

# **PERSONAL FINANCE DETERMINANTS FACTORS (CASE STUDY ON MANAGEMENT MASTER STUDENTS OF UNIVERSITAS NEGERI JAKARTA)**

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## **Abstract**

The objectives of this study are 1) to analyze the factors that influence personal financial behavior, 2) to test the hypothesis of the influence of financial knowledge, financial attitudes, locus of control, and income on personal financial behavior in Masters of Management students at the State University of Jakarta. The unit of analysis is students of Master of Management, State University of Jakarta. The observation unit was 110 respondents who were students of the Jakarta State University Management Masters who were registered from February 2015 to February 2017 with an active status and had received a matriculation program. Data collection techniques using questionnaires and observations. The data analysis technique used is Multiple Regression Analysis and Univariate One-Way ANOVA Test with SPSS 22. The results of the descriptive analysis showed: a) The level of financial knowledge of the respondents reached 83%; b) Financial Attitude has the highest index compared to other dimensions (87%), and c) Locus of Control (79%). The hypothesis testing results show 1) There is an effect of financial knowledge on financial behavior with the tstatistic obtained by  $3,968 > t_{table} =$

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1,659 and prob. value = 0,000 <0.05, then H1 is accepted and significant. 2) There is a direct and significant positive effect of financial attitudes on personal financial behavior with the tstatistic obtained at 4,700 > ttable = 1.659 and the value of prob. value = 0.000 <0.05, then H1 is accepted and significant. 3) Locus of control has not influenced personal financial behavior with the t-statistic obtained is 0.257 <ttable = 1.659 and the value of prob.value = 0.798 > 0.05, then H1 is not accepted. 4) Income has a significant influence on personal financial behavior, with the test results showing an F value of 3,436 with a Sig of 0.020 <0.05, so H1 is acceptable, so it can be concluded that there is a significant difference in the personal financial behavior of respondents based on the four income categories. Testing the hypothesis proves that income affects personal financial behavior.

**Keywords:** Financial Behavior, Financial Knowledge, Financial Attitude, Locus of Control, Income.

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## INTRODUCTION

The existence of a person's behavior in the decision-making process pioneers the development of financial behavior. In this case, it is explained how investors' reasoning patterns in emotional aspects affect investors in making decisions. This is supported by the opinion of Ricciardi and Simon (2000), which states that financial behavior more explains explicitly what, why, and how finance and investment from a human point of view.

Barberis and Thaler (2003) in Bodie, Kane, and Marcus (2008) state that financial behavior is a financial market model that emphasizes the potential implications of psychological factors that influence investor behavior. These psychological factors affect how to invest and the results to be achieved. Therefore, investment analysis that uses psychology and financial science is known as behavioral finance.

Perry & Morris (2005: 300) define financial behavior as: "the respondent's self-assessed propensity to budget, save money, and control spending." Responsible individual

financial behavior is individual self-assessment to make budgets, save money, and control expenses. This opinion is supported by Kholilah and Iramani (2013). They define financial behavior as a person's ability to organize (planning, budgeting, checking, managing, controlling, search and deposit) day-to-day financial funds.

Personal financial management is determined by the financial knowledge possessed by each individual. McCannon (2014) states that financial education affects one's behavior in increasing wealth. This reveals that a person's ability to manage finances is an essential factor for achieving success in life.

According to Yulianti and Silvy (2013), financial knowledge is everything about finance that is experienced or what happens in everyday life. Meanwhile, according to Garman and Fogue (2006), financial knowledge is sufficient knowledge of personal finance facts and is the key to personal financial management behavior. More specifically, Hilgert and Hogart (2003) define financial knowledge as to how a person manages his finances in terms of risk profile, investing, saving, and budgeting.

Previous research by Mandell & Klein (2009) states that the best way to improve behavior in adulthood is to teach good behavior since childhood, including financial behavior. Personal finance education in Indonesia itself is still rarely found, both in elementary school and college. A survey conducted by the Financial Services Authority (OJK) regarding the 2016 national survey of financial literacy and inclusion stated that the financial literacy index in Indonesia in 2016 only reached 29.66%. This result reflects the Indonesian public's low level of knowledge regarding financial behavior (Otoritas Jasa Keuangan, 2016).

In managing their income, a master student is faced with various complicated financial options, including for personal needs, paying tuition fees, paying the mortgage or house rent, repaying loans, saving money, taking insurance, and for their social life. This is supported by the opinion of Lusardi et al. (2010), where students will not only face increasing complexity in financial products and services, but they are more likely to have to bear risks in the future.

Based on previous research conducted by Mien and Taho (2015) regarding financial behavior, three factors influence a person's financial behavior, namely financial knowledge, financial attitudes, and locus of control. The results of this study indicate that

financial knowledge and attitudes are significantly positively related to financial behavior. Meanwhile, external locus of control has a negative and significant effect on financial behavior. This opinion is supported by research by Perry & Morris (2005), Chaulagain et al. (2015), and Tang & Baker (2016), which state that a higher level of financial knowledge is more likely to be involved in responsible financial management behavior. In line with this opinion, the results of research conducted by Qamar et al. (2016) proved that financial knowledge has a positive influence on young adults' financial behavior. In line with this study's results, research conducted by Ida and Dwinta (2010) found the influence of financial knowledge on financial management behavior.

Research conducted by Perry & Morris (2005) and Britt et al. (2013) also showed a negative relationship between external locus of control and financial knowledge. This study's results are different from Kholilah and Iramani (2013), where the locus of control has a significant positive effect on financial behavior, while knowledge of finance does not directly affect financial behavior but must be mediated by locus of control. In contrast to these results, Ida and Dwinta (2010) show no influence of locus of control on financial management behavior.

Parrotta & Johnson (1998) in Mien & Thao (2015) states that financial attitudes can be considered as psychological tendencies expressed when evaluating recommended financial management practices with some level of agreement or disagreement. These results are in line with research conducted by Qamar et al. (2016), which proved that money attitude has a significant positive impact on young adults' personal financial management behavior.

Another factor that influences financial behavior is income. There is a high probability that someone with an income sufficient to meet his needs will show responsible financial behavior because the income received provides an opportunity to act responsibly. Research conducted by Perry (2005) states that income affects a person's financial behavior.

Based on several previous studies which show that there are differences in the results of research regarding the effect of financial knowledge, financial attitudes, locus of control, and income on a person's financial behavior, as well as seeing the results of the OJK survey regarding the low index of financial literacy in Indonesia, therefore this study was

conducted to confirm differences existing results and add to the new empirical evidence regarding personal financial behavior that is still lacking in Indonesia.

The objectives of this study include the following:

1. To examine the effect of financial knowledge on personal financial behavior among students of Master of Management, Universitas Negeri Jakarta.
2. To examine the effect of financial attitudes on personal financial behavior among Master of Management, Universitas Negeri Jakarta.
3. To examine the influence influence of internal locus of control on Master of Management students' personal financial behavior at the Universitas Negeri Jakarta.
4. To examine the effect of income on personal financial behavior in Masters of Management students at the Universitas Negeri Jakarta.

## LITERATURE REVIEW

### *Personal Financial Behavior*

Behavioral finance is an essential concept in financial science. Ricciardi and Simon (2000) define financial behavior as a discipline in which the interaction of various disciplines is attached and continuously integrates so that the discussion is not carried out in isolation. Three aspects influence a person's financial behavior, namely psychology, sociology, and finance.

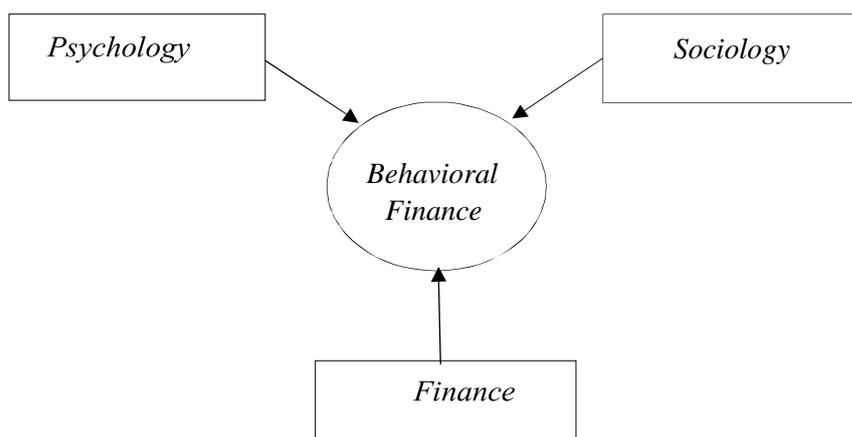


Figure 1. Behavioral Finance Aspects

Source: Ricciardi & Simon (2000)

Figure 1 illustrates the essential interdisciplinary relationships that integrate financial behavior. When one learns the concept of behavioral finance, traditional finance is still at the core, but aspects of psychology and sociology are integral catalysts in this field of study. Therefore, people who study behavioral finance must understand the concepts of psychology, sociology, and finance.

Bikas et al. (2013) stated that behavioral finance is based on human and social recognition research and emotional tolerance studies to identify and understand economic decisions. Behavioral finance examines the recognition and emotional limitations of human rationality, explains the effects of psychology on financial activity, and argues that financial phenomena can be better explained because financial market participants are irrational and their decisions are limited. Analysis of the patterns of nonprofessional investors' financial behavior enables us to understand and justify the relevance and importance of financial behavior. The main difference between traditional and behavioral finance is that the former do not face "why" investors make one or another decision.

Lintner (1998) explains that:

"Behavioral finance is the study of how Humans interpret and act on information to make informed investment decisions."

This can be interpreted; behavioral finance is a science that studies how humans disclose and react to existing information which is then used to make decisions that can optimize the rate of return on investment decisions by paying attention to the risks inherent in it (elements of human attitudes and actions are determining factors in invest).

Barberis and Thaler (2003) in Bodie, Kane, and Marcus (2008) state that financial behavior is a financial market model that emphasizes the potential implications of psychological factors that influence investor behavior. These psychological factors affect how to invest and the results to be achieved. Therefore, investment analysis that uses psychology and financial science is known as behavioral finance.

Perry & Morris (2005: 300) define financial behavior as: "the respondent's self-assessed propensity to budget, save money, and control spending." Responsible individual financial behavior is individual self-assessment to make budgets, save money, and control expenses. This opinion is supported by Kholilah and Iramani (2013). They define

financial behavior as a person's ability to organize (planning, budgeting, checking, managing, controlling, search and deposit) day-to-day financial funds.

Furthermore, Kholilah and Iramani (2013) state that financial management behavior is divided into three main things, namely:

1. Consumption, namely expenditures by households on various goods and services (except purchases for new houses).
2. Savings, namely the portion of income that is not consumed by a household in a certain period.
3. Investment, namely allocating or investing current resources to obtain benefits in the future.

According to Yulianti and Silvy (2013), financial management behavior requires financial planning to achieve goals both short-term and long-term goals. Without applying a good attitude in financial management, it is not easy to have a financial surplus that can be used for future savings or capital to invest in.

One of the intelligence a modern human must-have is financial intelligence. The application of this can be seen in intelligence in managing personal financial assets. Shim and Siegel (1991) state the importance of behavior as an element of personal finance success. With proper financial management, it is hoped that someone can benefit from the money they have. Various studies have proven that students' financial behavior has various impacts on their lives (Gutter & Copur, 2011; Xiao, Tang, & Shim, 2009).

Based on these definitions, it can be concluded that financial behavior is a science that explains individual behavior related to how individuals manage and use their financial resources. A person who has responsible financial behavior tends to be effective in using his / her money, such as making a budget, saving money, controlling spending, investing, and paying obligations on time, to achieve success in life. This is in contrast to individuals who experience failure in managing their finances, which causes severe long-term consequences for that person and the company, and society.

### ***Financial Knowledge***

Financial literacy is one of the basic needs for everyone to avoid financial problems. The cause of financial difficulties does not only come from income alone (low income); financial difficulties can also be caused by mistakes in financial management such as the

absence of financial planning or misuse of credit. Therefore, financial literacy is vital to get a prosperous and quality life.

According to Lusardi & Tufano (2008), the definition of financial literacy is the ability to make simple decisions regarding debt contracts, particularly how to apply basic knowledge of interest, measured in the context of everyday financial choices where financial literacy describes financial education by learning specific skills so that individuals can control their financial future.

Financial knowledge has a close relationship with financial literacy or financial education. Chen & Volpe (1998) stated that financial literacy is knowledge to manage finances in financial decision-making. This financial knowledge includes general knowledge of personal finance, savings, loans, insurance, and investment.

Financial intelligence includes how to get money, how to manage money, how to save money, and how to use money. Based on this, we can see that most people are still struggling with how to get money, have not thought about the other three aspects. This is supported by a survey conducted by the Financial Services Authority (OJK) regarding the 2016 national survey of financial literacy and inclusion, which states that the financial literacy index in Indonesia in 2016 only reached 29.66%.

According to Yulianti and Silvy (2013), financial knowledge is everything about finance that is experienced or what happens in everyday life. Meanwhile, according to Garman and Fogue (2006), financial knowledge is sufficient knowledge of personal finance facts and is the key to personal financial management behavior. More specifically, Hilgert and Hogart (2003) define financial knowledge as to how a person manages his finances in terms of risk profile, investing, saving, and budgeting.

Garman & Fource (1985) argued that to have financial knowledge, it is necessary to develop financial skills (financial skills) and learn to use financial tools (financial tools). Furthermore, Ida and Dwinta (2010) describe financial skills as a technique for making personal financial management decisions. Setting up a budget, choosing an investment, choosing an insurance plan, and using credit are examples of financial skills. Meanwhile, financial tools are tools or means used in making personal financial management decisions, such as checks, credit cards, and debit cards.

According to Joo and Grable (2004), people who have a high level of financial knowledge tend to have different perceptions and ways of judging from ordinary people and understand their financial conditions more accurately. Scott in Robb and Woodyard (2011) states that generally, a person's lack of financial knowledge is caused by education. With the assumption that education can increase financial knowledge, which will result in more effective financial decision-making. Financial knowledge can be obtained through formal and informal education. Formal education can be obtained through high school programs or lectures, seminars, and out-of-school training classes. Meanwhile, informal education can be obtained through the surrounding environment, such as from parents, friends, and colleagues, and one's own experiences.

To have financial knowledge, it is necessary to develop financial skills and learn to use financial tools. Financial knowledge, according to Nababan and Sadalia (2011), includes several aspects of finance, including:

- 1) Basic knowledge of personal finance (Basic Personal Finance)

Basic knowledge of personal finance includes understanding some of the essential things in the financial system, such as calculating simple interest rates and compound interest, the effect of inflation, opportunity cost, time value of money, liquidity of an asset, and others.

- 2) Money Management

This aspect includes how a person manages money and the ability to analyze the sources of personal income they have. Money management is also related to how someone prioritizes the use of funds and makes a budget.

- 3) Credit and Debt Management

Knowledge of credit and debt management, which consists of factors that affect creditworthiness, consideration in making a loan, credit characteristics, loan interest rates, loan terms, and sources of credit and debt, is financial knowledge that is needed in order to use credit and debt wisely.

- 4) Savings

In the selection of savings, several factors need to be considered, namely: rate of return (percentage increase in savings), inflation, tax considerations, liquidity, security (protection against savings if a bank experiences financial difficulties),

and restrictions and charges for a fee—certain transactions for withdrawal of deposits.

5) Investments

Investment is a part of savings used for economic activity to produce goods and services intended to make a profit. Several factors influence the choice of investing, namely: security and risk, risk factor components, investment income, investment growth, and liquidity.

6) Risk Management

Risk can be defined as the uncertainty or possibility of financial loss. The risk management process includes the following three steps; a) Identifying exposures to the risks faced; b) Identify the financial impact of the risks faced; c) Choose the most appropriate way to deal with these risks.

Sound financial knowledge is a basic need for every individual. A person's ability to manage finances is an essential factor for achieving success in life. As has been stated by Perry and Morris (2005), a high level of financial knowledge will lead to good financial behavior. Therefore, knowledge of good and correct financial management is essential for community members, primarily individuals.

***Financial Attitude***

According to Robbins & Judge (2008), "Attitude is an evaluative statement both pleasant and unpleasant towards objects, individuals, or events. This reflects how someone feels about something. "

Attitude is required by every individual every day and in all aspects of human life, including financial aspects. Financial attitude is an essential contributor to consumer financial success or failure. A person's financial attitude will help determine attitudes and behavior in terms of individual finances, whether in terms of financial management, personal financial budgeting, or how individual decisions are about the form of investment to be taken.

Based on differences in attitudes, Ajzen (2005) states that the construct of attitude use consists of:

- a) Perceived usefulness, namely the extent to which a person believes that saving provides benefits.

- b) Perceived risk, namely user perceptions of uncertainty and undesirable consequences arising from saving
- c) Perceived playfulness, namely the extent to which saving is perceived to be something personally pleasing.
- d) Perceived easiness, namely how far a person feels the ease of saving.

Several studies have concluded that financial attitudes play an essential role in determining a person's financial behavior (Davis & Schumm, 1987; Shin & Ke, 2014). Jodi & Phyllis (in Deyola 2014) stated that the more positive the attitude towards financial management, and the greater the knowledge of finance. These more financial management practices can be applied. Furthermore, Parrotta and Johnson (1998) in Mien & Thao (2015) state that financial attitudes can be considered as psychological tendencies expressed when evaluating recommended financial management practices with several levels of agreement or disagreement. These results are in line with research conducted by Qamar et al. (2016), which proved that money attitude has a significant positive impact on young adults' personal financial management behavior.

### ***Locus of Control***

Locus of control or also known as the control center, is one characteristic aspect of personality. Rotter first proposed the concept of locus of control in his social learning theory. According to Rotter (1966), the concept of locus of control shows the beliefs or expectations of the individual regarding the source of the causes of the events that occur in his life, namely the events that occur to him are controlled by forces from within him or from outside himself.

According to Britt, Cumbie & Bell (2013: 179), the definition of locus of control is "the degree to which individuals believe they are in control of their own future." Meanwhile, according to Lee (2013: 1048), "Locus of control is a psychological concept that relates to personality."

According to Hellrigel et al. (2010), locus of control refers to the extent to which individuals believe they can control events that affect them. When financial behavior is considered, locus of control reflects whether a person believes that if the individual manages finances well, he will achieve the expected results, namely financial satisfaction or a stable financial position.

Locus of control is divided into two categories, namely internal locus of control and external locus of control (Grable et al., 2009). Internal locus of control reflects that someone believes that he is their finances. Practices that will determine their financial well-being, so individuals tend to show more responsible financial behavior. In contrast, the external locus of control believes that their destiny is primarily determined by factors beyond their control, such as luck, fate, and chance. Random and external forces determine their perceptions, so they are not motivated to display responsible financial behaviors such as controlling expenses, budget planning, and careful financial planning. Individuals with a strong internal locus of control are more likely to (a) be more aware of their environment, (b) take steps to improve their environment, (c) place more value on their skills and pay more attention to their abilities, and (d) be more resilient to subtle attempts to influence them (Rotter, 1966).

Based on some of the definitions described, it can be concluded that locus of control is a psychological concept that refers to the extent to which an individual has confidence in the source of events that occur in his life. Where a success, achievement, and failure in his life is controlled by the individual concerned, such as interests, abilities, and effort (internal factors), or controlled by other forces, such as the influence of individuals in power, opportunity, luck, and fate (external factors).

### ***Income***

According to economics, Income is the maximum value that a person can consume in a period by expecting the same condition at the end of the period as in the original state. This definition can be interpreted as a quantitative pattern of expenditure on consumption during a period. An individual's annual income can come from wages, business establishments, and various investments. The majority of Indonesians, the most significant component of their total income, comes from wages and salaries.

Garman & Fogue (2000: 36-37) defines with "Income or Income is not only obtained from salary or wages, but there are many types of Income that individuals must also include in Income such as bonuses and commissions, child support and support, public assistance, security benefits. Social, pension, and revenue sharing, scholarships and grants, interest and dividends received (from savings accounts, investments, bonds, or

loans to others), income from the sale of assets, and other income (gifts, tax refunds, rent, royalty).

Income can have various meanings, depending on which side to consider the definition of Income. In this study, researchers will focus on the Income generated by individuals or individuals. In this case, Income is defined as the total amount of money received by a person or household each month.

## RESEARCH METHOD

Research conducted using quantitative methods will use existing theories and then prove them with existing data in the field. With a combination of existing theory and data, the researcher can make a decision. The population in this study were students of Master of Management, State University of Jakarta. This study's sample population was selected based on the criteria of active students and had received a registered matriculation program from February 2015 to February 2017, totaling 247 students. Following the type of data required, namely primary data and the sampling technique used by stratified random sampling, data collection is based on distributing questionnaires. The measurement scale used to measure the dependent variable's indicators and the independent variable is to use a Likert scale (1 - 7).

Table 1. Likert scale

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Disagree Less	Netral	Some what Agree	Agree	Strongly Agree

In this study, multiple linear regression tests were conducted to test the relationship between financial behavior variables (Y) and financial knowledge (X1), financial attitudes (X2), and locus of control (X3) using a Likert scale, while the income variable (X4) used Categorical scale was tested with the univariate ANOVA test.

## RESULT AND DISCUSSION

### *Research Result*

The results of the descriptive analysis show the minimum value > 70% with the highest value in the financial attitude dimension, which reaches 87%, and the lowest value is in the locus of control dimension of 79%. (details in appendix 1).

Table 2. Summary of Respondents Outcome Index

Statement	Index Achievements
	(0 - 100)
Dimensions of Personal Financial Behavior	83%
Dimensions of Financial Knowledge	83%
Dimensions of Financial Attitude	87%
Dimensions of Locus of Control	79%

Source: Primary Data Processing Results, 2019

The following is a table of the results of the F Test carried out using SPSS 22:

Table 3. Results of Simultaneous Influence (Test Statistic F)

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1636,361	3	545,454	26,853	.000 <sup>b</sup>
Residual	2153,130	106	20,313		
Total	3789,491	109			

a. Dependent Variable: Financial Behavior (Y)

b. Predictors: (Constant), Locus of Control (X3), Financial Knowledge (X1), Financial Attitude (X2)

Source: Primary data from SPSS 22 (2019)

Based on these results, it is known that  $F_{count} (26,853) > F_{table} (3.08)$  with a significant level below 0.05, namely 0.000, the hypothesis is accepted, so it can be concluded that financial knowledge, financial attitudes, and locus of control have a significant effect together. Against personal financial behavior.

The following are the results obtained after processing the data obtained using SPSS 22:

Table 4. Results of Multiple Regression Linear Analysis

Coefficients<sup>a</sup>

Model	Unstandardize d Coefficients	Standardize d Coefficients	t	Sig.
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	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
1 (Constant)	8,324	4,949		1,682	,096
Pengetahuan Keuangan (X1)	,551	,139	,340	3,968	,000
Sikap Keuangan (X2)	,575	,122	,408	4,700	,000
Locus of Control (X3)	,040	,154	,020	,257	,798

a. Dependent Variable: Financial Behavior (Y)

Source: Primary data from SPSS 22 (2019)

These results can be expressed in the regression equation as follows:

$$Y = 8,324 + 0,551 X1 + 0,575 X2 + 0,040 X3 + \varepsilon$$

The results of hypothesis testing show: 1) There is an effect of financial knowledge on financial behavior with the  $t_{\text{statistic}}$  obtained by  $3,968 > t_{\text{table}} = 1,659$  and the value of  $\text{prob.value} = 0,000 < 0,05$ , then H1 is accepted and significant. 2) There is a direct and significant positive effect of financial attitudes on personal financial behavior with the  $t_{\text{statistic}}$  obtained at  $4,700 > t_{\text{table}} = 1,659$  and the value of  $\text{prob. value} = 0,000 < 0,05$ , then H1 is accepted and significant 3) Locus of control has not influenced personal financial behavior with  $t_{\text{statistics}}$  obtained by  $0,257 < t_{\text{table}} = 1,659$  and the value of  $\text{prob.value} = 0,798 > 0,05$ , then H1 is not accepted.

The following are the results of the univariate ANOVA test obtained using SPSS 22:

Table 5. Univariate ANOVA Test Results

ANOVA

Financial Behavior (Y)

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Between Groups	335,813	3	111,938	3,436	,020
Within Groups	3453,678	106	32,582		
Total	3789,491	109			

Source: Primary data from SPSS 22 (2019)

Based on the table, income has a significant influence on personal financial behavior with the test results showing an F value of 3,436 with a Sig of 0,020  $< 0,05$ , then H1 is acceptable, so it can be concluded that there is a significant difference in the personal

financial behavior of the respondents based on the four income categories. Testing the hypothesis proves that income affects personal financial behavior.

### ***Discussion***

Hypothesis testing 1: The effect of financial knowledge on personal financial behavior shows that financial knowledge on personal financial behavior is directly and significantly positive with  $t_{\text{statistic}} = 3,968 > t_{\text{table}} = 1.659$  and  $\text{prob} = 0.000 < 0.05$  then H1 is accepted and significant. So it can be concluded that there is a positive and significant influence between financial knowledge on acceptable personal financial behavior, or the hypothesis is statistically tested. The indexation results show that the dimension of financial knowledge reaches 83%; these results support statistical tests to prove that financial knowledge significantly influences personal financial behavior. The results of the study, which showed that there was a positive and significant influence between financial knowledge on personal financial behavior, were supported by Perry & Morris (2005) and Qamar et al. (2016), which proved that higher levels of financial knowledge were more likely to be involved in responsible financial management behavior. Answer. These results are also in line with research conducted by Andrew and Nanik (2014), which shows a significant relationship between financial knowledge and financial management behavior.

Hypothesis testing 2: The influence of financial attitudes on personal financial behavior shows that financial attitudes affect personal financial behavior directly and positively with the  $t_{\text{statistic}} = 4,700 > t_{\text{table}} = 1.659$  and  $\text{prob value} = 0.000 < 0.05$ , then H1 is accepted and significant. This is in line with the research of Mien & Thao (2015), which states that the results of their research prove that financial attitudes are significantly positively related to financial behavior. The better the financial attitude, the better the financial management behavior that is owned. Parrotta & Johnson (1998) also supported the results of this study in Mien & Thao (2015), which states that financial attitudes can be considered as psychological tendencies expressed when evaluating recommended financial management practices with several levels of agreement or disagreement. Several other studies have also concluded that financial attitudes play an essential role in determining a person's financial behavior (Davis & Schumm, 1987; Shin & Ke, 2014).

Hypothesis testing 3: Internal locus of control has not influenced personal financial behavior with tstatistic obtained  $0.257 < t_{table} = 1.659$  and the value of prob.value =  $0.798 > 0.05$  then H1 is not accepted. These results are not sufficient to prove that internal locus of control will affect personal financial behavior. It has not been proven that testing the effect of locus of control on financial behavior is possible because of the respondents' different characteristics.

Based on the income test results, the F value of 3,436 with a Sig of 0.020  $< 0.05$ , then H1 is acceptable, so it can be concluded that there is a significant difference in the personal financial behavior of the respondents based on the four income categories. Testing the hypothesis proves that income affects personal financial behavior. This is supported by Perry & Morris (2005), who state that higher resources result in better financial behavior. More income will indicate a more responsible financial management behavior, considering that the available funds provide an opportunity to act responsibly.

## **CONCLUSION**

Based on the results of processing and analyzing primary data about the effect of financial knowledge, financial attitudes, locus of control, and income on personal financial behavior in Master of Management students at the State University of Jakarta, it can be concluded that simultaneously financial knowledge, financial attitudes, locus of control, and income has a positive and significant effect on personal financial behavior. Partially, financial knowledge and financial attitudes positively and significantly affect personal financial behavior among Masters of Management students at the State University of Jakarta. These results indicate that the higher a student's financial knowledge and financial attitude will affect his financial behavior to produce better financial decisions. With proper financial management, it is hoped that someone can benefit from the money they have.

The income test, which was carried out separately using the Univariate One-Way ANOVA test, proved significant differences in respondents' financial behavior with four income categories. Based on these results, it is known that income affects personal financial behavior. More income will indicate a more responsible financial management behavior, considering that the available funds provide an opportunity to act responsibly.

This study also proves that internal locus of control has not significantly affected Master of Management students' personal financial behavior at the State University of Jakarta. It has not been proven that testing the effect of locus of control on financial behavior is possible because of the respondents' different characteristics.

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