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Financial Management Behavior of The Millennial Generation in Tourism Industry at Lon Malang Beach in Sampang

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Abstract: The objective of this current research is to analyze personal financial behavior in the context of tourism in Lon Malang Beach. The current research attempts to assess to what extent personal financial behavior, financial self-efficacy, and locus of control, and the moderating influence of financial knowledge, affect individual financial behavior. The current research utilizes quantitative methodology; data is collected through field surveys and through purposive sampling on millennials who visit Lon Malang Beach. The analytical procedure is in several steps, including testing for validity, testing for reliability, and Moderate Regression Analysis (MRA). The findings of the study demonstrate that a person's financial management is positively impacted by their financial attitudes.. In addition, financial knowladge enhances financial attitudes and positively influences behavior. Furthermore, these results show that financial self-efficacy and locus of control affect how people handle their financial behavior. Building behavioral theories for individual financial management in the travel and tourist sector, particularly in Sampang, may benefit from this study.

Keyword: Financial Attitude, Financial Knowledge, Financial Self-Efficacy, Locus Of Control, Financial Management Behavior.

INTRODUCTION

The millennial generation is the generation born in 1981-1996. This generation has unique and different characteristics and characters compared to previous generations. The millennial generation usually has the characteristics of liking freedom, enjoying personalization, relying on the speed of instant information, liking to learn and work in an innovative environment, actively collaborating and hypertechnology. The millennial generation is included in the productive age category that has the potential to drive economic growth. However, based on a survey conducted by Voice of Indonesia (VOI) in 2020 revealed that most of the pocket money owned by young people was spent on unimportant needs. This shows a lack of responsibility in their financial management behavior.

In the long run, poor financial management practices can have detrimental social effects, while good financial management practices should improve financial well-being. One can prevent financial difficulties from occurring by financial management behavior good. Financial difficulties will cause economic problems and have serious impacts on daily life such as not being able to meet living needs, not having savings for emergencies, and having a lot of debt. Financial management behaviorarises from the need to meet needs based on the income received. Budgeting, spending control, saving money, and being responsible with money are all characteristics of those who practice good financial management. . In the workplace and in society at large, poor personal financial management can negatively affect individual work and the business as a whole. As a result, academics have focused increasingly on personal money management behaviors in recent years. According to Dew & Xiao (2011), cash flow management, loans, savings, and investments are all connected to personal financial management. Personal financial management, according to Deacon & Firebaugh (1988), is a group of tasks related to the preparation, use, and evaluation of money, credit, investments, retirement and insurance, and estate planning. It is crucial to assess different facets of financial management behavior since each one serves a vital purpose (Dew & Xiao, 2011). For example, research in the Vietnam region examined financial management behavior through attitudes, knowledge, locus of control, and behaviors (Mien & Thao, 2015).

Prior studies have found various determinants of financial management behavior, such as financial attitude, financial self-efficacy, and locus of control. The concept of financial attitude is defined as an individual's judgment, opinion, or position towards their personal financial situation. Findings have shown that determinants of financial behavior concerning financial management illustrate having good financial attitude is necessary to effectively handle cash flow, sustain credit, and create savings and investing plans (Hilgert et al., 2003). Good financial attitudes can be seen from how to manage finances that lead to financial well-being. Several studies have revealed that a person's financial behavior have a big impact on their financial attitudes (Shih & Ke, 2014). Similarly, Parrotta & Johnson (1988) discovered a favorable correlation between financial activity and financial attitudes. Similarly, Joo et al., (2003) discovered that those who have more positive financial attitudes and stronger perceptions are more likely to succeed in managing their money. In this study, financial knowledge moderated the impact of financial attitudes on financial behavior. According to Hilgert et al., (2003) he degree to which an individual is knowledgeable about different personal financial ideas is a measure of their financial knowledge, which is their understanding of personal financial matters.

Financial self-efficacy is defined as individuals' ability to influence their financial behaviors in a constructive way. The concept enhances individuals' confidence in their ability to handle their financial affairs in accordance with their goal-oriented goals. Research by Furnham (1984) reveals that financial self-efficacy is an influential factor in individuals' financial behaviors. In addition, according to Amaniyah (2023), locus of control refers to the degree to which individuals feel in command of events in their life. Rotter (1966) categorizes locus of control under two types: internal and external. A person showing an internal locus of control holds greater confidence and recognizes their accountability for their achievements. On the other hand, an individual showing an external locus of control tends to assign their successes to external events and fate. The literature highlights that locus of control is an influential factor in individuals' financial behaviors (Amaniyah, 2023).

Sampang Regency is one of the tourist destinations of choice in East Java where there are many beach tourist attractions, one of which is Lon Malang Beach tourism located in Bira Tengah Village, Sokobanah District, Sampang Regency. By improving financial behavior of millennial generation in managing their income, The millennial generation has the potential to contribute more to economic expansion, especially the economy of the community around Lon Malang beach.

METHOD

This research employs an interaction term, made up of the product of two or several independent variables, in Moderated Regression Analysis (MRA) to identify if a moderating factor may strengthen or weaken the association between independent and dependent variables (Ghozali, 2005). In addition to using instruments concerning financial attitude, financial self-efficacy, and locus of control, this study also looks into financial behavior to assess how it affects millennials in Long Beach Malang in their ability to handle their finances. Moreover, Moderated Regression Analysis (MRA) is employed to identify if financial knowledge is a moderator in between financial attitude and financial behavior. The multiple linear regression model, given the moderating variables, is defined in the following expression:

$Y = a + b1X1 + b2\ X1Z + b3X2 + b4X3 + e$

Where:

a = constanta

b = regression coefficient

Y = financial management behavior

X1 = financial attitude

Z = financial knowledge

X2 = financial self-efficacy

X3 = locus of control

e = error

The sample in this research is achieved using the approach given by Ferdinand (2013), where the total number of number of indicators is multiplied by between five and ten to identify the necessary amount for multivariate analysis. Given that the study's indicator is 40, the sample size is 40 X 5 = 200. Figure 1 illustrates how financial knowledge moderates the connection between the dependent variable, financial management behavior, and the independent variables, locus of control, financial attitude, and financial self-efficacy.

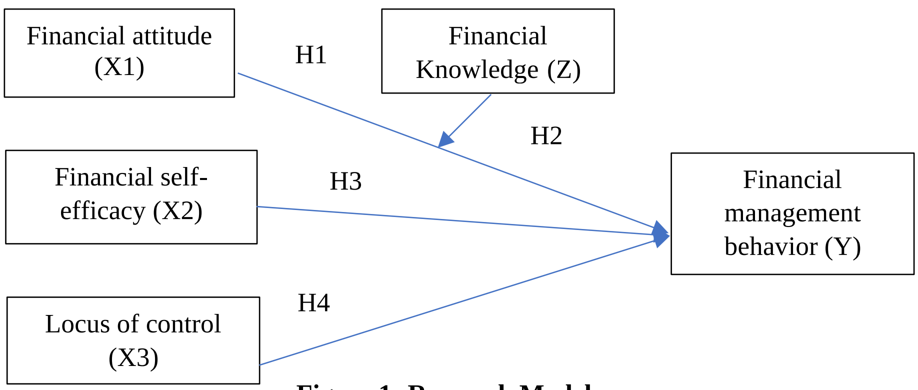

Figure 1: Research Model

H1: Financial attitudes have a significant influence onfinancial management behavior

H2: Financial attitudes moderated by financial knowledge have a significant effect on financial behavior

H3: financial self-efficacy have a significant impact onfinancial management behavior

H4:locus of controlhave a significant impact on financial management behavior

RESULTS AND DISCUSSION

One variable that might increase or decrease the impact of independent factors on dependent variables is the moderation variable (Z). To ascertain if the financial knowledge variable (Z) can enhance or diminish financial attitudes (X1) toward financial management behavior (Y), this study employs Moderated Regression Analysis (MRA). Based on the results of the MRA Model in Table 1, the multiple linear equations for the equation model are obtained as follows:

Y = 19,625 + 0,196X1 + 0,054X1.Z + 0,187X2 + 0,023X3

With a regression coefficient of 0.196 and a significance level of 0.024, the financial attitude variable indicates that financial management behavior is positively impacted by financial attitudes (Hypothesis 1 is accepted). Meanwhile, the regression coefficient for the financial attitude variable, which is moderated by financial knowledge, is 0.054 with a significance level of 0.048. This demonstrates how financial attitudes and knowledge work together to positively impact financial management behavior, indicating that financial knowledge also plays a part in moderating the impact of financial attitudes on financial management behavior (hypothesis 2 is accepted).

Table 1: Moderated Regression Analysis

Model	regression coefficient	T count	Sig.
Konstanta	19,625	10,863	0,000
X1	0,196	2,256	0,024
X1*Z	0,054	2,159	0,048
X2	0,187	5,362	0,000
X3	0,023	6,918	0,000
R Square = 0,627			

Source: Data processed

The regression coefficient of 0.187 for the financial self-efficacy variable, with a significance level of 0.000, indicates that financial self-efficacy positively influences financial management behavior (hypothesis 3 is accepted). According to the study's findings, the locus of control variable has a regression coefficient of 0.023 and a significance level of 0.000, indicating that it has an impact on financial management practices (hypothesis 4 is accepted). The purpose of the determination coefficient test is to evaluate how well the model can account for the dependent variable's fluctuations. The study's determination coefficient test (adjusted R2) yielded a score of 0.627, indicating that the independent variables X1, X1*Z, X2, and X3 can account for 62.7% of the dependent variable (Y). The remainder (100% - 62.7% = 37.3%) can be accounted for by non model factors.

The financial attitude variable (X1) has a significance value of 0.024 according to the t-test results. Financial management behavior is significantly positively influenced by financial attitudes, hence, the more positive the attitude, the better the financial management behavior of the millennial generation of visitors to Lon Malang Beach and vice versa. Understanding of the financial attitudes of the millennial generation is shown by those who agree that having money can improve their social status in society. Therefore, some millennial generations are competing to be more successful than others in order to be more respected by others. Having money can also bring friends closer. Apart from that, for planned purposes, the millennial generation will not just spend their money, they are even used to looking for additional income because my income is not sufficient for current needs. Financial attitudes refer to actions taken in overcoming financial problems, while financial management behaviorrefers to how a person manages personal finances. When faced with financial difficulties, a person with a positive financial attitude usually maintains composure and is well-aware of the necessary actions, such as creating future financial plans. The study's findings are in line with earlier studies that showed that a person's financial attitudes play a significant role in determining their financial behavior (Davis & Schumm, 1987; Shih & Ke, 2014). Individuals' financial behavior regarding spending, saving, hoarding, and squandering monetary resources is affected by their financial attitude (Furnham, 1984). Likewise, Chuah et al., (2020) also presumed that an individual's financial behavior is greatly impacted by one's attitudes toward finance.

The findings of t-test revealed that financial attitude factor, though affected by financial knowledge (X1*Z), revealed a 0.048 signifi- cation. The result implies that financial attitude directly and power- fully affects financial management behavior through financial knowledge. Therefore, strengthening financial attitude and financial knowledge is connected to better financial management behavior by millennial visitors to Lon Beach Malang; on the other hand, weakening either factor might result in poor financial management behavior. Financial knowledge is defined by Hancock et al., (2013) as a person's comprehension of personal financial matters as assessed by their acquaintance with a range of personal financial topics. Financial management behavior is a method of handling personal finances, whereas financial attitude is a mindset adopted when dealing with financial difficulties. A person with a sound financial mindset is usually composed when dealing with current financial issues and knows what to do. A person's financial attitude toward their money management behavior will be strengthened by having solid financial understanding. Millennials that possess financial literacy are able to manage their money wisely by understanding the risks and return associated with financial affairs. Understanding of the financial knowledge of the millennial generation as they tend to make a routine spending budget every month to avoid waste. The budget is in the form of expenses that must be spent on needs every month so that the money you have can cover these expenses. The study's findings support those of Ali et al., (2016), who found that financial attitudes influence financial management behavior, which is moderated by financial knowledge. Similarly, according to Eagly & Chaiken (1998), other linked elements like assurance, knowledge, or the attitude's temporal stability can regulate the strength of the attitude-behavior association rather than the attitude's accessibility.

The variable financial self-efficacy (X2) has a significance value of 0.000. This indicates that financial conduct is significantly influenced by financial self-efficacy. Therefore, millennial visitors to Lon Malang Beach will exhibit better financial management practices the more self-efficacious they are, and vice versa. Confidence in future financial conditions is the financial self-efficacy variable with the highest indicator value. More effective and efficient financial management is supported by optimism and self-confidence in future financial capabilities. Because people often feel less confident or confused when faced with sudden financial pressure, such as loss of income or emergency needs, and because the uncertainty that arises in these situations can also hinder rational decision making, the financial self-efficacy variable with the lowest indicator value is the ability to make decisions when faced with unexpected situations. Higher levels of financial self-efficacy give millennials the confidence to make sound financial decisions and to take proactive steps to safeguard their financial future. Financial self-efficacy boosts a person's confidence in managing their money to achieve their intended results, claim (Farrell et al., 2016). A person's belief in handling their own finances is known as financial self-efficacy, and their personal financial management behavior is how they handle their money. The better financial self-efficacy owned, a person tends to feel confident in managing his or her personal finances. With self-efficacy which is getting better makes the millennial generation of visitors to Lon Malang beach wise in managing their finances such as always dividing financial expenses for unexpected costs. This is what makes the millennial generation of visitors at Lon Malang beach not worry about financial disstress in the future because they have managed their finances well with a frugal lifestyle that is not excessive in spending. The findings of this study support research that suggests financial self-efficacy influences someone's money management behavior (Chuah et al., 2020; Furnham, 1984).

The variable locus of control (X3) has a significance value of 0.000. Since locus of control is thought to affect financial behavior, it is possible that the millennial generation of visitors to Lon Malang Beach has improved locus of control, which affects their money management practices. The millennial generation has the ability to manage their own money. People with strong self-discipline are able to plan, control, and solve every financial issue on a daily basis when they are linked to this research indicator items. However based on surveys, some members of the millennial generation occasionally struggle to manage their money and spend it on things that are not necessities because today's youth are still accustomed to purchasing adorable and distinctive things, which makes it hard for them to handle their personal finances. This behavior needs to be broken in order for today's youth to properly manage their money, which includes purchasing the necessities and being able to deal with their financial issues. Locus of control is a term used when an individual believes that all events that affect him can be controlled, while personal financial management behavior is how a person manages his finances. From the results of this study, the millennial generation of visitors at Lon malang Beach considers self control important in managing their finances so that they are wise in handle their money such as always planning and controlling expenses so that they do not exceed income. The findings of this research are consistent with a study by Dessart & Kuylen (1986) that indicated financial issues are more likely to affect those who have a more external orientation. According to Tokunaga (1993), persons are more likely to use consumer credit unsuccessfully if they have a more external orientation. Contrary findings from Prihartono & Asandimitra (2018), who claimed that locus of control has no bearing on how people handle their money.

CONCLUSION

According to the findings of a study conducted on the millennial generation of tourists in Sampang's Lon Malang Beach, financial attitudes positively impact financial management behavior. Similarly, financial knowledge strengthens the influence between financial attitudes to financial behavior. The study's findings also demonstrate that locus of control and financial self-efficacy positively impact financial management behavior. The research's consequences include gaining more understanding and offering guidance for creating financial management behavior training programs for the millennial generation that address increasing of financial attitudes and knowledge also developing financial self-efficacy to be confident in making financial decisions so that the millennial generation has better financial skills for their future.

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