implications for financial services to continue to educate about the importance of saving as one of the safest forms of investment by adding value to other attractive facilities that accompany savings instruments. This facility can be integrated into smart-card (debit and credit cards), adding more exclusive features to e-money and e-banking and premium services for certain smart-card holders, such as priority services at airports, hospitals, and other public services.

### **Peer influence affects saving behaviour**

Peer pressure can also affect an individual's financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers. These results are in line with research (Alwi et al., 2015; Azlan et al., 2015; Syahrom et al., 2017).

This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. The high role of parents and peers can increase financial literacy and ultimately encourage students to improve their desire to save. Thus, creating a buzz among young people regarding the importance of saving is important to encourage them to save. The conveniences and additional facilities of savings can also be communicated attractively at their touch points so that youth are interested in saving

The results of this study require financial services companies to enter youth communities. The community can be formal or informal. Financial services can be maximised by integrating study cards/student cards, apart from being an identity card and an integrated banking service card. The same can be applied to youth communities based on talents and interests. Interest and talent groups among peers encourage the high intensity of communication in the community.

### **Self-control affects saving behaviour**

Financial literacy was not proven to be a mediating variable between self-control and saving behaviour, possibly due to the respondent's perception of self-control in the medium category. Respondents' self-control is considered not good enough so that it does not affect financial literacy and students' desire to save. This result inconsistent with Jamal et al. (2016) which shows the effect of self-control toward saving behaviour. However, although young people tend to have lower self-control due to their age, financial planning efforts to get young people to save must be introduced early. All parties exposed to them can play a role in this effort.

For companies, the managerial implication of the lack of self-control in students' saving behaviour shows that the company's focus on encouraging students' saving behaviour does not have to focus on students' self-control. At a young age, students' finances are still sourced from parents' income, giving consequences to financial service companies to provide stimulus to external factors that affect students' saving behaviour.

## **5. CONCLUSION**

Based on the results, this study indicates that parental socialization and peer influence directly affect financial literacy. Parental socialization and peer influence have also been shown to affect saving behaviour directly. Self-control is not proven to affect financial literacy and saving behaviour. This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. This study provides a new understanding of the importance of financial literacy to encourage saving behaviour for students. The role of parents and peers in the environment is an essential factor in growing student financial literacy.

In this study, most respondents did not have their income, only getting pocket money from their parents. So that the role of parents is very dominant in determining students' financial behaviour and saving decisions, further research should use respondents who already have their income, so that the decision to save is entirely motivated by themselves. In addition, in this study, demographic factors were only used to identify the characteristics of the respondents. Further research can use these demographic factors as a determinant of saving behaviour.

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## **STUDENTS SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

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### **ABSTRACT**

This study aims to determine the determinants of saving behaviour by using financial literacy as a mediating variable. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors: financial literacy, parental socialisation, peer influence, and self-control. The respondents of this study were students of the Faculty of Economics in Indonesia with a total of 300 people. Data were analysed by Structural Equation Modeling (SEM) using STATA software. The role of mediation on the financial literacy variable was tested using the Sobel test. The results showed that parental socialisation and peer influence positively affected financial literacy, while self-control did not. Financial literacy has also been shown to affect saving behaviour directly. Parental socialisation and peer influence also have a direct influence on saving behaviour. In addition, financial literacy is also a mediating variable between parental socialisation and peer influence on saving behaviour. The results of this study provide a new understanding of the importance of financial literacy to encourage saving behaviour for students. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behaviour. The banking industry can improve financial literacy by collaborating with universities through a virtual account program and socialising students' savings. It is also an opportunity for savings service providers to introduce their products to consumers early.

**JEL:** G41, G410.

**Keywords:** *financial literacy, peer influence, parental socialization, self-control, saving behaviour.*

### **ABSTRAK**

*Tujuan penelitian ini untuk mengetahui determinan dari saving behaviour dengan menggunakan financial literacy sebagai variabel mediasi. Variabel endogen dalam penelitian ini adalah saving behaviour sedangkan variabel eksogen terdiri dari empat faktor utama, yaitu financial literacy, parental socialization, peer influence, dan self-control. Responden penelitian ini adalah mahasiswa Fakultas Ekonomi di Indonesia dengan jumlah 300 orang. Data dianalisis dengan Structural Equation Modeling (SEM) menggunakan software STATA. Peran mediasi pada variabel financial literacy diuji menggunakan sobel test. Hasil penelitian menunjukkan bahwa parental socialization dan peer influence berpengaruh positif terhadap financial literacy, sedangkan self-control tidak berpengaruh terhadap financial literacy. Financial literacy juga terbukti berpengaruh secara langsung pada saving behaviour. Parental socialization dan peer influence juga memiliki pengaruh langsung pada saving behaviour. Selain itu, financial literacy juga menjadi variabel mediasi antara parental socialization dan peer influence pada saving behaviour. Hasil penelitian ini memberikan pemahaman baru mengenai pentingnya literasi keuangan untuk mendorong perilaku menabung bagi mahasiswa. Peran orang tua dan teman sebaya di lingkungan menjadi faktor penting dalam menumbuhkan literasi keuangan dan perilaku menabung mahasiswa. Industri perbankan dapat berperan dalam meningkatkan financial literacy melalui kerjasama dg universitas dalam bentuk program virtual Account sekaligus untuk sosialisasi tabungan ke mahasiswa. Hal tersebut juga menjadi peluang bagi penyedia layanan tabungan untuk memperkenalkan produknya ke konsumen lebih dini.*

**Kata Kunci:** *literasi keuangan, peer influence, parental socialization, self-control, saving behaviour.*

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## 1. INTRODUCTION

In developing countries, saving is essential to household welfare (Afsar et al., 2018). Savings are considered the main factor influencing the economic growth of developing countries (Jagadeesh, 2015). De Sartiges et al. (2020) reported the commercial bank product usage in Southeast Asia: bank accounts, debit cards, credit cards, loans, investment products, and e-wallets. Data shows that only 61% of Indonesian people have bank accounts in commercial banks. This percentage is lower than in other Southeast Asia countries (Singapore, Malaysia, and Thailand) (De Sartiges et al., 2020). Thus, the number of people who save their money in the bank has to be increased.

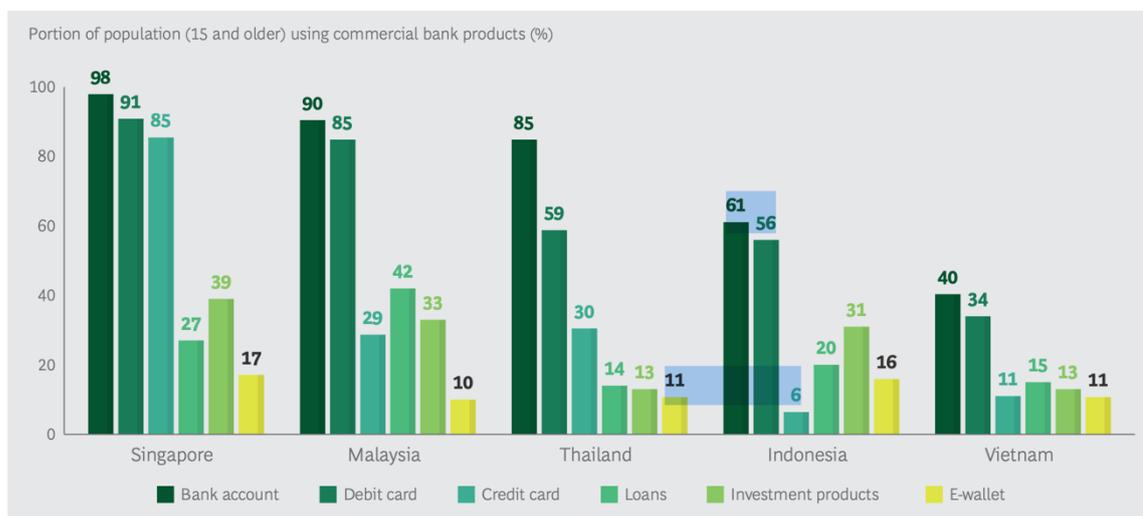


Figure 1. Use of Commercial Banking Product Across Southeast Asia

Source: De Sartiges et al. (2020)

However, the right attitude towards saving behaviour must be instilled from a young age. It is known that any financial planning cannot be started without the necessary savings input. Chalimah et al. (2019) emphasizes that saving behaviour must be instilled early to minimize future needs that will never run out. The millennial generation must be educated about financial prudence early, especially in college. The saving achievement is related to how some individuals carry out their saving behaviour. When a person saves, it involves reducing consumption or spending.

Undergraduates who live away from their parents should be able to responsibly manage their funds Khalisharani et al. (2022). Life and current financial needs in college are one of the main demands. The students are mostly young people and always try to equip themselves with the skills to face challenges outside campus life. Therefore, the need for students to manage money wisely becomes very important. Governments, parents, higher education institutions, and students benefit from intelligent money management behaviour (Barr & McClellan, 2018).

Many factors can affect student saving behaviour. Financial literacy and parental socialization are among these factors (Sarpong-Danquah et al., 2018). Proper identification of these factors can facilitate increasing savings and mobilizing these for efficient utilization. Most of this research is limited to specific groups of people such as employees (Ismail et al., 2018; Yong et al., 2018), households (Ahmad et al., 2014) and students (Albeerdy & Gharleghi, 2015; Alwi et al., 2015; Azlan et al., 2015; Omar et al., 2019). Many studies have been conducted to determine the

factors that influence student saving habits (Alwi et al., 2015; Syahrom et al., 2017), and the results show various factors that cause it. In this study, financial literacy as a mediating variable based on considerations in previous research obtained a direct influence between peer influence, parental socialization, and self-control on financial literacy (Alwi et al., 2015; Strömbäck et al., 2017) and obtained a direct influence financial literacy on saving behaviour (Isomidinova et al., 2017; Lusardi et al., 2014; Remund, 2010). This study aims to determine the determinants of saving behaviour with financial literacy as an intervention.

## **2. LITERATUR REVIEW**

### **2.1. Saving Behaviour**

According to Khalisharani et al. (2022), undergraduate students frequently take on more substantial obligations, particularly when it comes to their finances, when they move out and start to become independent from their parents. There is a disadvantage to having more financial flexibility. Students need to be mindful of their spending patterns as being financially responsible becomes more and more important to getting by. Positive financial behavior, such as saving behavior, should be used to counteract these increasingly adult thoughts and feelings as the cost of living tends to rise dramatically each year and as students develop into financially independent adults.

The choice to save is essential to accumulating individual wealth (Barnea et al., 2010). For individuals, saving helps provide for future personal and household needs. Savings also serve to meet the needs of unforeseen circumstances. Saving is part of an individual's income (Mori, 2019). The benefits of saving include hedging against unforeseen circumstances, building assets, preparing for investment opportunities, providing pensions, buying or repairing housing, paying off debt, and obtaining social services (Faridi & Bashir, 2010). Life theory describes the structure of saving behaviour by stipulating that the level of saving depends on the demographics of society rather than family income (Modigliani & Brumberg, 1954). People's consumption habits can change only when they experience changes in their permanent income (Clancy et al., 2001). From an economic point of view, current income reflects expectations of future income. Individual features can influence people's saving behaviour because their current income can affect their future (Mori, 2019).

### **2.2. Financial Literacy**

Financial literacy is necessary for a person and firm's sustainable financial and economic situation (Refera & Kolech, 2015). Although inquiry about the financial literacy field has increased over a long time, there have not been consistent definitions of financial literacy (Potrich et al., 2015). A study by Parotta, (1996) shows that personal financial management behaviour includes learning to make a financial plan and putting it into practice together with adjusting it to make it suitable for individuals or families. According to Xiao (2008), any human behaviour related to money management has been considered financial management behaviour.

Financial literacy entails the ability to make informed decisions in the use and management of money (Remund, 2010). Other research defined financial literacy as financial knowledge and the ability to process economic information towards making informed decisions about financial management (Lusardi et al., 2014). Holzmann (2010) confirms that a person who can manage their

finances possesses the necessary financial expertise and knowledge as well as the capacity to appreciate the benefits of the suggested approach to enhancing financial security.

### **2.3. Peer Influence**

Someone who is bonded with peers or close fellow will result in changes in their attitudes, values, and behaviour (Alshebami & Seraj, 2021). McKenna & Tooth (2006) shows that people's consumption choices can change after looking at peer preferences. When students living far away from their parents find it challenging to spend their money, peers can be responsible for being associated with their spending related behaviour (Zulfaris et al., 2020).

Previous research shows that individual's financial knowledge is influenced by the financial knowledge of her/his peer or reference group (Alessie et al., 2011; Bucher-Koenen & Lusardi, 2011; Klapper et al., 2013). However, Duflo & Saez (2003) explain the influence of peers in maintaining saving decisions. Lopez et al. (2022) specified that only older or close friends advising the participants to save – not friends around the same age. Peer groups have the maximum influence during adolescence because young adolescents have less knowledge and are uncertain in decision-making during this period (Zulfaris et al., 2020).

### **2.4. Parental Socialization**

Parents have a duty to provide a good example for their kids' financial behaviour from a young age (Chatterjee et al., 2018; Gerrans & Heaney, 2019). The discussion between parents and children which may include financial goals and opportunities provided by parents for children to practice financial principles is known by financial socialization (LeBaron et al., 2019). According to Family Financial Socialization Theory, family interactions and relationships influence the purposive financial socialization techniques parents use to teach their children about finances (Gudmunson & Danes, 2011).

Parental saving socialization suggests that socialization agents such as parents, schools, peers, and media facilitate healthy financial behaviours in adolescents by disseminating financial knowledge, passing along saving values and norms, and modelling financial behaviours (Moschis & Churchill Jr, 1978). Gudmunson & Danes (2011) indicate that socialization activities performed by parents could shape healthy financial behaviours in their children directly and indirectly as mediated by financial knowledge, attitudes, confidence, and control.

### **2.5. Self-Control**

Typically, self-control is demonstrated by our capacity to break undesirable habits, resist temptations, and suppress our initial instincts (Baumeister, 2002; Fujita et al., 2006). On the other word, self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behaviour. Self-discipline exertion characterizes the will and the capacity to delay fulfilment (Baumeister, 2002). Thus, students with low self-control are believed to spend more on their wishes and preferences, resulting in not saving, and ultimately facing financial difficulties (Chia et al., 2011). Self-control is important in determining the level of financial literacy efforts in influencing consumer financial behaviour (Meneau & Moorthy, 2021).

Self-control failure align with the behavioural life cycle (BLC) which believe that people act as if there is an ongoing conflict within every person between a “planner,” who thinks about the long run, and a “doer” who is more concerned about the current situation. Furthermore,

people's financial behaviour throughout life is determined by their ability to control impulses and the costs of exercising such self-control (Goyal et al., 2022; Shefrin & Thaler, 1988).

## **2.6. Research Hypothesis**

Financial literacy refers to understanding the main financial terms and concepts needed in managing daily life (Brigham & Houston, 2014). As explained by Afsar et al. (2018), financial literacy is a skill or skill that can help individuals make effective financial decisions. Alwi et al. (2015) revealed that parental socialization increases children's financial literacy. According to Afsar et al. (2018) discussions between parents and children about financial problems affect saving and borrowing habits. Homan (2016) argues that parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018).

H<sub>1</sub>: Parental socialization affects financial literacy.

Alwi et al. (2015) show that peer influence affects financial literacy. According to (Ogonowski et al., 2014), adolescents/young people are strongly influenced by their peers in various characteristics, namely spending and investment. Azlan et al. (2015) found that their peers strongly influenced students' ability to save. This finding is supported by Alwi et al. (2015), where the results find that many decisions made by Generation Y are influenced by peer force. (Azlan et al., 2015) also agree that peer pressure can affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers.

H<sub>2</sub>: Peer influence affects financial literacy.

Stromback et al. (2017) found that people with good self-control are more likely to save from their income. This finding also explains that they have better general financial behaviour, are less worried about financial problems and feel more confident about their current and future financial situation. Students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting (Chalimah et al., 2019). Davidson et al. (2019) found that self-control allows people to suppress stereotypes and prejudices. By increasing self-control, the intention to resist consumption increases, especially for those who believe that self-control is a source of happiness later in life. The literature agrees that restraint can be defined as the capacity to change or override dominant response tendencies and regulate an individual's behaviour, thoughts, and emotions (de Ridder et al., 2018).

H<sub>3</sub>: Self-control affects financial literacy.

Lusardi et al. (2014) describe financial literacy as the ability to make financial plans, build and maintain wealth, make informed decisions about debt and retirement and use economic knowledge. Isomidinova et al. (2017) showed that financial education had the most substantial influence on the financial literacy of Uzbek students. Financial literacy is more than just a measure of awareness that reflects competence in actively managing individual or personal finances (Remund, 2010). Alwi et al. (2015) dan Te'eni-Harari (2016) stated that financial literacy has a positive influence on saving habits. Gaisina & Kaidarova (2017) show that it positively affects the

saving rates as well as one can observe that the higher the financial literacy level, the higher the saving rates.

H<sub>4</sub>: Financial literacy affects saving behaviour.

Homan (2016) states that parental socialization can help increase individual savings and reduce borrowing. Individual saving habits can be developed when parents educate children in childhood. The role of parents in financial management issues can affect children's saving behaviour. Bucciol & Veronesi (2014) suggest that parental socialization is more effective than receiving formal education at school and based on different socio-demographic variables, they exhibit different behaviours. Parental socialization determines the ability to meet financial problems in the future and is more effective, especially when there is a combination of different teaching methods. Wong (2013) stated that individuals whose financial habits were monitored by their parents during childhood have effectively managed their own money.

H<sub>5</sub>: Parental socialization affects saving behaviour.

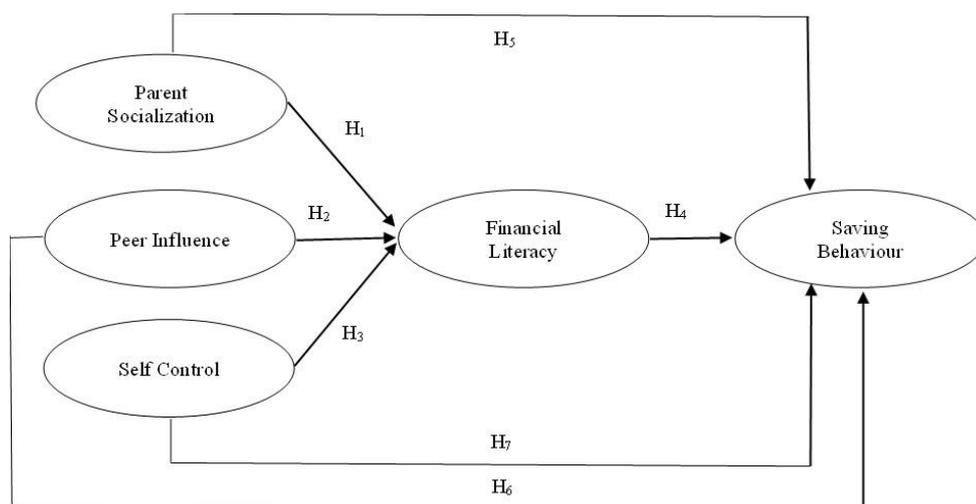
Parents remain a potent agent of socialization in the childhood phase, but during adolescence, the role of peers is essential in influencing saving behaviour. They become less dependent on their parents and more peer oriented. Compare their status with peers, money management problems, their free time, and their involvement in shopping activities (Youniss & Haynie, 1992). Jamal et al. (2016) explored the saving behaviour of students. It was found that family involvement played a significant role in maintaining saving behaviour, followed by financial literacy and peer influence. Student involvement in activities, free time, and financial problems affect saving behaviour. Barnea et al. (2010) found that parents strongly influence saving in younger children, but this influence wanes as children grow into adolescents and adults. However, peer influence is not significant in affecting saving behaviour (Kamarudin & Hashim, 2018).

H<sub>6</sub>: Peer influence affects saving behaviour.

Self-control regulates impulsive buying patterns to achieve financial goals (Baumeister, 2002; Otto et al., 2007). Self-control is linked to better general financial behaviour. Adolescents with low self-control are relatively more vulnerable to risky financial behaviour (Weaver et al., 2011). Self-control is one of the determining factors in saving because the ability to control oneself against the effects of an excessive and negative lifestyle is different for each student (Jamal et al., 2016). Self-control in childhood can predict adolescent mistakes so that it helps them to have better life outcomes when they improve their self-control over time (Li et al., 2013). Cuandra & Desianti (2022) showed different results i.e., self-control negatively affected saving behaviour.

H<sub>7</sub>: Self-control affects saving behaviour.

This study examines the relationship between variables: saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Variable relationships are presented in the research model in Figure 1.



**Figure 1. Research Model**

### 3. RESEARCH METHODS

This research is causality research. The endogenous variable in this study is saving behaviour, while the exogenous variable consists of four main factors (financial literacy, parental socialization, peer influence and self-control). This research instrument was developed based on previous literature, i.e., saving behaviour, financial literacy, parental socialization, peer influence, and self-control and presented in Table 1.

The respondents of this study were 300 undergraduate students of Economics and Business Faculty in Indonesia. Data was obtained through the distribution of online questionnaires. The questionnaire consists of two parts. The first part is the respondent's profile, which focuses on personal information such as gender, age, marital status, type of student, level of education, and income. The following section contains questions about saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The role of mediation on the financial literacy variable was tested using the Sobel test.

**Table 1. Variables Measurement**

No	Variabel	Indikator
1	Financial Literacy	I have better understanding of how to invest my money I have better understanding of how to manage my credit use I have a very clear idea of my financial needs during retirement I have the ability to maintain financial records for my income and expenditure I have little or no difficulty in managing my money I have better understanding of financial instruments I have the ability to prepare my own weekly (monthly) budget.
2	Parental Socialization	My parents are good example for me when it comes to money management I always talk about money management with my parents It's good when my parents control my spending It's a good thing to ask my parents to keep hold of my money sometimes to help me save My parents are proud of me for saving I appreciate it when my parents give me advice about what to do with my money. I save money because I don't think my parents should pay for things I don't really need but like

No	Variabel	Indikator
		Saving is something I do regularly because my parents wanted me to save when I was little.
3	Peer Influence	As far as I know, some of my friends regularly do save with a saving account. I always discuss about money management issue (saving) with my friends. I always compare the amount of saving and spending with my friends I always spend my leisure time with friends I always involve in money spending activities with friends
4	Self-Control	I don't save, because I think it's too hard I enjoy spending money on things that aren't practical When I get money, I always spend it immediately (within 1 or 2 days) 'I see it, I like it, I buy it' describes me. Just do it' describes the way I buy things. 'Buy now, think about it later' describes me I'm easily attracted by lure I always failed to control myself from spending money When I set saving goals for myself, I rarely achieve them I am more concerned with what happens to me in short run than in the long run.
5	Saving Behaviour	I put money aside on a regular basis for the future In order to save, I often compare prices before I make a purchase In order to save, I often consider whether the real necessity before I make a purchase In order to save, I always follow a careful monthly budget I always have money available in the event of emergency In order to save, I plan to reduce my expenditure. I save to achieve certain goals I save until the end of my semester

#### 4. RESULTS AND DISCUSSIONS

**Table 2. Respondent's Profile**

Characteristic	Total	Percentage
Gender:		
Male	112	37,3%
Female	188	62,7%
Age:		
under 20 years	149	49,6%
21-30 years	129	43%
31-40 years	11	3,7%
>41 years	11	3,7%
Marital Status		
Merried	26	8,7%
Single	274	91,3%
Educational background		
Diploma (D3)	28	9,3%
Bachelor (S1)	237	79%
Master (S2)	35	11,7%
Income		
IDR < 1,7 million	216	72%
IDR 1,7 to <3,4 million	38	12,7%
IDR >3,4 to < 5 million	20	6,7%
IDR > 5 million	26	8,6%

Sources: Processed questionnaire data 2021

Based on demographic characteristics, the general description of the respondents in this study in terms of gender consisted of 37% male and 63% female. 49.7% were under 20 years old, 43% were between 21-30 years old, and the rest were over 31 years old. Based on the level of education, 50% completed undergraduate education, while the income level of 70% of respondents was <Rp1,700,000. The data will be presented in Table 2.

The variables of saving behaviour, financial literacy, parental socialization, peer influence and self-control are latent variables, with the number of indicators on saving behaviour as many as 8 indicators, namely sb 1-sb8. Financial literacy has 7 indicators fl1-fl7. Parental socialization has 8 indicators, ps1-ps8. Peer influence has five indicators pi1-pi5, and self-control has 10 indicators, namely sc1-sc10. Before estimation, the data were tested for normality. Unreliable indicators are dropped from the model. The results presented in Figure 2.

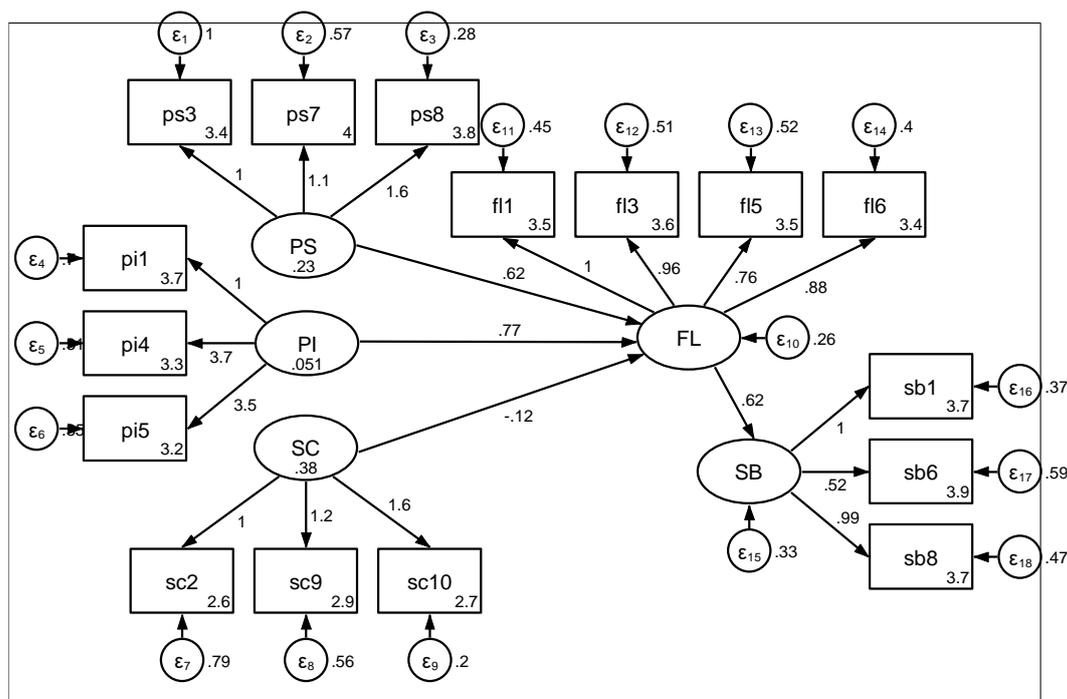


Figure.2. Path diagram

The results of hypothesis testing are shown from the structural model on the SEM output, presented in Table 3.

Table 3. Hypothesis Testing

	Coef	OIM Std Error	z	P <  z	Results
Structural					
FL ←					
PS	.6166949	.136653	4.51	0.000	H1 Supported
PI	.7743637	.2707852	2.86	0.004	H2 Supported
SC	-.1177719	.0710001	-1.66	0.097	H3 Not Supported
SB ←					
FL	.623188	.1018553	6.12	0.000	H4 Supported
PS	.384316	.1006518	3.82	0.000	H5 Supported
PI	.4825742	.1810044	2.67	0.008	H6 Supported
SC	-.073394	.0456222	-1.61	0.108	H7 Not Supported

Sources: Data processed, 2021

Table 3 proves that hypothesis 1 is supported. Parental socialization affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.6166949. Peer influence affects financial literacy with a significance of 0.004 and a correlation coefficient of 0.7743637, so hypothesis 2 is supported. Self-control has no effect on financial literacy with a significance of 0.097, so hypothesis 3 is not supported. Financial literacy affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.62318, so H4 is supported. H6 is supported, parental socialization affects saving behaviour with a significance of 0.000 and a correlation coefficient of 0.384316. H7 is supported, Peer influence affects saving behaviour with a significance of 0.008 and a correlation coefficient of 0.1810044. H7 is not supported, self-control has no effects on saving behaviour with significance 0.108. Furthermore, to test the role of mediation used the Sobel test calculator, the result will be presented in Table 4.

**Table 4. Indirect Effect**

Indirect effect	Test Statistik	Std Error	p-value	Results
PS—FL—SB	3.63179896	0,10581997	0,00028145	H8 Supported
PI—FL—SB	2,59068533	0,18627278	0,0095785	H9 Supported
SC—FL—SB	-1,60096357	0,04584366	0,10938499	H10 Not Supported

This study failed to prove the effect of self-control on saving behaviour either directly or through the mediation of financial literacy. The results of the Sobel test in Table 3 show that financial literacy can mediate the influence of parent socialization on saving behaviour and the influence of peer influence on saving behaviour. So H8 and H9 are supported while H10 is not supported.

The magnitude of parental socialization, peer influence, and self-control on financial literacy is 0.3193 or 31.93%. In contrast, the joint effect of the parental socialization, peer influence, self-control, and financial literacy variables on saving behaviour is 31.37%, while other variables outside the research model influence 68.53%. The results of the Likelihood ratio show a significance of 0.000 so that together financial literacy, parental socialization, peer influence and self-control affect saving behaviour.

**Table 5 Goodness of Fit and Likelihood Ratio**

variable	Goodness of Fit		Likelihood Ratio	
	R-Squared	Fit Statistik	Value	Discription
Laten:		Likelihood ratio		
FL	.3193672	chi2_ms100	335.143	Model vs. saturated
SB	.3137416	p>chi2	.0000	
Overall	.9937153	chi2_bs120	1413.556	Baseline vs. saturated
		p>chi2	.0000	

### Parental socialization affects financial literacy

Parental socialization has a positive effect on financial literacy. The higher the parental socialization that students have, the financial literacy will also increase. These results are consistent with (Alwi et al., 2015) that parental socialization increases children's financial literacy. These results support on (Homan, 2016), parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018). Relevant to Khalisharani et al.(2022), financial socialisation should begin during childhood. Policymakers can develop programmes and interventions which encourage parents to have frequent discussions with their children about financial matters throughout childhood, such as the importance of savings, having emergency funds, avoiding unsecured loans, and impulsive buying.

The findings of this study encourage companies in the financial sector to involve parents in improving students' financial literacy. Companies can take advantage of parents through activities to increase their understanding of financial literacy and financial service facilities so that parents can transmit/pass on this understanding to students according to their financial capacity. Parents can also be given special/premium facilities to give a positive impression of the company. As a result, parents will socialise the excellent experience with students and encourage them to take advantage of the same facilities for the younger generation armed with this experience.

The role of parental social socialisation shows that students are not ready or not independent and still depend on their parents for financial matters. If students have more financial independence, their parents are less influential. It raises the need to increase the financial independence of undergraduate students. In Indonesia, most students are full-time students who receive financial support from their parents. It presents an opportunity to examine students' financial literacy in other developing countries and compare the results in each country.

### **Peer influence affects financial literacy**

Peer influence directly has a positive effect on financial literacy and saving behaviour. The higher the peer influence students have, the financial literacy will also increase and saving behaviour will also increase (Alwi et al., 2015). Peer pressure can also affect individual financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers (Azlan et al., 2015).

The influence of friends in young people's lives also affects how they behave, making it essential to create communities where young people can discuss positive things. One of the communities in the campus environment is the investment gallery and communities at many universities in Indonesia collaborate with the Indonesia Stock Exchange, which is a means to introduce the capital market from an early age. Furthermore, the positive influence of peers on saving behaviour has managerial implications in terms of the introduction of marketing of financial service products; it is very important to pay attention to the age factor, use influencers from young people, and raise themes of strengthening peer intimacy. Another important thing is that financial service products must be more attractive, up to date with high flexibility characteristics and can be accessed more quickly, pay attention to gender, suit the needs of young people, and reflect the needs of generation Z, who live full of technology. It also raises an exciting call to compare student financial literacy by gender in future studies.

### **Self-control affects financial literacy**

Self-control does not affect financial literacy. Self-control is also not proven to affect saving behaviour. These results are inconsistent with (Chalimah et al., 2019; Davidson et al., 2019; Strömbäck et al., 2017). Chalimah et al. (2019) states that students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting. However, this study did not prove the role of self-control in understanding literacy and saving behaviour. Respondents' perception on the self-control aspect is in the moderate range, so on this basis self-control is not able to be a determinant of literacy and saving behaviour. However, young people are often full of enthusiasm, so they don't restrict themselves too much from exploring their surroundings. Interesting financial learning by involving games on smartphones can be an effort to take advantage of their curiosity about the outside world to learn finance. For companies, the managerial implication of the lack of self-control in financial literacy shows that the company's focus on encouraging increased financial literacy does not focus on increasing students' financial capacity. It is because the dominant financial capacity of students still comes from parents' income. In addition, there is a need to create jobs for students. Government policies related to independent learning can also encourage students

to start a career and earn income from college with the support of all parties who play a role, such as universities, the industrial world, and the community.

### **Financial literacy affects saving behaviour**

The results of the financial literacy test have a positive effect on saving behaviour. The higher students' financial literacy, the saving behaviour will also increase. When students have high financial literacy, they can make financial planning, build, and maintain wealth, and make the right decisions, one of which is by making saving decisions rather than spending it for consumption. High financial literacy also reflects competence in managing finances. The results of this study are in line with (Alwi et al., 2015; Te'eni-Harari, 2016), which states that financial literacy positively influences saving habits. Positively effect of financial literacy on saving behaviour has managerial implications for companies to encourage students to improve the quality and quantity of their financial literacy. It implies that the banking industry can take an opportunity for savings service providers to introduce their products early to young consumers. It also becomes interesting to discuss saving and consumption behaviour in future research frameworks.

### **Parental socialization affects saving behaviour**

The results also directly prove that parental socialization positively affects saving behaviour. Parents always play a central role in facilitating and promoting their children's saving behaviour & parents are the best source that can control their children's spending and encourage them to save (Afsar et al., 2018). This result is relevant to the respondent's answer that the respondent's perception of the statement item about parental socialization is included in the high category. Thus, it encourages a high level of financial understanding and saving behaviour of respondents. However, the banking industry can offer a parent and child bundling program to facilitate parental socialization so that when they are young adults, they are familiar with savings products and can start saving on their own.

The positive influence of parental socialisation on students' saving behaviour has implications for financial services to continue to educate about the importance of saving as one of the safest forms of investment by adding value to other attractive facilities that accompany savings instruments. This facility can be integrated into smart-card (debit and credit cards), adding more exclusive features to e-money and e-banking and premium services for certain smart-card holders, such as priority services at airports, hospitals, and other public services.

### **Peer influence affects saving behaviour**

Peer pressure can also affect an individual's financial behaviour. The peer socialization angle still exists in children's saving behaviour because the association can influence student saving behaviour in socializing and exchanging ideas about financial management matters among their peers. These results are in line with research (Alwi et al., 2015; Azlan et al., 2015; Syahrom et al., 2017).

This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. The high role of parents and peers can increase financial literacy and ultimately encourage students to improve their desire to save. Thus, creating a buzz among young people regarding the importance of saving is important to encourage them to save. The conveniences and additional facilities of savings can also be communicated attractively at their touch points so that youth are interested in saving

The results of this study require financial services companies to enter youth communities. The community can be formal or informal. Financial services can be maximised by integrating study cards/student cards, apart from being an identity card and an integrated banking service card. The same can be applied to youth communities based on talents and interests. Interest and talent groups among peers encourage the high intensity of communication in the community.

### Self-control affects saving behaviour

Financial literacy was not proven to be a mediating variable between self-control and saving behaviour, possibly due to the respondent's perception of self-control in the medium category. Respondents' self-control is considered not good enough so that it does not affect financial literacy and students' desire to save. This result inconsistent with Jamal et al. (2016) which shows the effect of self-control toward saving behaviour. However, although young people tend to have lower self-control due to their age, financial planning efforts to get young people to save must be introduced early. All parties exposed to them can play a role in this effort.

For companies, the managerial implication of the lack of self-control in students' saving behaviour shows that the company's focus on encouraging students' saving behaviour does not have to focus on students' self-control. At a young age, students' finances are still sourced from parents' income, giving consequences to financial service companies to provide stimulus to external factors that affect students' saving behaviour.

## 5. CONCLUSION

Based on the results, this study indicates that parental socialization and peer influence directly affect financial literacy. Parental socialization and peer influence have also been shown to affect saving behaviour directly. Self-control is not proven to affect financial literacy and saving behaviour. This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behaviour. This study provides a new understanding of the importance of financial literacy to encourage saving behaviour for students. The role of parents and peers in the environment is an essential factor in growing student financial literacy.

In this study, most respondents did not have their income, only getting pocket money from their parents. So that the role of parents is very dominant in determining students' financial behaviour and saving decisions, further research should use respondents who already have their income, so that the decision to save is entirely motivated by themselves. In addition, in this study, demographic factors were only used to identify the characteristics of the respondents. Further research can use these demographic factors as a determinant of saving behaviour.

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## **STUDENTS' SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

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### **ABSTRACT**

This study aims to determine the determinants of saving behavior by using financial literacy as a mediating variable. The endogenous variable in this study is saving behavior, while the exogenous variable consists of four main factors: financial literacy, parental socialization, peer influence, and self-control. The respondents of this study were students of the Faculty of Economics in Indonesia, with a total of 300 people. Data were analyzed by Structural Equation Modelling (SEM) using STATA software. The results showed that parental socialization and peer influence positively affected financial literacy, while self-control did not. Financial literacy has also been shown to affect saving behavior directly. Parental socialization and peer influence also have a direct influence on saving behavior. The results of this study provide a new understanding of the importance of financial literacy to encourage saving behavior for students. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behavior. The banking industry can improve financial literacy by collaborating with universities through a virtual account program and socializing students' savings. It is also an opportunity for savings service providers to introduce their products to consumers early.

**JEL:** G41, G410.

**Keywords:** *financial literacy, peer influence, parental socialization, self-control, saving behaviour.*

### **ABSTRAK**

*Tujuan penelitian ini untuk mengetahui determinan dari saving behaviour dengan menggunakan financial literacy sebagai variabel mediasi. Variabel endogen dalam penelitian ini adalah saving behaviour sedangkan variabel eksogen terdiri dari empat faktor utama, yaitu financial literacy, parental socialization, peer influence, dan self-control. Responden penelitian ini adalah mahasiswa Fakultas Ekonomi di Indonesia dengan jumlah 300 orang. Data dianalisis dengan Structural Equation Modeling (SEM) menggunakan software STATA. Hasil penelitian menunjukkan bahwa parental socialization dan peer influence berpengaruh positif terhadap financial literacy, sedangkan self-control berpengaruh negatif terhadap financial literacy. Financial literacy juga terbukti berpengaruh secara langsung pada saving behaviour. Parental socialization dan peer influence juga memiliki pengaruh langsung pada saving behaviour. Hasil penelitian ini memberikan pemahaman baru mengenai pentingnya literasi keuangan untuk mendorong perilaku menabung bagi mahasiswa. Peran orang tua dan teman sebaya di lingkungan menjadi faktor penting dalam menumbuhkan literasi keuangan dan perilaku menabung mahasiswa. Industri perbankan dapat berperan dalam meningkatkan financial literacy melalui kerjasama dg universitas dalam bentuk program virtual Account sekaligus untuk sosialisasi tabungan ke mahasiswa. Hal tersebut juga menjadi peluang bagi penyedia layanan tabungan untuk memperkenalkan produknya ke konsumen lebih dini.*

**Kata Kunci:** *literasi keuangan, peer influence, parental socialization, self-control, saving behaviour.*

## **1. INTRODUCTION**

In developing countries, saving is essential to household welfare (Afsar et al., 2018). Awareness of saving can be owned by every human being, one of which is students. Students have a highly consumptive attitude, so saving behavior is a challenging thing to do. During college,

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students move from being dependent to being financially independent. Students have complex financial problems. Most students do not have income, reserve funds, delays in remittances from parents, running out of pocket money, or unexpected needs. Students need to be corrected in managing personal finances because there is no budgeting, lifestyle impacts, and wasteful consumption patterns (Nababan & Sadalia, 2013). Savings are considered the main factor influencing the economic growth of developing countries (Jagadeesh, 2015). De Sartiges et al. (2020) reported the commercial bank product usage in Southeast Asia: bank accounts, debit cards, credit cards, loans, investment products, and e-wallets. Data shows that only 61% of Indonesian people have bank accounts in commercial banks. This percentage is lower than in other Southeast Asia countries (Singapore, Malaysia, and Thailand).

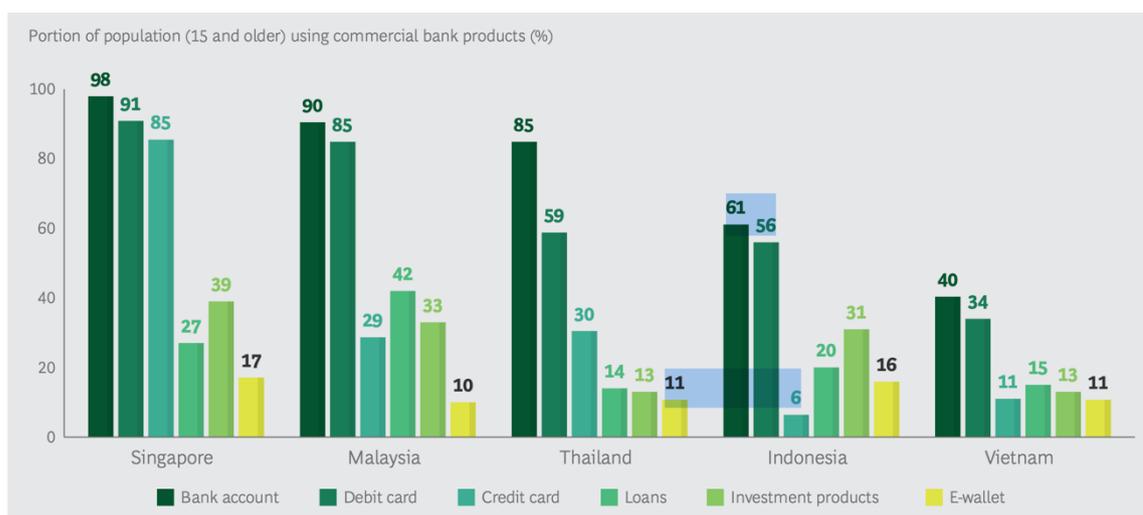


Figure 1. Use of Commercial Banking Product Across Southeast Asia

Source: De Sartiges et al. (2020)

It is known that any financial planning cannot be started without the necessary savings input. Chalimah et al. (2019) emphasize that saving behavior must be instilled early to minimize future needs that will never run out. However, the right attitude towards saving behavior must be instilled from a young age. The millennial generation must be educated about financial prudence early, especially in college. The saving achievement is related to how some individuals carry out their saving behavior. When a person saves, it involves reducing consumption or spending.

Life and current financial needs in college are one of the main demands. The students are mostly young people and always try to equip themselves with the skills to face challenges outside campus life. Undergraduates who live away from their parents should be able to responsibly manage their funds (Khalisharani et al., 2022). Therefore, the need for students to manage money wisely becomes very important. Governments, parents, higher education institutions, and students benefit from intelligent money management behavior (Barr & McClellan, 2018).

Based on the 2020 Lifepal survey, as many as 65.2% of students in Indonesia choose to save their excess pocket money in the bank. Only 22.4% of the respondents decided to invest in buying precious metals, securities, and other instruments (Alhikam, 2020). According to the survey, it is crucial to identify the factors that influence student saving behavior. Many factors can affect student saving behavior. Financial literacy and parental socialization are among these factors

(Sarpong-Danquah et al., 2018). Proper identification of these factors can facilitate increasing savings and mobilizing these for efficient utilization. Most of this research is limited to specific groups of people, such as employees (Ismail et al., 2018; Yong et al., 2018), households (Ahmad et al., 2014) and students (Albeerdly & Gharleghi, 2015; Alwi et al., 2015; Azlan et al., 2015; Omar et al., 2019). Many studies have been conducted to determine the factors that influence student saving habits (Alwi et al., 2015; Syahrom et al., 2017), and the results show various factors that cause it. In this study, financial literacy as a mediating variable based on considerations in previous research obtained a direct influence between peer influence, parental socialization, and self-control on financial literacy (Alwi et al., 2015; Strömbäck et al., 2017) and obtained a direct influence financial literacy on saving behavior (Isomidinova et al., 2017; Lusardi et al., 2014; Remund, 2010). This study aims to determine the determinants of saving behavior with financial literacy as an intervention.

## **2. LITERATUR REVIEW**

### **2.1. Theory of Planned Behavior**

According to Ajzen (1991), the planned behavior theory is related to individual attitudes. Individuals behaving or behavior are caused by specific intentions and goals to be achieved to discover a change in one's behavior. The intention is the main thing that can be used to predict behavior. The theory of planned behavior combines several main social and behavioral sciences concepts. This theory also defines predicting and understanding behavior in a specific context. In this theory, three factors influence a person's behavior: attitude toward behavior, subjective norms, and perceived behavior control (Ajzen, 2005). In addition, according to Ajzen (2005), background factors can also influence a person's behavior, including the following. (1) Personality factors include personality, attitudes, life values, intelligence, and emotions. (2) Age, gender, ethnicity, religion, income, and education are social factors. (3) Information factors include insights, skills, and what is shared through the media. Thus, the theory of planned behaviour is used to explain financial literacy, locus of control, income, and hedonistic lifestyle (Ajzen, 1991).

### **2.2. Saving Behavior**

According to Khalisharani et al. (2022), undergraduate students frequently take on more substantial obligations, particularly concerning their finances, when they move out and become independent from their parents. There is a disadvantage to having more financial flexibility. Students need to be mindful of their spending patterns as being financially responsible becomes more and more critical to get by. Positive financial behaviour, such as saving behaviour, should be used to counteract these increasingly adult thoughts and feelings as the cost of living tend to rise dramatically each year and as students develop into financially independent adults.

The choice to save is essential to accumulating individual wealth (Barnea et al., 2010). For individuals, saving helps provide for future personal and household needs. Savings also serve to meet the needs of unforeseen circumstances. Saving is part of an individual's income (Mori, 2019). The benefits of saving include hedging against unforeseen circumstances, building assets, preparing for investment opportunities, providing pensions, buying or repairing housing, paying off debt, and obtaining social services (Faridi & Bashir, 2010). Life theory describes the structure of saving behavior by stipulating that the level of saving depends on the demographics of society rather than family income (Modigliani & Brumberg, 1954). People's consumption habits can change only when they experience changes in their permanent income (Clancy et al., 2001). From

an economic point of view, current income reflects expectations of future income. Individual features can influence people's saving behavior because income can affect their future (Mori, 2019).

### 2.3. Financial Literacy

Financial literacy is necessary for a person and firm's sustainable financial and economic situation (Refera & Kolech, 2015). Although inquiry about the financial literacy field has increased over a long time, there have not been consistent definitions of financial literacy (Potrich et al., 2015). A study by Parotta (1996) shows that personal financial management behavior includes learning to make a financial plan and putting it into practice together with adjusting it to make it suitable for individuals or families. According to Xiao (2008), any human behavior related to money management has been considered financial management behavior.

Financial literacy entails making informed decisions about using and managing money (Remund, 2010). Other research defined financial literacy as financial knowledge and the ability to process financial information towards making informed decisions about financial management (Lusardi et al., 2014). Holzmann (2010) confirms that a person who can manage their finances possesses the necessary financial expertise, knowledge, and capacity to appreciate the benefits of the suggested approach to enhancing financial security.

### 2.4. Peer Influence

Someone who is bonded with peers or close fellows will result in changes in their attitudes, values, and behavior (Alshebami & Seraj, 2021). McKenna & Tooth (2006) shows that people's consumption choices can change after looking at peer preferences. When students living far away from their parents find it challenging to spend their money, peers can be responsible for being associated with their spending-related behavior (Zulfaris et al., 2020).

Previous research shows that an individual's financial knowledge is influenced by the financial knowledge of her/his peer or reference group (Alessie et al., 2011; Bucher-Koenen & Lusardi, 2011; Klapper et al., 2013). However, Duflo & Saez (2003) explain the influence of peers in maintaining saving decisions. Lopez et al. (2022) specified that only older or close friends advising the participants to save – not friends around the same age. Peer groups have the maximum influence during adolescence because young adolescents have less knowledge and are uncertain in decision-making during this period (Zulfaris et al., 2020).

### 2.5. Parental Socialization

Parents must provide an excellent example of their kids' financial behavior from a young age (Chatterjee et al., 2018; Gerrans & Heaney, 2019). The discussion between parents and children, which may include financial goals and opportunities provided by parents for children to practice financial principles, is known as financial socialization (LeBaron et al., 2019). According to Family Financial Socialization Theory, family interactions and relationships influence the purposive financial socialization techniques parents use to teach their children about finances (Gudmunson & Danes, 2011).

Parental saving socialization suggests that socialization agents such as parents, schools, peers, and media facilitate healthy financial behaviors in adolescents by disseminating financial knowledge, passing along saving values and norms, and modelling financial behaviors (Moschis

& Churchill Jr, 1978). Gudmunson & Danes (2011) indicate that socialization activities performed by parents could shape healthy financial behaviors in their children directly and indirectly as mediated by financial knowledge, attitudes, confidence, and control.

## **2.6. Self-Control**

Self-control is essential in determining the level of financial literacy efforts in influencing consumer financial behavior (Meneau & Moorthy, 2021). Typically, self-control is demonstrated by our capacity to break undesirable habits, resist temptations, and suppress our initial instincts (Baumeister, 2002; Fujita et al., 2006). In other words, self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behavior. Self-discipline exertion characterizes the will and the capacity to delay fulfilment (Baumeister, 2002). Thus, students with low self-control are believed to spend more on their wishes and preferences, resulting in not saving, and ultimately facing financial difficulties (Chia et al., 2011).

Self-control failure aligns with the behavioral life cycle (BLC), which believes that people act as if there is an ongoing conflict within every person between a "planner," who thinks about the long run, and a "doer", who is more concerned about the current situation. Furthermore, people's financial behavior throughout life is determined by their ability to control impulses and the costs of exercising such self-control (Goyal et al., 2022; Shefrin & Thaler, 1988).

## **2.7. Research Hypothesis**

Financial literacy refers to understanding the main financial terms and concepts needed in managing daily life (Brigham & Houston, 2014). As explained by Afsar et al. (2018), financial literacy is a skill or skill that can help individuals make effective financial decisions. Alwi et al. (2015) revealed that parental socialization increases children's financial literacy. According to Afsar et al. (2018), discussions between parents and children about financial problems affect saving and borrowing habits. Homan (2016) argues that parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018).

H<sub>1</sub>: Parental socialization affects financial literacy.

Alwi et al. (2015) show that peer influence affects financial literacy, especially by Generation Y. According to Ogonowski et al. (2014), adolescents/young people are strongly influenced by their peers in various characteristics, namely spending and investment. Azlan et al. (2015) found that their peers strongly influenced students' ability to save. Azlan et al. (2015) also agree that peer pressure can affect individual financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers.

H<sub>2</sub>: Peer influence affects financial literacy.

Stromback et al. (2017) found that people with good self-control are likelier to save from their income. This finding also explains that they have better general financial behavior, are less worried about financial problems and feel more confident about their current and future financial situation. Students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences

before acting (Chalimah et al., 2019). Davidson et al. (2019) found that self-control allows people to suppress stereotypes and prejudices. By increasing self-control, the intention to resist consumption increases, especially for those who believe that self-control is a source of happiness later in life. The literature agrees that restraint can be defined as the capacity to change or override dominant response tendencies and regulate an individual's behaviour, thoughts, and emotions (de Ridder et al., 2018).

H<sub>3</sub>: Self-control affects financial literacy.

Lusardi et al. (2014) describe financial literacy as the ability to make financial plans, build and maintain wealth, make informed decisions about debt and retirement and use economic knowledge. Isomidinova et al. (2017) showed that financial education had the most substantial influence on the financial literacy of Uzbek students. Financial literacy is more than just a measure of awareness that reflects competence in actively managing individual or personal finances (Remund, 2010). Alwi et al. (2015) dan Te'eni-Harari (2016) stated that financial literacy positively influences saving habits. Gaisina & Kaidarova (2017) show that it positively affects the saving rates as well as one can observe that the higher the financial literacy level, the higher the saving rates.

H<sub>4</sub>: Financial literacy affects saving behavior.

Homan (2016) states that parental socialization can help increase individual savings and reduce borrowing. Individual saving habits can be developed when parents educate children in childhood. The role of parents in financial management issues can affect children's saving behavior. Buccioli & Veronesi (2014) suggest that parental socialization is more effective than receiving formal education at school, and based on different socio-demographic variables, they exhibit different behaviors. Parental socialization determines the ability to meet financial problems in the future and is more effective, especially when there is a combination of different teaching methods. Wong (2013) stated that individuals whose financial habits were monitored by their parents during childhood have effectively managed their own money.

H<sub>5</sub>: Parental socialization affects saving behavior.

Parents remain a potent agent of socialization in the childhood phase, but during adolescence, the role of peers is essential in influencing saving behavior. They become less dependent on their parents and more peer-oriented. Compare their status with peers, money management problems, their free time, and their involvement in shopping activities (Youniss & Haynie, 1992). Jamal et al. (2016) explored the saving behavior of students. It was found that family involvement played a significant role in maintaining saving behavior, followed by financial literacy and peer influence. Student involvement in activities, free time, and financial problems affect saving behavior. Barnea et al. (2010) found that parents strongly influence saving in younger children, but this influence wanes as children grow into adolescents and adults. However, peer influence does not significantly affect saving behavior (Kamarudin & Hashim, 2018).

H<sub>6</sub>: Peer influence affects saving behavior.

Self-control regulates impulsive buying patterns to achieve financial goals (Baumeister, 2002; Otto et al., 2007). Self-control is linked to better general economic behavior. Adolescents with low self-control are relatively more vulnerable to risky financial behavior (Weaver et al., 2011). Self-control is one of the determining factors in saving because the ability to control oneself

against the effects of an excessive and harmful lifestyle is different for each student (Jamal et al., 2016). Self-control in childhood can predict adolescent mistakes so that it helps them to have better life outcomes when they improve their self-control over time (Li et al., 2013). Cuandra & Desianti (2022) showed different results, i.e., self-control negatively affected saving behavior.

H<sub>7</sub>: Self-control affects saving behavior.

### 2.8. Conceptual Framework

This study examines the relationship between variables: saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Variable relationships are presented in the research model in Figure 1.

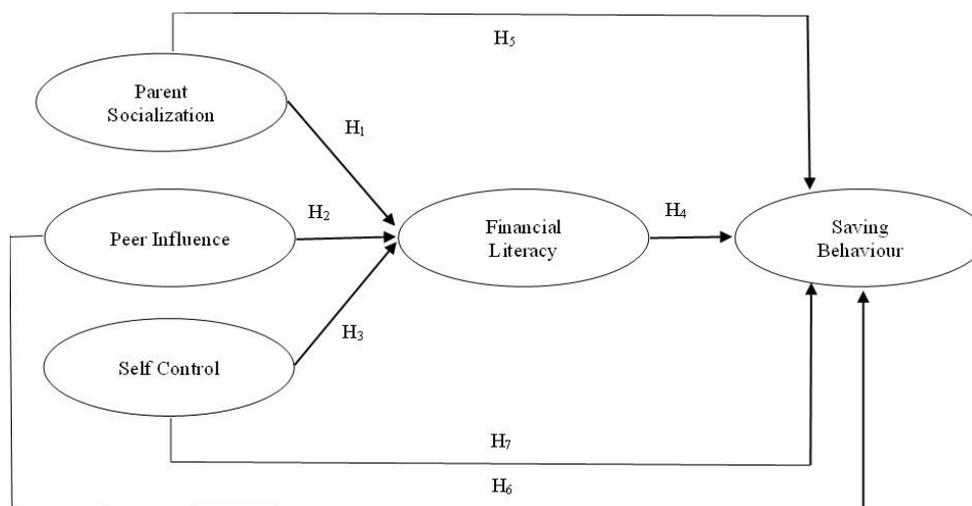


Figure 1. Research Model

Based on the research model, this research provides a new understanding of financial literacy's importance in encouraging students' saving behavior. The role of parents, peers in the environment and self-control is predicted to be important in growing students' financial literacy.

### 3. RESEARCH METHODS

This research is causality research. The endogenous variable in this study is saving behavior, while the exogenous variable consists of four main factors (financial literacy, parental socialization, peer influence and self-control). This research instrument was developed based on previous literature, i.e., saving behavior, financial literacy, parental socialization, peer influence, and self-control and presented in Table 1.

Table 1. Variables Measurement

No	Variable	Indicator
1	Financial Literacy	I have a better understanding of how to invest my money. I have a better understanding of how to manage my credit use. I have an unmistakable idea of my financial needs during retirement. I can maintain financial records for my income and expenditure. I have little or no difficulty managing my money. I have a better understanding of financial instruments.

No	Variable	Indicator
		I can prepare my weekly (monthly) budget.
		My parents are an excellent example for me regarding money management. I always talk about money management with my parents. It is good when my parents control my spending. It is good to ask my parents to hold my money sometimes to help me save. My parents are proud of me for saving. I appreciate it when my parents advise me on what to do with my money. I save money because I do not think my parents should pay for things I like rather than need. Saving is something I do regularly because my parents wanted me to save when I was little.
2	Parental Socialization	
		As far as I know, some of my friends regularly save with a savings account. I always discuss money management issues (saving) with my friends. I always compare the amount of saving and spending with my friends I always spend my leisure time with friends I always involve in money-spending activities with friends
3	Peer Influence	
		I do not save because I think it is too hard I enjoy spending money on things that are not practical When I get money, I always spend it immediately (within 1 or 2 days) "I see it, and I like it, I buy it" describes me. "Just do it" describes the way I buy things. "Buy now, think about it later" describes me The lure easily attracts me I always failed to control myself from spending money When I set saving goals for myself, I rarely achieve them I am more concerned with what happens to me in the short run than in the long run.
4	Self-Control	
		I put money aside regularly for the future To save, I often compare prices before I make a purchase To save, I often consider whether the fundamental necessity before I make a purchase To save, I always follow a careful monthly budget I always have money available in the event of an emergency To save, I plan to reduce my expenditure. I save to achieve specific goals I save until the end of my semester
5	Saving Behavior	

The population of this research is undergraduate students of Economics and Business Faculty in Indonesia. The number of respondents is 300 students. This study uses a purposive sampling technique—data obtained through online questionnaires. The questionnaire link is shared with all head of study programs members of the Indonesian Management and Business Alliance. The questionnaires consist of two parts. The first part is the respondent's profile, which focuses on personal information such as gender, age, marital status, type of student, level of education, and income. The following section contains questions about saving behavior, financial literacy, parental socialization, peer influence, and self-control. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The research formula is presented in formulas (1) and (2).

Main effect

$$FL = \alpha + \beta_1 PS + \beta_2 PI + \beta_4 SC + e. \dots\dots\dots (1)$$

Mediating effect

$$FL = \alpha + \beta_1 PS + \beta_2 PI + \beta_3 SC + e. \dots\dots\dots (2)$$

$$SB = \alpha + \beta_1PS + \beta_2PI + \beta_3SC + \beta_4FL \epsilon \dots\dots\dots (3)$$

The hypothesis is accepted if the value is significant <0.05.

#### 4. RESULTS AND DISCUSSIONS

##### The respondent's characteristics

The respondents in this study consisted of 300 students in Indonesia. Based on demographic characteristics, the general description of the respondents in this study in terms of gender consisted of 37% male and 63% female. 49.7% were under 20 years old, 43% were between 21-30 years old, and the rest were over 31 years old. Based on the level of education, 50% completed undergraduate education, while the income level of 70% of respondents was <Rp1,700,000. The data will be presented in Table 2.

**Table 2. Respondent's Profile**

Characteristic	Total	Percentage
Gender:		
Male	112	37,3%
Female	188	62.7%
Age:		
under 20 years	149	49,6%.
21-30 years	129	43%
31-40 years	11	3,7%
>41 years	11	3,7%
Marital Status		
Married	26	8,7%
Single	274	91,3%
Educational background		
Diploma (D3)	28	9,3%
Bachelor (S1)	237	79%
Master (S2)	35	11,7%
Income		
IDR < 1,7 million	216	72%
IDR 1,7 to <3,4 million	38	12,7%
IDR >3,4 to < 5 million	20	6,7%
IDR > 5 million	26	8,6%

Sources: Processed questionnaire data 2021

##### Validity and reliability Test

The results of the validity analysis are seen from the comparison of the "ir-cor" values compared to the r-table values. Reliability is seen from Cronbach's alpha. A variable is reliable if it has a Cronbach Alpha value > 0.70. The test results show that all instrument items used in this study are valid and reliable. The data is shown in Table 3.

**Table 3. Validity and Reliability Testing**

Item	item-test correlation	item-rest correlation	average interitem covariance	alpha	Result
f11	0.4372	0.3909	0.1732519	0.8831	Valid
f12	0.4525	0.4024	0.1721491	0.8828	Valid
f13	0.4884	0.4439	0.1719129	0.8822	Valid
f14	0.4967	0.457	0.1726093	0.8822	Valid
f15	0.4085	0.3639	0.1743497	0.8835	Valid
f16	0.368	0.323	0.1753856	0.8841	Valid
f17	0.5419	0.5023	0.1710973	0.8813	Valid
ps1	0.4911	0.4454	0.1715948	0.8821	Valid

Item	item-test correlation	item-rest correlation	average interitem covariance	alpha	Result
ps2	0.4323	0.3731	0.1714915	0.8835	Valid
ps3	0.292	0.2284	0.1757626	0.8862	Valid
ps4	0.3122	0.246	0.1749286	0.8861	Valid
ps5	0.5436	0.5003	0.1701617	0.8812	Valid
ps6	0.5772	0.5406	0.1705548	0.8808	Valid
ps7	0.5347	0.4933	0.1709379	0.8814	Valid
ps8	0.5935	0.5554	0.1694574	0.8804	Valid
pi1	0.3957	0.3508	0.1746642	0.8837	Valid
pi2	0.3138	0.2523	0.1752441	0.8857	Valid
pi3	0.2781	0.211	0.175976	0.8868	Valid
pi4	0.206	0.1477	0.1784731	0.8872	Valid
pi5	0.2101	0.1534	0.1784292	0.887	Valid
sc1	0.4715	0.4186	0.1709966	0.8825	Valid
sc2	0.3874	0.3304	0.1733604	0.8842	Valid
sc3	0.4595	0.3972	0.1699772	0.8831	Valid
sc4	0.3233	0.2583	0.1746503	0.8858	Valid
sc5	0.3494	0.291	0.1744114	0.8849	Valid
sc6	0.3886	0.3272	0.1728012	0.8844	Valid
sc7	0.415	0.3595	0.1726135	0.8836	Valid
sc8	0.4555	0.4011	0.1713527	0.8829	Valid
sc9	0.3974	0.3423	0.1732511	0.8839	Valid
sc10	0.4538	0.4006	0.171598	0.8829	Valid
sb1	0.5502	0.5099	0.1706133	0.8812	Valid
sb2	0.539	0.5004	0.1714235	0.8814	Valid
sb3	0.5439	0.5066	0.1715923	0.8814	Valid
sb4	0.5806	0.5415	0.1697464	0.8806	Valid
sb5	0.6056	0.5692	0.1694585	0.8802	Valid
sb6	0.5186	0.48	0.1721415	0.8818	Valid
sb7	0.5981	0.5637	0.170379	0.8806	Valid
sb8	0.5816	0.5411	0.1692934	0.8805	Valid
Test Scale			0.1725814	0.8858	Reliable

The variables of saving behavior, financial literacy, parental socialization, peer influence and self-control are latent variables, with the number of indicators on saving behavior as many as 8 indicators, i.e., sb1-sb8. Financial literacy has 7 indicators, fl1-fl7. Parental socialization has 8 indicators, ps1-ps8. Peer influence has five indicators, pi1-pi5, and self-control has 10 indicators, namely sc1-sc10. The validity and reliability results show that all indicators are valid and reliable.

### Hypothesis Testing

The estimated results of hypothesis testing are shown in Figure 2.

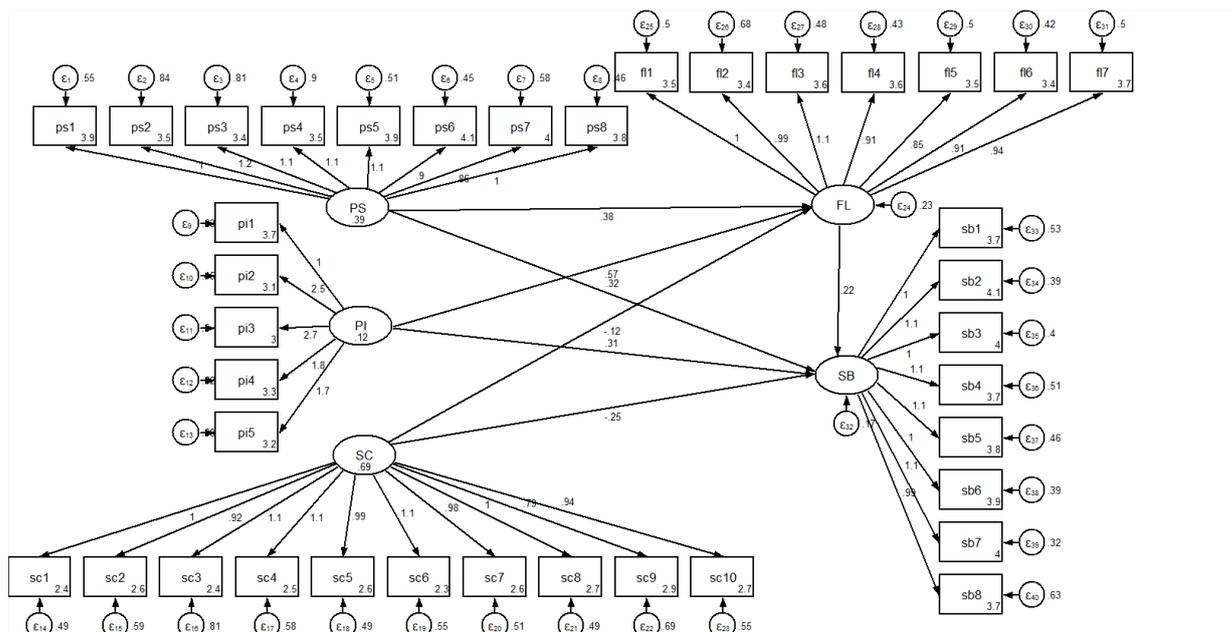


Figure.2. Path diagram

The results of hypothesis testing are shown from the structural model on the SEM output, presented in Table 4.

Table 4. Direct Effect

	Coef	OIM Std Error	z	P <  z	Results
<b>Structural</b>					
FL ←					
PS	.3770745	.0730171	5.16	0.000	H1 Supported
PI	.5739659	.1493731	3.84	0.000	H2 Supported
SC	-.1226378	.0456759	-2.68	0.007	H3 Supported
SB ←					
FL	.2187421	.0754183	2.90	0.004	H4 Supported
PS	.4073989	.0693008	5.88	0.000	H5 Supported
PI	.4328476	.1256637	3.44	0.001	H6 Supported
SC	-.2769009	.0458494	-6.04	0.000	H7 Supported

Sources: Data processed, 2021

From the value of the direct effect obtained:

Main effect

$$FL = 0.377 PS + 0.573 PI - 0.122SC + e \dots \dots \dots (4)$$

Mediating effect

$$FL = 0.377 PS + 0.573 PI - 0.122SC + \epsilon \dots \dots \dots (5)$$

$$SB = 0.407PS + 0.432PI - 0.276SC + 0.218FL \epsilon \dots \dots \dots (6)$$

Table 4 proves that hypothesis 1 is supported. Parental socialization affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.3770745. Peer influence affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.5739659, so hypothesis 2 is supported. Self-control negatively affects financial literacy with a significance of -0.1226378, so hypothesis 3 is supported. Financial literacy affects saving behavior with a

significance of 0.004 and a correlation coefficient of 0.2187421, so H4 is supported. H5 is supported; parental socialization affects saving behavior with a significance of 0.000 and a correlation coefficient of 0.4073989. H6 is supported; peer influence affects saving behavior with a significance of 0.008 and a correlation coefficient of 0.328476. Unlike other hypotheses, H7 is not supported; self-control negatively affects saving behavior with a significance of 0.000.

The results of the Likelihood ratio show a significance of 0.000, so simultaneously, financial literacy, parental socialization, peer influence and self-control affect saving behavior. The magnitude of parental socialization, peer influence, and self-control on financial literacy is 0.3125 or 31.25%. In contrast, the combined effect of the parental socialization, peer influence, self-control, and financial literacy variables on saving behavior is 47.64%, while other variables outside the research model influence.

**Table 5 Goodness of Fit and Likelihood Ratio**

variable	Goodness of Fit		Likelihood Ratio	
	R-Squared	Fit Statistik	Value	Description
Laten:		Likelihood ratio		
FL	.3125289	chi2_ms658	1721.983	Model vs saturated
SB	.4764314	p>chi2	.0000	
Overall	.9982744	chi2_bs703	5997.096	Baseline vs saturated
		p>chi2	.0000	

#### Parental socialization affects financial literacy

Parental socialization has a positive effect on financial literacy. The higher the parental socialization that students have, the more financial literacy will also increase. This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). More often, parental socialization positively impacts students' understanding of financial literacy. These results are consistent with (Alwi et al., 2015) that parental socialization increases children's financial literacy. These results support Homan (2016) that parental socialization can help increase individuals' savings and reduce borrowing. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018). Relevant to Khalisharani et al.(2022), financial socialization should begin during childhood. Policymakers can develop programs and interventions which encourage parents to have frequent discussions with their children about financial matters throughout childhood, such as the importance of savings, having emergency funds, avoiding unsecured loans, and impulsive buying. Hasil penelitian ini sejalan dengan theory of plan behavior, semakin sering parental sosialisasi berdampak positif dalam pemahaman finansial literasi siswa.

The findings of this study encourage companies in the financial sector to involve parents in improving students' financial literacy. Companies can take advantage of parents through activities to increase their understanding of financial literacy and financial service facilities so that parents can transmit/pass on this understanding to students according to their financial capacity. Parents can also be given special/premium facilities to give a positive impression of the company. As a result, parents will socialize the excellent experience with students and encourage them to take advantage of the same facilities for the younger generation armed with this experience.

The role of parental social socialization shows that students are not ready or not independent and still depend on their parents for financial matters. When students have more financial independence, their parents are less influential. It raises the need to increase the financial independence of undergraduate students. In Indonesia, most students are full-time students who receive financial support from their parents. It presents an opportunity to examine students' financial literacy in other developing countries and compare the results in each country.

### **Peer influence affects financial literacy**

Peer influence directly has a positive effect on financial literacy and saving behavior. The higher the peer influence students have, the more financial literacy and saving behavior will increase (Alwi et al., 2015). Peer pressure can also affect individual financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers (Azlan et al., 2015). This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). More often, peer influence positively impacts students' understanding of financial literacy.

The influence of friends in young people's lives also affects how they behave, making it essential to create communities where young people can discuss positive things. One of the communities in the campus environment is the investment gallery, and communities at many universities in Indonesia collaborate with the Indonesia Stock Exchange, which is a means to introduce the capital market from an early age. Furthermore, the positive influence of peers on saving behavior implies that financial service product socialization must pay attention to consumers' age, youth influencers, and campaign themes choice such as strengthening peer intimacy. Furthermore, financial service products must be more attractive to date with high flexibility characteristics. They can be accessed more quickly, pay attention to gender, suit the needs of young people, and reflect the needs of generation Z, who live full of technology. It also raises an exciting call to compare student financial literacy by gender in future studies.

### **Self-control affects financial literacy**

Self-control negatively affects financial literacy. These results are inconsistent with those (Chalimah et al., 2019; Davidson et al., 2019; Strömbäck et al., 2017). Chalimah et al. (2019) state that students with good self-control will be able to control themselves from wasteful living behavior and not hurry to choose something because they always think about the consequences before acting. However, this study negatively affects self-control in understanding literacy. This study's results do not align with the theory of planned behavior, especially perceived behavioral control, namely how the individual understands that the behavior he shows is the result of control carried out by the individual (Ajzen, 1991).

Respondent's perception of self-control is in the moderate range, so on this basis, self-control negatively affects literacy and saving behavior. However, young people are often enthusiastic, so they do not restrict themselves too much from exploring their surroundings. Enjoyable financial learning by involving games on smartphones can be an effort to take advantage of their curiosity about the outside world to learn finance. For companies, the managerial implication of the lack of self-control in financial literacy shows that the company's focus on encouraging increased financial literacy does not focus on increasing students' financial capacity. It is because the dominant financial capacity of students still comes from their parent's income. In addition, there is a need to create jobs for students. Government policies related to independent learning can also encourage students to start a career and earn income from college with the support of all parties who play a role, such as universities, the industrial world, and the community.

### **Financial literacy affects saving behavior**

The results of the financial literacy test have a positive effect on saving behavior. The higher students' financial literacy, their saving behavior will also increase. Students with high financial literacy can do financial planning, build, and maintain their money. They may choose to make saving decisions rather than spending it for consumption. High financial literacy also reflects competence in managing finances. This study's results align with the theory of planned behavior,

especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991).

The results of this study are in line with (Alwi et al., 2015; Te'eni-Harari, 2016), which state that financial literacy positively influences saving habits. Positively effect of financial literacy on saving behavior has managerial implications for companies to encourage students to improve the quality and quantity of their financial literacy. It implies that the banking industry can take an opportunity for savings service providers to introduce their products early to young consumers. It also becomes interesting to discuss saving and consumption behavior in future research frameworks.

### **Parental socialization affects saving behavior**

The results also directly prove that parental socialization positively affects saving behavior. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018). This result is relevant to the respondent's answer that the respondent's perception of the statement item about parental socialization is included in the high category. Thus, it encourages a high level of respondents' financial understanding and saving behavior. However, the banking industry can offer a parent and child-bundling program to facilitate parental socialization so that when they are young adults, they are familiar with savings products and can start saving on their own. This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991).

The positive influence of parental socialization on students' saving behavior has implications for financial services to continue to educate about the importance of saving as one of the safest forms of investment by adding value to other attractive facilities that accompany savings instruments. This facility can be integrated into smart-card (debit and credit cards), adding more exclusive features to e-money and e-banking. Premium services can be given to certain smart-card holders, such as priority services at airports, hospitals, and other public services.

### **Peer influence affects saving behavior**

Peer pressure can also affect an individual's financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers. These results align with research (Alwi et al., 2015; Azlan et al., 2015; Syahrom et al., 2017).

This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behavior. The high role of parents and peers can increase financial literacy and ultimately encourage students to improve their desire to save. Thus, creating a buzz among young people regarding the importance of saving is essential to encourage them to save. The conveniences and additional facilities of savings can also be communicated attractively at their touch points, so that youth are interested in saving

The results of this study require financial services companies to enter youth communities. The community can be formal or informal. Financial services can be maximized by integrating study cards/student cards, apart from an identity card and an integrated banking service card. The same can be applied to youth communities based on talents and interests. Interest and talent groups among peers encourage the high intensity of communication in the community.

### Self-control affects saving behavior

Respondents' self-control negatively affects saving behavior. This result is inconsistent with Jamal et al. (2016), self-control positively affects saving behavior. However, although young people tend to have lower self-control due to their age, financial planning efforts to get young people to save must be introduced early. All parties exposed to them can play a role in this effort. This study's results do not align with the theory of planned behavior, especially perceived behavioral control, namely how the individual understands that the behavior he shows is the result of control carried out by the individual (Ajzen, 1991).

For companies, the managerial implication of the lack of self-control in students' saving behavior shows that the company's focus on encouraging students' saving behavior does not have to focus on students' self-control. At a young age, students' finances are still sourced from parents' income, giving consequences to financial service companies to provide stimulus to external factors that affect students' saving behavior.

## 5. CONCLUSION

Based on the results, this study indicates that parental socialization and peer influence positively affects financial literacy. Parental socialization and peer influence have also been shown to affect saving behavior directly. Self-control negatively affects financial literacy and saving behavior. The more often the intensity of parents and the environment in providing financial education to their children, the higher financial literacy. High financial literacy also encourages an increase in students' saving behavior. These results differ from previous researchers, where undergraduate students are believed to have better self-control than students. However, in this study, the higher the self-control, the lower the financial literacy and saving behavior. This study provides a new understanding of financial literacy's importance in encouraging student saving behavior. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behavior. There needs to be an in-depth study of course material aimed at students learning to understand self-control in managing their funds.

In this study, most respondents did not have their income, only getting pocket money from their parents. So that the role of parents is very dominant in determining students' financial behavior and saving decisions, further research should use respondents who already have their income so that the decision to save is entirely motivated by themselves. In addition, in this study, demographic factors were only used to identify the characteristics of the respondents. Further research can use these demographic factors as a determinant of saving behavior.

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## **STUDENTS' SAVING BEHAVIOUR: WHAT ARE THE MOTIVES THAT INFLUENCE THEM TO SAVE?**

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### **ABSTRACT**

This study aims to determine the determinants of saving behavior by using financial literacy as a mediating variable. The endogenous variable in this study is saving behavior, while the exogenous variables are financial literacy, parental socialization, peer influence, and self-control. The respondents were 300 students of the Faculty of Economics in Indonesia. Data were analyzed by Structural Equation Modelling (SEM) using STATA software. The results show that parental socialization and peer influence positively affected financial literacy, while self-control did not. Financial literacy affects saving behavior directly. Parental socialization and peer influence have a direct influence on saving behavior. The results provide a new understanding of financial literacy importance to encourage saving behavior for students. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behavior. The banking industry can improve financial literacy by collaborating with universities through a virtual account program and socializing students' savings. It is also an opportunity for savings service providers to introduce their products to consumers early.

**JEL:** G41, G410.

**Keywords:** *financial literacy, peer influence, parental socialization, self-control, saving behaviour.*

### **ABSTRAK**

*Tujuan penelitian ini untuk mengetahui determinan dari saving behaviour dengan menggunakan financial literacy sebagai variabel mediasi. Variabel endogen dalam penelitian ini adalah saving behaviour sedangkan variabel eksogen, yaitu financial literacy, parental socialization, peer influence, dan self-control. Responden penelitian ini adalah 300 mahasiswa Fakultas Ekonomi di Indonesia. Data dianalisis dengan Structural Equation Modeling (SEM) menggunakan software STATA. Hasil penelitian menunjukkan bahwa parental socialization dan peer influence berpengaruh positif terhadap financial literacy, sedangkan self-control berpengaruh negatif terhadap financial literacy. Financial literacy juga terbukti berpengaruh secara langsung pada saving behaviour. Parental socialization dan peer influence juga memiliki pengaruh langsung pada saving behaviour. Penelitian ini memberikan pemahaman baru mengenai pentingnya literasi keuangan untuk mendorong perilaku menabung bagi mahasiswa. Peran orang tua dan teman sebaya menjadi faktor penting dalam menumbuhkan literasi keuangan dan perilaku menabung mahasiswa. Industri perbankan dapat berperan dalam meningkatkan financial literacy melalui kerjasama dengan universitas dalam bentuk program virtual account sekaligus untuk sosialisasi tabungan ke mahasiswa. Ini juga menjadi peluang bagi penyedia layanan tabungan untuk memperkenalkan produknya ke konsumen lebih dini.*

**Kata Kunci:** *literasi keuangan, peer influence, parental socialization, self-control, saving behaviour.*

## **1. INTRODUCTION**

In developing countries, saving is essential to household welfare (Afsar et al., 2018). Awareness of saving can be owned by every human being, one of which is students. Students have a highly consumptive attitude, so saving behavior is a challenging thing to do. During college, students move from being dependent to being financially independent. Students have complex financial problems. Most students do not have income, reserve funds, delays in remittances from

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parents, running out of pocket money, or unexpected needs. Students need to be corrected in managing personal finances because there is no budgeting, lifestyle impacts, and wasteful consumption patterns (Nababan & Sadalia, 2013). Savings are considered the main factor influencing the economic growth of developing countries (Jagadeesh, 2015). De Sartiges et al. (2020) reported the commercial bank product usage in Southeast Asia: bank accounts, debit cards, credit cards, loans, investment products, and e-wallets. Data shows that only 61% of Indonesian people have bank accounts in commercial banks. This percentage is lower than in other Southeast Asia countries (Singapore, Malaysia, and Thailand).

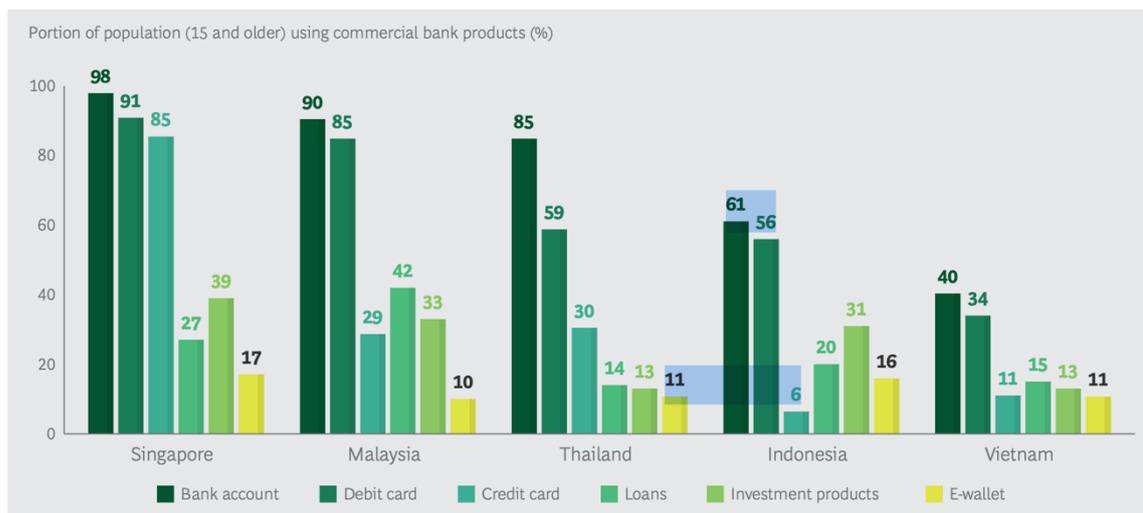


Figure 1. Use of Commercial Banking Product Across Southeast Asia

Source: De Sartiges et al. (2020)

It is known that any financial planning cannot be started without the necessary savings input. Chalimah et al. (2019) emphasize that saving behavior must be instilled early to minimize future needs that will never run out. However, the right attitude towards saving behavior must be instilled from a young age. The millennial generation must be educated about financial prudence early, especially in college. The saving achievement is related to how some individuals carry out their saving behavior. When a person saves, it involves reducing consumption or spending.

Life and current financial needs in college are one of the main demands. The students are mostly young people and always try to equip themselves with the skills to face challenges outside campus life. Undergraduates who live away from their parents should be able to responsibly manage their funds (Khalisharani et al., 2022). Therefore, the need for students to manage money wisely becomes very important. Governments, parents, higher education institutions, and students benefit from intelligent money management behavior (Barr & McClellan, 2018).

Based on the 2020 Lifepal survey, as many as 65.2% of students in Indonesia choose to save their excess pocket money in the bank. Only 22.4% of the respondents decided to invest in buying precious metals, securities, and other instruments (Alhikam, 2020). According to the survey, it is crucial to identify the factors that influence student saving behavior. Many factors can affect student saving behavior. Financial literacy and parental socialization are among these factors (Sarpong-Danquah et al., 2018). Proper identification of these factors can facilitate increasing savings and mobilizing these for efficient utilization. Most of this research is limited to specific

groups of people, such as employees (Ismail et al., 2018; Yong et al., 2018), households (Ahmad et al., 2014) and students (Albeerdy & Gharleghi, 2015; Alwi et al., 2015; Azlan et al., 2015; Omar et al., 2019). Many studies have been conducted to determine the factors that influence student saving habits (Alwi et al., 2015; Syahrom et al., 2017), and the results show various factors that cause it. In this study, financial literacy as a mediating variable based on considerations in previous research obtained a direct influence between peer influence, parental socialization, and self-control on financial literacy (Alwi et al., 2015; Strömbäck et al., 2017) and obtained a direct influence financial literacy on saving behavior (Isomidinova et al., 2017; Lusardi et al., 2014; Remund, 2010). This study aims to determine the determinants of saving behavior with financial literacy as an intervention.

## **2. THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES**

According to Ajzen (1991), the planned behavior theory is related to individual attitudes. Individuals behaving or behaving are caused by specific intentions and goals to be achieved to discover a change in one's behavior. The intention is the main thing that can be used to predict behavior. The theory of planned behavior combines several main social and behavioral sciences concepts. This theory also defines predicting and understanding behavior in a specific context. In this theory, three factors influence a person's behavior: attitude toward behavior, subjective norms, and perceived behavior control (Ajzen, 2005). In addition, according to Ajzen (2005), background factors can also influence a person's behavior, including the following. (1) Personality factors include personality, attitudes, life values, intelligence, and emotions. (2) Age, gender, ethnicity, religion, income, and education are social factors. (3) Information factors include insights, skills, and what is shared through the media. Thus, the theory of planned behaviour is used to explain financial literacy, locus of control, income, and hedonistic lifestyle (Ajzen, 1991).

According to Khalisharani et al. (2022), undergraduate students frequently take on more substantial obligations, particularly concerning their finances, when they move out and become independent from their parents. There is a disadvantage to having more financial flexibility. Students need to be mindful of their spending patterns as being financially responsible becomes more and more critical to get by. Positive financial behaviour, such as saving behaviour, should be used to counteract these increasingly adult thoughts and feelings as the cost of living tend to rise dramatically each year and as students develop into financially independent adults.

The choice to save is essential to accumulating individual wealth (Barnea et al., 2010). For individuals, saving helps provide for future personal and household needs. Savings also serve to meet the needs of unforeseen circumstances. Saving is part of an individual's income (Mori, 2019). The benefits of saving include hedging against unforeseen circumstances, building assets, preparing for investment opportunities, providing pensions, buying or repairing housing, paying off debt, and obtaining social services (Faridi & Bashir, 2010). Life theory describes the structure of saving behavior by stipulating that the level of saving depends on the demographics of society rather than family income (Modigliani & Brumberg, 1954). People's consumption habits can change only when they experience changes in their permanent income (Clancy et al., 2001). From an economic point of view, current income reflects expectations of future income. Individual features can influence people's saving behavior because income can affect their future (Mori, 2019).

Financial literacy is necessary for a person and firm's sustainable financial and economic situation (Refera & Kolech, 2015). Although inquiry about the financial literacy field has increased over a long time, there have not been consistent definitions of financial literacy (Potrich et al., 2015). A study by Parotta (1996) shows that personal financial management behavior includes learning to make a financial plan and putting it into practice together with adjusting it to make it suitable for individuals or families. According to Xiao (2008), any human behavior related to money management has been considered financial management behavior.

Financial literacy entails making informed decisions about using and managing money (Remund, 2010). Other research defined financial literacy as financial knowledge and the ability to process financial information towards making informed decisions about financial management (Lusardi et al., 2014). Holzmann (2010) confirms that a person who can manage their finances possesses the necessary financial expertise, knowledge, and capacity to appreciate the benefits of the suggested approach to enhancing financial security.

Someone who is bonded with peers or close fellows will result in changes in their attitudes, values, and behavior (Alshebami & Seraj, 2021). McKenna & Tooth (2006) shows that people's consumption choices can change after looking at peer preferences. When students living far away from their parents find it challenging to spend their money, peers can be responsible for being associated with their spending-related behavior (Zulfaris et al., 2020).

Previous research shows that an individual's financial knowledge is influenced by the financial knowledge of her/his peer or reference group (Alessie et al., 2011; Bucher-Koenen & Lusardi, 2011; Klapper et al., 2013). However, Duflo & Saez (2003) explain the influence of peers in maintaining saving decisions. Lopez et al. (2022) specified that only older or close friends advising the participants to save – not friends around the same age. Peer groups have the maximum influence during adolescence because young adolescents have less knowledge and are uncertain in decision-making during this period (Zulfaris et al., 2020).

Parents must provide an excellent example of their kids' financial behavior from a young age (Chatterjee et al., 2018; Gerrans & Heaney, 2019). The discussion between parents and children, which may include financial goals and opportunities provided by parents for children to practice financial principles, is known as financial socialization (LeBaron et al., 2019). According to Family Financial Socialization Theory, family interactions and relationships influence the purposive financial socialization techniques parents use to teach their children about finances (Gudmunson & Danes, 2011).

Parental saving socialization suggests that socialization agents such as parents, schools, peers, and media facilitate healthy financial behaviors in adolescents by disseminating financial knowledge, passing along saving values and norms, and modelling financial behaviors (Moschis & Churchill Jr, 1978). Gudmunson & Danes (2011) indicate that socialization activities performed by parents could shape healthy financial behaviors in their children directly and indirectly as mediated by financial knowledge, attitudes, confidence, and control.

Self-control is essential in determining the level of financial literacy efforts in influencing consumer financial behavior (Meneau & Moorthy, 2021). Typically, self-control is demonstrated by our capacity to break undesirable habits, resist temptations, and suppress our initial instincts (Baumeister, 2002; Fujita et al., 2006). In other words, self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behavior. Self-discipline

exertion characterizes the will and the capacity to delay fulfilment (Baumeister, 2002). Thus, students with low self-control are believed to spend more on their wishes and preferences, resulting in not saving, and ultimately facing financial difficulties (Chia et al., 2011).

Self-control failure aligns with the behavioral life cycle (BLC), which believes that people act as if there is an ongoing conflict within every person between a "planner," who thinks about the long run, and a "doer", who is more concerned about the current situation. Furthermore, people's financial behavior throughout life is determined by their ability to control impulses and the costs of exercising such self-control (Goyal et al., 2022; Shefrin & Thaler, 1988).

Financial literacy refers to understanding the main financial terms and concepts needed in managing daily life (Brigham & Houston, 2014). As explained by Afsar et al. (2018), financial literacy is a skill or skill that can help individuals make effective financial decisions. Alwi et al. (2015) revealed that parental socialization increases children's financial literacy. According to Afsar et al. (2018) discussions between parents and children about financial problems affect saving and borrowing habits. Homan (2016) argues that parental socialization can help increase individuals' savings and reduce their borrowing. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018).

H<sub>1</sub>: Parental socialization affects financial literacy.

Alwi et al. (2015) show that peer influence affects financial literacy, especially by Generation Y. According to (Ogonowski et al., 2014), adolescents/young people are strongly influenced by their peers in various characteristics, namely spending and investment. Azlan et al. (2015) found that their peers strongly influenced students' ability to save. (Azlan et al., 2015) also agree that peer pressure can affect individual financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers.

H<sub>2</sub>: Peer influence affects financial literacy.

Stromback et al. (2017) found that people with good self-control are likelier to save from their income. This finding also explains that they have better general financial behavior, are less worried about financial problems and feel more confident about their current and future financial situation. Students with good self-control will be able to control themselves from wasteful living behaviour and not hurry to choose something because they always think about the consequences before acting (Chalimah et al., 2019). Davidson et al. (2019) found that self-control allows people to suppress stereotypes and prejudices. By increasing self-control, the intention to resist consumption increases, especially for those who believe that self-control is a source of happiness later in life. The literature agrees that restraint can be defined as the capacity to change or override dominant response tendencies and regulate an individual's behaviour, thoughts, and emotions (de Ridder et al., 2018).

H<sub>3</sub>: Self-control affects financial literacy.

Lusardi et al. (2014) describe financial literacy as the ability to make financial plans, build and maintain wealth, make informed decisions about debt and retirement and use economic knowledge. Isomidinova et al. (2017) showed that financial education had the most substantial influence on the financial literacy of Uzbek students. Financial literacy is more than just a measure

of awareness that reflects competence in actively managing individual or personal finances (Remund, 2010). Alwi et al. (2015) dan Te'eni-Harari (2016) stated that financial literacy positively influences saving habits. Gaisina & Kaidarova (2017) show that it positively affects the saving rates as well as one can observe that the higher the financial literacy level, the higher the saving rates.

H<sub>4</sub>: Financial literacy affects saving behavior.

Homan (2016) states that parental socialization can help increase individual savings and reduce borrowing. Individual saving habits can be developed when parents educate children in childhood. The role of parents in financial management issues can affect children's saving behavior. Buccioli & Veronesi (2014) suggest that parental socialization is more effective than receiving formal education at school, and based on different socio-demographic variables, they exhibit different behaviors. Parental socialization determines the ability to meet financial problems in the future and is more effective, especially when there is a combination of different teaching methods. Wong (2013) stated that individuals whose financial habits were monitored by their parents during childhood have effectively managed their own money.

H<sub>5</sub>: Parental socialization affects saving behavior.

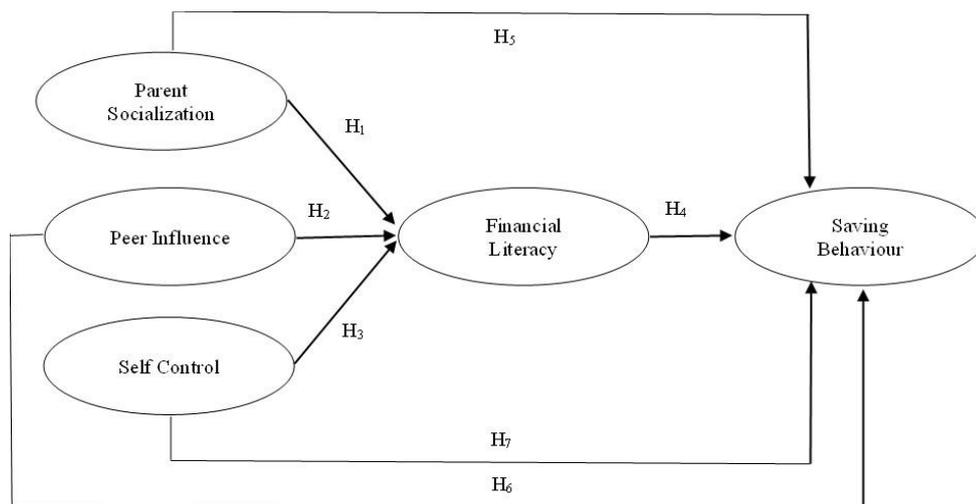
Parents remain a potent agent of socialization in the childhood phase, but during adolescence, the role of peers is essential in influencing saving behavior. They become less dependent on their parents and more peer-oriented. Compare their status with peers, money management problems, their free time, and their involvement in shopping activities (Youniss & Haynie, 1992). Jamal et al. (2016) explored the saving behavior of students. It was found that family involvement played a significant role in maintaining saving behavior, followed by financial literacy and peer influence. Student involvement in activities, free time, and financial problems affect saving behavior. Barnea et al. (2010) found that parents strongly influence saving in younger children, but this influence wanes as children grow into adolescents and adults. However, peer influence does not significantly affect saving behavior (Kamarudin & Hashim, 2018).

H<sub>6</sub>: Peer influence affects saving behavior.

Self-control regulates impulsive buying patterns to achieve financial goals (Baumeister, 2002; Otto et al., 2007). Self-control is linked to better general economic behavior. Adolescents with low self-control are relatively more vulnerable to risky financial behavior (Weaver et al., 2011). Self-control is one of the determining factors in saving because the ability to control oneself against the effects of an excessive and harmful lifestyle is different for each student (Jamal et al., 2016). Self-control in childhood can predict adolescent mistakes so that it helps them to have better life outcomes when they improve their self-control over time (Li et al., 2013). Cuandra & Desianti (2022) showed different results, i.e., self-control negatively affected saving behavior.

H<sub>7</sub>: Self-control affects saving behavior.

This study examines the relationship between variables: saving behaviour, financial literacy, parental socialization, peer influence, and self-control. Variable relationships are presented in the research model in Figure 1.



**Figure 1. Research Model**

Based on the research model, this research provides a new understanding of financial literacy's importance in encouraging students' saving behavior. The role of parents, peers in the environment and self-control is predicted to be important in growing students' financial literacy.

### 3. RESEARCH METHODS

This research is causality research. The endogenous variable in this study is saving behavior, while the exogenous variable consists of four main factors (financial literacy, parental socialization, peer influence and self-control). This research instrument was developed based on previous literature, i.e., saving behavior, financial literacy, parental socialization, peer influence, and self-control and presented in Table 1.

**Table 1. Variables Measurement**

No	Variable	Indicator
1	Financial Literacy	I have a better understanding of how to invest my money. I have a better understanding of how to manage my credit use. I have an unmistakable idea of my financial needs during retirement. I can maintain financial records for my income and expenditure. I have little or no difficulty managing my money. I have a better understanding of financial instruments. I can prepare my weekly (monthly) budget.
2	Parental Socialization	My parents are an excellent example for me regarding money management. I always talk about money management with my parents. It is good when my parents control my spending. It is good to ask my parents to hold my money sometimes to help me save. My parents are proud of me for saving. I appreciate it when my parents advise me on what to do with my money. I save money because I do not think my parents should pay for things I like rather than need. Saving is something I do regularly because my parents wanted me to save when I was little.
3	Peer Influence	As far as I know, some of my friends regularly save with a savings account. I always discuss money management issues (saving) with my friends.

No	Variable	Indicator
		I always compare the amount of saving and spending with my friends I always spend my leisure time with friends I always involve in money-spending activities with friends
4	Self-Control	I do not save because I think it is too hard I enjoy spending money on things that are not practical When I get money, I always spend it immediately (within 1 or 2 days) "I see it, and I like it, I buy it" describes me. "Just do it" describes the way I buy things. "Buy now, think about it later" describes me The lure easily attracts me I always failed to control myself from spending money When I set saving goals for myself, I rarely achieve them I am more concerned with what happens to me in the short run than in the long run.
5	Saving Behavior	I put money aside regularly for the future To save, I often compare prices before I make a purchase To save, I often consider whether the fundamental necessity before I make a purchase To save, I always follow a careful monthly budget I always have money available in the event of an emergency To save, I plan to reduce my expenditure. I save to achieve specific goals I save until the end of my semester

Source: Alshebami & Seraj (2021), Alshebami & Aldhyani (2022), Ammer & Aldhyani (2022), Mpaata et al. (2021)

The population of this research is undergraduate students of Economics and Business Faculty in Indonesia. The number of respondents is 300 students. This study uses a purposive sampling technique—data obtained through online questionnaires. The questionnaire link is shared with all head of study programs members of the Indonesian Management and Business Alliance. The questionnaires consist of two parts. The first part is the respondent's profile, which focuses on personal information such as gender, age, marital status, type of student, level of education, and income. The following section contains questions about saving behavior, financial literacy, parental socialization, peer influence, and self-control. Using STATA software, the data will be analyzed by Structural Equation Modeling (SEM). The research formula is presented in formulas (1) and (2).

Main effect

$$FL = \alpha + \beta_1 PS + \beta_2 PI + \beta_4 SC + e \dots \dots \dots (1)$$

Mediating effect

$$FL = \alpha + \beta_1 PS + \beta_2 PI + \beta_3 SC + \epsilon \dots \dots \dots (2)$$

$$SB = \alpha + \beta_1 PS + \beta_2 PI + \beta_3 SC + \beta_4 FL + \epsilon \dots \dots \dots (3)$$

The hypothesis is accepted if the value is significant <0.05.

#### 4. DATA ANALYSIS AND DISCUSSIONS

The respondents in this study consisted of 300 students in Indonesia. Based on demographic characteristics, the general description of the respondents in this study in terms of gender consisted of 37% male and 63% female. 49.7% were under 20 years old, 43% were between 21-30 years old, and the rest were over 31 years old. Based on the level of education, 50%

completed undergraduate education, while the income level of 70% of respondents was <Rp1,700,000. The data will be presented in Table 2.

**Table 2. Respondent's Profile**

Characteristic	Total	Percentage
Gender:		
Male	112	37,3%
Female	188	62,7%
Age:		
under 20 years	149	49,6%
21-30 years	129	43%
31-40 years	11	3,7%
>41 years	11	3,7%
Marital Status		
Married	26	8,7%
Single	274	91,3%
Educational background		
Diploma (D3)	28	9,3%
Bachelor (S1)	237	79%
Master (S2)	35	11,7%
Income		
IDR < 1,7 million	216	72%
IDR 1,7 to <3,4 million	38	12,7%
IDR >3,4 to < 5 million	20	6,7%
IDR > 5 million	26	8,6%

Sources: Data processed, 2021

The results of the validity analysis are seen from the comparison of the "ir-cor" values compared to the r-table values. Reliability is seen from Cronbach's alpha. A variable is reliable if it has a Cronbach Alpha value > 0.70. The test results show that all instrument items used in this study are valid and reliable. The data is shown in Table 3.

**Table 3. Validity and Reliability Testing**

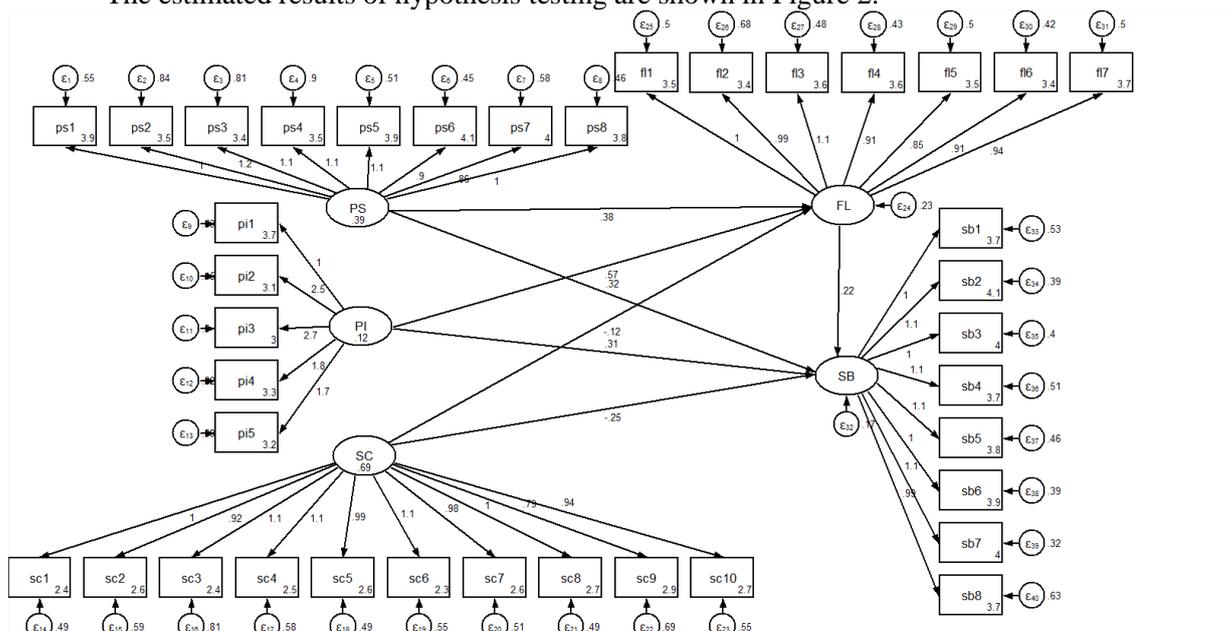
Item	item-test correlation	item-rest correlation	average interitem covariance	alpha	Result
fl1	0.4372	0.3909	0.1732519	0.8831	Valid
fl2	0.4525	0.4024	0.1721491	0.8828	Valid
fl3	0.4884	0.4439	0.1719129	0.8822	Valid
fl4	0.4967	0.457	0.1726093	0.8822	Valid
fl5	0.4085	0.3639	0.1743497	0.8835	Valid
fl6	0.368	0.323	0.1753856	0.8841	Valid
fl7	0.5419	0.5023	0.1710973	0.8813	Valid
ps1	0.4911	0.4454	0.1715948	0.8821	Valid
ps2	0.4323	0.3731	0.1714915	0.8835	Valid
ps3	0.292	0.2284	0.1757626	0.8862	Valid
ps4	0.3122	0.246	0.1749286	0.8861	Valid
ps5	0.5436	0.5003	0.1701617	0.8812	Valid
ps6	0.5772	0.5406	0.1705548	0.8808	Valid
ps7	0.5347	0.4933	0.1709379	0.8814	Valid
ps8	0.5935	0.5554	0.1694574	0.8804	Valid
pi1	0.3957	0.3508	0.1746642	0.8837	Valid
pi2	0.3138	0.2523	0.1752441	0.8857	Valid
pi3	0.2781	0.211	0.175976	0.8868	Valid
pi4	0.206	0.1477	0.1784731	0.8872	Valid

Item	item-test correlation	item-rest correlation	average interitem covariance	alpha	Result
pi5	0.2101	0.1534	0.1784292	0.887	Valid
sc1	0.4715	0.4186	0.1709966	0.8825	Valid
sc2	0.3874	0.3304	0.1733604	0.8842	Valid
sc3	0.4595	0.3972	0.1699772	0.8831	Valid
sc4	0.3233	0.2583	0.1746503	0.8858	Valid
sc5	0.3494	0.291	0.1744114	0.8849	Valid
sc6	0.3886	0.3272	0.1728012	0.8844	Valid
sc7	0.415	0.3595	0.1726135	0.8836	Valid
sc8	0.4555	0.4011	0.1713527	0.8829	Valid
sc9	0.3974	0.3423	0.1732511	0.8839	Valid
sc10	0.4538	0.4006	0.171598	0.8829	Valid
sb1	0.5502	0.5099	0.1706133	0.8812	Valid
sb2	0.539	0.5004	0.1714235	0.8814	Valid
sb3	0.5439	0.5066	0.1715923	0.8814	Valid
sb4	0.5806	0.5415	0.1697464	0.8806	Valid
sb5	0.6056	0.5692	0.1694585	0.8802	Valid
sb6	0.5186	0.48	0.1721415	0.8818	Valid
sb7	0.5981	0.5637	0.170379	0.8806	Valid
sb8	0.5816	0.5411	0.1692934	0.8805	Valid
Test Scale			0.1725814	0.8858	Reliable

Sources: Data processed, 2021

The variables of saving behavior, financial literacy, parental socialization, peer influence and self-control are latent variables, with the number of indicators on saving behavior as many as 8 indicators, i.e., sb1-sb8. Financial literacy has 7 indicators, fl1-fl7. Parental socialization has 8 indicators, ps1-ps8. Peer influence has five indicators, pi1-pi5, and self-control has 10 indicators, namely sc1-sc10. The validity and reliability results show that all indicators are valid and reliable.

The estimated results of hypothesis testing are shown in Figure 2.



**Figure.2. Path diagram**

The results of hypothesis testing are shown from the structural model on the SEM output, presented in Table 4.

**Table 4. Direct Effect**

	Coef	OIM Std Error	z	P <  z	Results
Structural					
FL ←					
PS	.3770745	.0730171	5.16	0.000	H1 Supported
PI	.5739659	.1493731	3.84	0.000	H2 Supported
SC	-.1226378	.0456759	-2.68	0.007	H3 Supported
SB ←					
FL	.2187421	.0754183	2.90	0.004	H4 Supported
PS	.4073989	.0693008	5.88	0.000	H5 Supported
PI	.4328476	.1256637	3.44	0.001	H6 Supported
SC	-.2769009	.0458494	-6.04	0.000	H7 Supported

Sources: Data processed, 2021

From the value of the direct effect obtained:

Main effect

$$FL = 0.377 PS + 0.573 PI - 0.122SC + \epsilon \dots\dots\dots (4)$$

Mediating effect

$$FL = 0.377 PS + 0.573 PI - 0.122SC + \epsilon \dots\dots\dots (5)$$

$$SB = 0.407PS + 0.432PI - 0.276SC + 0.218FL \epsilon \dots\dots\dots (6)$$

Table 4 proves that hypothesis 1 is supported. Parental socialization affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.3770745. Peer influence affects financial literacy with a significance of 0.000 and a correlation coefficient of 0.5739659, so hypothesis 2 is supported. Self-control negatively affects financial literacy with a significance of -0.1226378, so hypothesis 3 is supported. Financial literacy affects saving behavior with a significance of 0.004 and a correlation coefficient of 0.2187421, so H4 is supported. H5 is supported; parental socialization affects saving behavior with a significance of 0.000 and a correlation coefficient of 0.4073989. H6 is supported; peer influence affects saving behavior with a significance of 0.008 and a correlation coefficient of 0.4328476. Unlike other hypotheses, H7 is not supported; self-control negatively affects saving behavior with a significance of 0.000.

The results of the Likelihood ratio show a significance of 0.000, so simultaneously, financial literacy, parental socialization, peer influence and self-control affect saving behavior. The magnitude of parental socialization, peer influence, and self-control on financial literacy is 0.3125 or 31.25%. In contrast, the combined effect of the parental socialization, peer influence, self-control, and financial literacy variables on saving behavior is 47.64%, while other variables outside the research model influence.

**Table 5 Goodness of Fit and Likelihood Ratio**

variable	Goodness of Fit		Likelihood Ratio	
	R-Squared	Fit Statistik	Value	Description
Laten:		Likelihood ratio		
FL	.3125289	chi2_ms658	1721.983	Model vs saturated
SB	.4764314	p>chi2	.0000	
Overall	.9982744	chi2_bs703	5997.096	Baseline vs saturated
		p>chi2	.0000	

Sources: Data processed, 2021

### **Parental socialization affects financial literacy**

Parental socialization has a positive effect on financial literacy. The higher the parental socialization that students have, the more financial literacy will also increase. This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). More often, parental socialization positively impacts students' understanding of financial literacy. These results are consistent with (Alwi et al., 2015) that parental socialization increases children's financial literacy. These results support (Homan, 2016) that parental socialization can help increase individuals' savings and reduce borrowing. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018). Relevant to Khalisharani et al.(2022), financial socialization should begin during childhood. Policymakers can develop programs and interventions which encourage parents to have frequent discussions with their children about financial matters throughout childhood, such as the importance of savings, having emergency funds, avoiding unsecured loans, and impulsive buying. Hasil penelitian ini sejalan dengan theory of plan behavior, semakin sering parental sosialisasi berdampak positif dalam pemahaman finansial literasi siswa.

The findings of this study encourage companies in the financial sector to involve parents in improving students' financial literacy. Companies can take advantage of parents through activities to increase their understanding of financial literacy and financial service facilities so that parents can transmit/pass on this understanding to students according to their financial capacity. Parents can also be given special/premium facilities to give a positive impression of the company. As a result, parents will socialize the excellent experience with students and encourage them to take advantage of the same facilities for the younger generation armed with this experience.

The role of parental social socialization shows that students are not ready or not independent and still depend on their parents for financial matters. When students have more financial independence, their parents are less influential. It raises the need to increase the financial independence of undergraduate students. In Indonesia, most students are full-time students who receive financial support from their parents. It presents an opportunity to examine students' financial literacy in other developing countries and compare the results in each country.

### **Peer influence affects financial literacy**

Peer influence directly has a positive effect on financial literacy and saving behavior. The higher the peer influence students have, the more financial literacy and saving behavior will increase (Alwi et al., 2015). Peer pressure can also affect individual financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers (Azlan et al., 2015). This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). More often, peer influence positively impacts students' understanding of financial literacy.

The influence of friends in young people's lives also affects how they behave, making it essential to create communities where young people can discuss positive things. One of the communities in the campus environment is the investment gallery, and communities at many universities in Indonesia collaborate with the Indonesia Stock Exchange, which is a means to introduce the capital market from an early age. Furthermore, the positive influence of peers on saving behavior implies that financial service product socialization must pay attention to

consumers' age, youth influencers, and campaign themes choice such as strengthening peer intimacy. Furthermore, financial service products must be more attractive to date with high flexibility characteristics. They can be accessed more quickly, pay attention to gender, suit the needs of young people, and reflect the needs of generation Z, who live full of technology. It also raises an exciting call to compare student financial literacy by gender in future studies.

### **Self-control affects financial literacy**

Self-control negatively affects financial literacy. These results are inconsistent with those (Chalimah et al., 2019; Davidson et al., 2019; Strömbäck et al., 2017). Chalimah et al. (2019) state that students with good self-control will be able to control themselves from wasteful living behavior and not hurry to choose something because they always think about the consequences before acting. However, this study negatively affects self-control in understanding literacy. This study's results do not align with the theory of planned behavior, especially perceived behavioral control, namely how the individual understands that the behavior he shows is the result of control carried out by the individual (Ajzen, 1991).

Respondent's perception of self-control is in the moderate range, so on this basis, self-control negatively affects literacy and saving behavior. However, young people are often enthusiastic, so they do not restrict themselves too much from exploring their surroundings. Enjoyable financial learning by involving games on smartphones can be an effort to take advantage of their curiosity about the outside world to learn finance. For companies, the managerial implication of the lack of self-control in financial literacy shows that the company's focus on encouraging increased financial literacy does not focus on increasing students' financial capacity. It is because the dominant financial capacity of students still comes from their parent's income. In addition, there is a need to create jobs for students. Government policies related to independent learning can also encourage students to start a career and earn income from college with the support of all parties who play a role, such as universities, the industrial world, and the community.

### **Financial literacy affects saving behavior**

The results of the financial literacy test have a positive effect on saving behavior. The higher students' financial literacy, their saving behavior will also increase. Students with high financial literacy can do financial planning, build, and maintain their money. They may choose to make saving decisions rather than spending it for consumption. High financial literacy also reflects competence in managing finances. This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991).

The results of this study are in line with (Alwi et al., 2015; Te'eni-Harari, 2016), which state that financial literacy positively influences saving habits. Positively effect of financial literacy on saving behavior has managerial implications for companies to encourage students to improve the quality and quantity of their financial literacy. It implies that the banking industry can take an opportunity for savings service providers to introduce their products early to young consumers. It also becomes interesting to discuss saving and consumption behavior in future research frameworks.

### **Parental socialization affects saving behavior**

The results also directly prove that parental socialization positively affects saving behavior. Parents always play a central role in facilitating and promoting their children's saving behavior & parents are the best source to control their children's spending and encourage them to save (Afsar et al., 2018). This result is relevant to the respondent's answer that the respondent's perception of the statement item about parental socialization is included in the high category. Thus, it encourages a high level of respondents' financial understanding and saving behavior. However, the banking

industry can offer a parent and child-bundling program to facilitate parental socialization so that when they are young adults, they are familiar with savings products and can start saving on their own. This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991).

The positive influence of parental socialization on students' saving behavior has implications for financial services to continue to educate about the importance of saving as one of the safest forms of investment by adding value to other attractive facilities that accompany savings instruments. This facility can be integrated into smart-card (debit and credit cards), adding more exclusive features to e-money and e-banking. Premium services can be given to certain smart-card holders, such as priority services at airports, hospitals, and other public services.

#### **Peer influence affects saving behavior**

Peer pressure can also affect an individual's financial behavior. The peer socialization angle still exists in children's saving behavior because the association can influence student saving behavior in socializing and exchanging ideas about financial management matters among their peers. These results align with research (Alwi et al., 2015; Azlan et al., 2015; Syahrom et al., 2017).

This study's results align with the theory of planned behavior, especially subjective norms that refer to social pressure felt by individuals to perform or not perform a behavior. Individuals will achieve a specific behavior if the behavior can be accepted by people who are considered essential (Ajzen, 1991). This study also proves that financial literacy is a mediating variable between parental socialization and peer influence on saving behavior. The high role of parents and peers can increase financial literacy and ultimately encourage students to improve their desire to save. Thus, creating a buzz among young people regarding the importance of saving is essential to encourage them to save. The conveniences and additional facilities of savings can also be communicated attractively at their touch points, so that youth are interested in saving

The results of this study require financial services companies to enter youth communities. The community can be formal or informal. Financial services can be maximized by integrating study cards/student cards, apart from an identity card and an integrated banking service card. The same can be applied to youth communities based on talents and interests. Interest and talent groups among peers encourage the high intensity of communication in the community.

#### **Self-control affects saving behavior**

Respondents' self-control negatively affects saving behavior. This result is inconsistent with Jamal et al. (2016), self-control positively affects saving behavior. However, although young people tend to have lower self-control due to their age, financial planning efforts to get young people to save must be introduced early. All parties exposed to them can play a role in this effort. This study's results do not align with the theory of planned behavior, especially perceived behavioral control, namely how the individual understands that the behavior he shows is the result of control carried out by the individual (Ajzen, 1991).

For companies, the managerial implication of the lack of self-control in students' saving behavior shows that the company's focus on encouraging students' saving behavior does not have to focus on students' self-control. At a young age, students' finances are still sourced from parents' income, giving consequences to financial service companies to provide stimulus to external factors that affect students' saving behavior.

### **5. CONCLUSION, SUGGESTION AND LIMITATION**

Based on the results, this study indicates that parental socialization and peer influence positively affects financial literacy. Parental socialization and peer influence have also been shown

to affect saving behavior directly. Self-control negatively affects financial literacy and saving behavior. The more often the intensity of parents and the environment in providing financial education to their children, the higher financial literacy. High financial literacy also encourages an increase in students' saving behavior. These results differ from previous researchers, where undergraduate students are believed to have better self-control than students. However, in this study, the higher the self-control, the lower the financial literacy and saving behavior. This study provides a new understanding of financial literacy's importance in encouraging student saving behavior. The role of parents and peers in the environment is essential in growing students' financial literacy and saving behavior. There needs to be an in-depth study of course material aimed at students learning to understand self-control in managing their funds.

In this study, most respondents did not have their income, only getting pocket money from their parents. So that the role of parents is very dominant in determining students' financial behavior and saving decisions, further research should use respondents who already have their income so that the decision to save is entirely motivated by themselves. In addition, in this study, demographic factors were only used to identify the characteristics of the respondents. Further research can use these demographic factors as a determinant of saving behavior.

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