



The Influence of Financial Literacy and Self Control on Women's Personal Financial Management in Konawe District, Southeast Sulawesi Province

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Abstract: The purpose of this study was to determine the influence of financial literacy and self-control of women on their personal financial management. The study was conducted on women in Konawe Regency, Southeast Sulawesi Province. The type of data used in this study is quantitative data. The data source comes from secondary data. The population used in this study were women in Konawe Regency with various different backgrounds. The sampling method used Random Sampling. With a sample size of 100 women. The test results stated that the financial literacy variable had a positive and significant effect on women's financial management and the self-control variable had a significant positive effect on women's financial management.

Keyword: Financial Literacy, Self Control, Personal Financial Management, Women.

INTRODUCTION

In our modern economic growth, we are directed to continuously consume or buy something that we don't really need. Humans and consumption cannot be separated, when receiving returns from their efforts, of course they will immediately plan to spend their money. Consumption is the use of goods or services that aim to satisfy human needs. Consumption should be considered as an essential goal of production.

In using money from their business, individuals must be able or have financial literacy so that they can manage money well. Financial literacy includes knowledge of the fundamental reasons for *saving*, *investing*, knowing the types of products to *financial instruments*, and the risks and returns of a financial product to literacy about consumer rights. Having good financial insight certainly plays a role for individuals in managing their finances. (Afandy & Niangsih, nd) in their research found that financial literacy has an influence on personal financial management. (Ulfa, 2024) found that an individual's ability to manage personal finances is greatly influenced by the individual's level of financial literacy. (Gathergood, 2012) explained that individuals with self-control problems and poor financial literacy tend to be more likely to

experience detrimental financial shocks and show self-control problems that will seep into the economy related to consumption decisions, savings, and uncontrolled debt.

(Lusardi & Tufano, 2015) found that women have significantly lower knowledge about debt, and debt illiteracy is associated with problematic credit behavior. (Zaimovic & Et.al, 2024) found that there is a significant gap between men and women where women's financial knowledge is lower than men. Therefore, it is important to improve women's financial literacy, which further empowers them to be financially independent and have the competence to manage their own wealth and deal with any adverse impacts (Sundarasan & Et.al, 2023) . In the study (Aurelia & et al., 2024) found that financial literacy has no effect on consumer behavior or in this case related to personal financial management. While *self-control* has a significant negative effect on consumer behavior, which means that increasing *self-control* will lead to consumer behavior. (Suzanna et al., 2022) found that financial literacy has no effect on personal financial management behavior.

Konawe is one of fifteen regencies in Southeast Sulawesi Province. With a population of 130,639 people. The area of the Regency is 6,088 km² . The northern part borders Central Sulawesi Province, the eastern part with Kendari City, the southern part with South Konawe Regency and the western part with Kolaka Regency.

According to the report of Bank Indonesia Southeast Sulawesi, in 2024 Konawe Regency has also been included as an additional city to be the basis for calculating the Consumer Price Index (CPI). The average expenditure of Konawe Regency residents per month is IDR 1,264,259 where food expenditure is IDR 612,933 and non-food is IDR 651,326 (BPS). The following is a description of Konawe community spending in 2024:

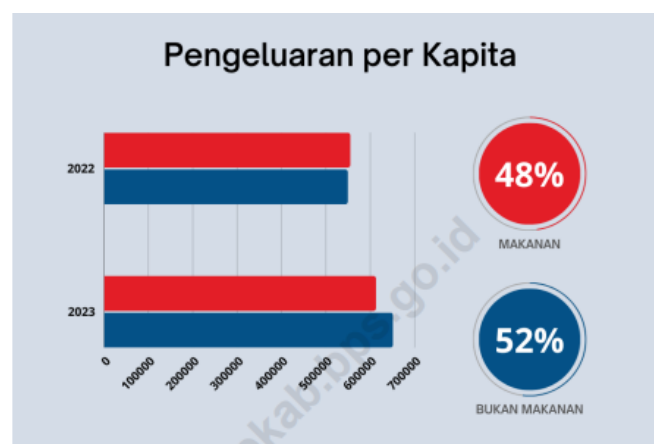


Figure 1.2 Monthly Per Capita Expenditure by Commodity Group in Konawe Regency in 2023

Source: Central Statistics Agency, Konawe Regency in figures 2024

In relation to women's spending, the capitalization of products that women do not actually need is created and advertised and with the lure of *discounts* so that many women cannot control themselves to make purchases which of course makes them have to spend on items they don't really need. In addition to the invitation to buy products that are not actually needed, (Gonzalez; et al., 2021) explains that women and men have differences in making decisions before shopping. With an attractive display arrangement, it will increase women's perceptions of emotional value, thereby increasing women's purchasing intentions.

Based on the explanation above, the researcher is interested in testing whether financial literacy and *self-control* of women in Konawe Regency have an effect on their financial management.

METHOD

This research will be conducted through an online questionnaire using a Likert scale. Located in Konawe Regency, Southeast Sulawesi Province. Konawe Regency was chosen because according to a report from Bank Indonesia, this Regency has just entered as a region to be the basis for calculating the Consumer Price Index (CPI). This region is also one of the regions that has economic development because it connects the cities of Kendari, Kolaka, South Konawe and North Konawe. This observation uses two independent variables, namely financial literacy and *self-control* and women's financial management behavior as dependent variables. The study uses *simple random sampling* with the Slovin formula so that data is obtained from 100 women who will be the sample. Data will be collected through an online questionnaire with a Likert scale. Data processing uses PLS 4.

Independent variable

Is a factor that affects the dependent variable either positively or negatively. If the independent variable exists, then the dependent variable also exists, and if one independent variable increases, it will have an impact on the dependent variable, either causing an increase or decrease in the dependent variable (Sekaran, 2016) . The independent variables in this observation are financial literacy and *self-control*.

Dependent variable

It is a factor that is influenced or becomes a result of the existence of an independent variable. The dependent variable is also called the output variable, criteria, consequences. (Sugiyono, 2020) . The dependent variable in this study is personal financial management.

Sampling Method

Simple random sampling is a method of selecting samples where each unit of analysis sample has the same opportunity to become a research sample. Using the Slovin formula:

$$n = \frac{N}{1 + N (e)^2}$$

$$n = \frac{85,255}{1 + 85.255 (0.1)^2}$$

$$= \frac{85.255}{853.55}$$

$$= 99.8 \text{ or } 100 \text{ samples}$$

RESULTS AND DISCUSSION

Reliability Test

Table 1. Reliability Test

| | Cronbach's alpha | Cut off Point | Information |
|--------------------------------------|---------------------|---------------|-------------|
| Personal Finance (Y ₁) | 0.865 | ≥ 0,60 | Reliable |
| Financial Literacy (X ₁) | 0.726 | ≥ 0,60 | Reliable |
| Self Control (X ₂) | 0.708 | ≥ 0,60 | Reliable |

Source: SmartPLS 4

Based on table 1, the Cronbach's alpha results for the variable values are higher than the cut-off point for reliability requirements (Sugiyono). In the study above, *the Cronbach's alpha value* exceeds 0.60, so the data is considered consistent or reliable.

Validity Test

Table 2. Validity Test

| | Average variance extracted (AVE) | Caption |
|-------------------|---|----------------|
| (Y ₁) | 0.712 | Valid |
| (X ₁) | 0.551 | Valid |
| (X ₂) | 0.636 | Valid |

Source: SmartPLS 4

In table 2, it is found that the AVE value is above 0.3 (Sugiyono), so the data in this study has a degree of accuracy between the data on the research object and the data that can be reported by the researcher.

Multicollinearity Test

Table 3. Multicollinearity Test (VIF)

| | VIF |
|--|------------|
| Financial Literacy (X ₁) -> Personal Finance (Y ₁) | 1,447 |
| Self Control (X ₂) -> Personal Finance (Y ₁) | 1,447 |

Source: SmartPLS 4

Table 3 shows that the VIF value is below the threshold so that there is no collinearity problem. This multicollinearity test is to test a good regression model, namely there is no correlation between independent variables. The VIF value is <10.

R-Square Results

Table 4. R-Square Value

| | R Square | R Square Adjusted |
|------------------|-----------------|--------------------------|
| Personal Finance | 0.500 | 0.490 |

Source: SmartPLS 4

In table 4 it can be observed that the exogenous construct is influenced by other variables. In this test finding R² is 0.49 or 49% of the influence of the exogenous variable affects the exogenous variable. If the result is on the threshold of 0.33-0.67 then it is included in the moderate category.

T-Test Results

Table 5. T-test

| | Original Sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (O/STDEV) | P Value |
|--|----------------------------|------------------------|-----------------------------------|---------------------------------|----------------|
| Financial Literacy (X ₁) -> Personal Finance (Y ₁) | 0.292 | 0.313 | 0.087 | 3.366 | 0.001 |
| Self Control (X ₂) -> Personal Finance (Y ₁) | 0.502 | 0.492 | 0.103 | 4.872 | 0.000 |

Source: SmartPLS 4

It was found that the *original sample value* of the influence of financial literacy on personal financial management was 0.292 where the p value was $0.001 < 0.05$ therefore this hypothesis was positively and significantly related. And the self-control variable on personal financial management the original sample value was 0.502 and the p value was $0.000 < 0.05$ therefore it had a positive and significant effect.

Discussion

Our study aims to examine the impact of financial literacy and *self-control* on women's financial management. Each related hypothesis is framed and validated. The results reveal that there is a significant positive effect of financial literacy and *self-control* on women's financial management in Konawe Regency, Southeast Sulawesi Province. This observation is in accordance with the findings of (Yushita, 2017) , (Mengga et al., 2023) and (Afdhila & Nugroho, 2023) that financial literacy has a positive and significant impact on personal financial management. This is different from the findings of (Aurelia & et al., 2024) that financial literacy has no effect on personal financial management or the consumer behavior of respondents. For the effect of *self-control* on personal financial management, the findings of this study are in accordance with (Mengga et al., 2023) that *self-control* has a significant positive impact on personal financial management, but this finding is different from the findings of (Afdhila & Nugroho, 2023) who found that *self-control* has no impact on personal financial management.

CONCLUSION

From the results of the study that have been discussed previously, it can be concluded that financial literacy and self-control have a positive and significant influence on personal finance. This means that individuals who understand financial literacy and have good self-control tend to be more successful in managing their finances, creating personal economic stability, and achieving financial freedom.

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