JURNAL PENDIDIKAN USIA DINI
2026, VOL. 20, NO. 2, 210-221
e-ISSN (Online Media): 2503-0566
P-ISSN (Print Media): 1693-1602
http://journal.unj.ac.id/unj/index.php/jpud

# Psychological, Sociodemographic, and Financial Literacy Factors in Early Childhood Education Financial Planning among Millennial Parents in Aceh

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**ABSTRACT**
Education fund planning from early childhood is an important aspect of ensuring sustainable access to quality education. This study aims to analyze the influence of psychological factors, sociodemographic characteristics, and financial literacy on education fund planning among millennial parents with early childhood-aged children in Aceh. Psychological factors are represented by future time perspective and financial risk tolerance, while sociodemographic characteristics include parents' education level and income. This study employed a quantitative approach using primary data collected through a structured questionnaire from 92 millennial parents with early childhood-aged children in Aceh. The data were analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach with SmartPLS. The results show that financial risk tolerance has a significant effect on education fund planning. In contrast, future time perspective, parents' education level, income, and financial literacy do not have statistically significant effects. These findings indicate that financial risk tolerance plays an important role in parents' education fund planning, while long-term orientation, socioeconomic characteristics, and financial knowledge do not necessarily translate into significantly different education fund planning behavior. The findings contribute to the literature on family financial planning by providing empirical evidence on the role of psychological and financial factors in education fund planning among millennial parents in Aceh. The results suggest that financial planning programs should not focus solely on increasing financial knowledge but may also consider parents' financial risk perceptions, risk management, and financial decision-making behavior.

**Artikel HISTORY**
Submition 19 December 2025
Received 6 October 2026
Accepted 3 November 2026

**KEYWORDS**
Early Childhood, Education, Education, Fund Planning, Millenial Parents,

DOI.
10.21009/jpud.v20i2.64235

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## 1. Introduction

Education is the primary foundation for the development of high-quality human resources. Parents must have adequate financial readiness to ensure the continuity of their children's education in the future. However, the high cost of education poses a significant challenge for parents, particularly for the millennial generation. They must balance various financial needs in family (Agnes Renata Rajagukguk et al., 2023; Cahya et al., 2023; Gerasimova et al., 2022; Kalmi & Ruuskanen, 2018). The cost of education is still a burden for families in Aceh. This cost is high when compared to the Aceh Provincial Minimum Wage (UMP) of IDR 3,460,672 per month, as per the Decree of the Governor of Aceh No. 560/1666/2023 (Liputan6.com, 2024). Meanwhile, the average total cost of education from elementary school to university is estimated to reach IDR 309,876,462 (Wen et al., 2024). The cost of education is estimated to continue to increase every year (Zaniarti et al., 2022). Based on data from the Central Statistics Agency (BPS, 2025), Aceh Province ranks first out of 38 provinces with a percentage of young people (15 to 24 years old) who are not in school, working, or attending training in 2024, which is 28.56% (BPS, 2025). Conditions show that without careful financial planning, many families experience difficulties in ensuring the sustainability of their children's education.

The sustainability of children's education is greatly influenced by the financial readiness of parents in financing their educational needs. Economic factors are the main cause of dropping out of school for children aged 7 to 24 years in Indonesia. Based on data from the Central Statistics Agency (BPS), 76% of families stated that economic limitations were the main reason for children not continuing their education (Basmatulhana, 2022). The condition of economic limitations is further exacerbated by the unstable macroeconomic situation. Global trade tensions, such as the trade war between the United States and China, have had a negative impact on the performance of the global economy, including Indonesia (Boylan et al., 2021; Carvalho et al., 2019; Zeng et al., 2022). The United States imposed an increase in import tariffs on products from China (Carvalho et al., 2019). The Chinese government also responded with similar actions (Fetzer & Schwarz, 2021). The protectionist policies implemented by the two countries caused disruption in international supply chains and increased global market uncertainty (Zeng et al., 2022).

Global uncertainty also suppressed the weakening rupiah exchange rate to the level of Rp 16,600 per US dollar and caused a decline in the Composite Stock Price Index (JCI) from 7,772 in October 2024 to 6,076 in March 2025, which is a decrease of 19.48% in just five months (BBC News Indonesia, 2025). These conditions reflect weak domestic macroeconomic stability and are exacerbated by limited fiscal space. This makes Indonesia even more vulnerable to future economic crises. Family financial management is also becoming increasingly complex. Many individuals experience losses due to consumptive behavior, uncontrolled spending, and a lack of understanding of the difference between productive and consumptive loans (Megasari, 2017). Therefore, financial literacy is important because it can encourage good financial planning, especially financial planning for children's education (Yeo et al., 2024).

Millennial parents born between 1981 and 1996 have unique characteristics towards financial planning. Various studies show that this generation is very familiar with digital technology, utilizing financial applications and social media to obtain information and conduct daily financial transactions (Soge et al., 2024). However, financial literacy among millennials still shows considerable variation. Despite having extensive access to information, not all millennial parents can manage their finances well, thus posing risks in long-term financial planning (Ridhwan et al., 2021). In addition, consumptive character is one of the main challenges faced by this generation. The culture of instant consumption and the encouragement of modern lifestyles often hinder commitment to setting aside funds for children's education (Ulfah et al., 2022).

Financial planning for millennial parents who have early childhood is a very important need to prioritize. Based on (BPS, 2022), the number of people aged 0-4 years in Aceh reached 492,497 people, consisting of 251,875 boys and 240,622 girls. This data shows the potential for a large number of early childhood children. Parents who have an early childhood in Aceh need to pay attention in planning their children's education in the future, considering that the high cost of education is projected to continue to increase every year. The financial preparation of children's education in the future is suspected to be influenced by psychological, sociodemographic, and financial literacy factors. The psychological factors in this study were focused on future perspectives and tolerance to financial risks. A future perspective reflects the extent to which an individual is able to project and manage future needs based on current conditions. Meanwhile, tolerance for financial risk indicates the level of risk that individuals are willing to accept in the financial decision-making process. These two factors play a key role in determining the allocation behavior of an investment portfolio, given that financial decisions depend heavily on how much risk an individual can accept (Tomar et al., 2021). Psychologically, humans tend to prioritize short-term satisfaction over long-term benefits (Choung et al., 2022). In the context of educational planning, this can be an obstacle in allocating education funds from an early age, especially if parents do not have an understanding and awareness of the urgency of investing in children's education.

Differences in sociodemographic characteristics may contribute to differences in parents' financial planning behavior. Previous studies have shown that sociodemographic factors are associated with financial literacy and financial well-being (Fachrudin et al., 2022; Feyissa & Gebbisa, 2021; Widityani et al., 2020), while financial literacy has been linked to financial planning and financial decision-making (Larisa et al., 2021) evertheless, prior research has generally examined these factors separately or focused on broader financial outcomes, such as general financial behavior, financial literacy, financial

well-being, or investment decisions. Less attention has been given to how psychological factors, sociodemographic characteristics, and financial literacy interact within the context of parents' financial planning for their children's future education. This gap is particularly relevant among millennial parents with young children, whose education-related financial needs require long-term preparation but remain underexamined, particularly in Aceh.

Aceh offers a relevant setting for examining this issue amid economic challenges and rising education costs. Millennial parents with young children must make long-term financial decisions while managing their psychological orientations, sociodemographic circumstances, and financial knowledge. Therefore, this study examines how psychological factors, sociodemographic characteristics, and financial literacy influence education financial planning among millennial parents with young children in Aceh. By bringing these three dimensions together in a single analytical framework, this study provides a more comprehensive explanation of education financial planning than approaches that consider financial literacy or individual determinants in isolation.The study consequently extends the discussion of education financial planning beyond conventional financial factors by considering the combined contribution of psychological and sociodemographic characteristics. The findings may also support the development of more targeted financial education and family financial planning programs that address the diverse circumstances of parents preparing for their children's future educational needs.

## 2. Method

This study is an associative quantitative research that used to test the relationship or influence between variables statistically (Sugiyono, 2017; Syamsul et al., 2023). The population in this study is millennial parents in Aceh who have early childhood (0-6 years). Millennials are defined as individuals born between 1981-1996 (BPS, 2021). Based on the population census and data from (BPS, 2022), it is estimated that the number of millennial parents who are married and have early childhood in Aceh amounts to 1,230,021, which is used as the basis for sample withdrawal. This research will be conducted in Aceh Province, Indonesia. The accidental sampling technique was chosen, that is a non-probability sampling technique that selects respondents based on who is found by chance and according to the criteria that have been set. To increase the geographical representativeness of the sample in Aceh, data collection was carried out at several different points in the Banda Aceh, Aceh Besar, Nagan Raya, West Aceh, and Takengon are as and at various times. Based on the sample size, it is determined using the Yamane formula (Sugiyono, 2021).

$n$ =N1+N(e)2

$$n = \frac{1.230.021}{1 + 1.230.021(0,1)^2} = \frac{1.230.021}{1 + 1.230.021 \times 0,01}$$

$$n = \frac{1.230.021}{1 + 12.300,21} = \frac{1.230.021}{13.300,21} \approx 92,48$$

With an error rate (e) of 10%, a sample size of around 92 respondents was obtained. Participation in this study was entirely voluntary. Respondents were provided with an informed consent statement detailing the research objectives, the confidentiality of their responses, and their right to withdraw from the survey at any time without penalty. To ensure privacy and data protection, all collected data were kept anonymous, stored securely, and used strictly for academic and analytical purposes. Data collection was carried out through a survey method through the questionnaire as Tabel below.

Table 1. Operational Definitions of Research Variables

| Variable | Sub-Variables / Indicators | Items / Dimensions | Measurement Scale | Source |
|---|---|---|---|---|
| **Future Time Perspective (FTP)** (X1) | 1. Envisioning the future.<br>2. Developing long-term plans<br>3. Awareness of future needs<br>4. Setting future priorities<br>5. Readiness to manage time | FTP1–FTP8 | Likert Scale (1–5) | (Agnes Renata Rajagukguk et al., 2023) |

| | | | | | |
|---|---|---|---|---|---|
| | 6. Awareness of consequences<br>7. Motivation to save/invest<br>8. Perceived relationship between present actions and future outcomes | | | | |
| **Financial Risk Tolerance (FRT)** (X2) | 1. Willingness to take investment risks<br>2. Preference for risky financial instruments<br>3. Attitude toward potential losses<br>4. Preference for safety versus returns | Score 13–47 (Grable–Lytton Scale) | Interval (score scale) | (Agnes Renata Rajagukguk et al., 2023; Kuzniak et al., 2015) | |
| **Sociodemographic – Education (EDU)** (X3) | 1. Respondent's highest level of educational attainment (Elementary School, Junior High School, Senior High School, Diploma, Bachelor's, Master's, Doctoral) | EDU1 | Nominal (categorical) | (Agnes Renata Rajagukguk et al., 2023) | |
| **Sociodemographic – Income (INC)** (X4) | 1. Monthly household income level (< IDR 5 million; IDR 5–10 million; > IDR 10–20 million; etc.) | INC1 | Ordinal (income category) | (Agnes Renata Rajagukguk et al., 2023) | |
| **Financial Literacy (FL)** *(Mediating Variable)* | 1. **Financial Knowledge:** understanding of basic financial concepts, including interest, inflation, investment, and insurance<br>2. **Financial Behavior:** saving, budgeting, investing, and financial control<br>3. **Financial Attitude:** discipline, long-term orientation, and prudent financial attitudes | FL1–FL? (items based on each dimension) | Likert Scale (1–5) | (Agnes Renata Rajagukguk et al., 2023; Huston, 2009) | |
| **Children's Education Fund Planning (EFP)** (Y) | 1. Setting aside funds for children's education<br>2. Preparing a specific budget for education expenses<br>3. Making investments specifically for children's education<br>4. Long-term commitment to education savings<br>5. Readiness to cope with increasing education costs<br>6. Consistency in monthly allocation of education funds | EFP1–EFP6 | Likert Scale (1–5) | (Agnes Renata Rajagukguk et al., 2023) | |

Data analysis was carried out using multiple linear regression to determine the simultaneous and partial influence of psychological, sociodemographic, and financial literacy variables on children's educational financial planning. Based on the conceptual framework and variables used in this study, the influence of psychological, sociodemographic, and financial literacy factors on early childhood education financial planning is analyzed using the following multiple linear regression equation:

$$EFP=\beta0+\beta1FTP+\beta2FRT+\beta3PD+\beta4PT+\beta5FL+\varepsilon$$

**Where:**

EFP : Education Fund Planning
FTP : Future Time Perspective
FRT : Financial Risk Tolerance
PD : Education Level
PT : Income
FL : Financial Literacy
$\beta_1 - \beta_5$ : Regression Coefficients
ε : Error Term

## 3. Result

### 3. 1 Outer Model Test Results

This study uses outer model testing, it is carried out to confirm that each question item in the questionnaire is really able to accurately represent the research construct. The convergent validity test is used to find out the extent to which the indicators used are able to represent the variables being measured. An indicator is declared valid if the loading factor value ≥ 0.7, because it shows that the indicator has a strong contribution to latent variables (Michael Musyaffi et al., 2022). The test results are presented in table 1. This table shows that all indicators have met the validity requirements because the loading factor value is above 0.7.

**Table 1. Convergent Validity Test Result**

| | EFP | FL | FRT | FTP | PD | PT |
|---|---|---|---|---|---|---|
| **EFP 1** | 0.821 | | | | | |
| **EFP 2** | 0.909 | | | | | |
| **EFP 3** | 0.875 | | | | | |
| **EFP 4** | 0.863 | | | | | |
| **EFP 5** | 0.872 | | | | | |
| **EFP 6** | 0.912 | | | | | |
| **FL 1** | | 0.798 | | | | |
| **FL 2** | | 0.765 | | | | |
| **FL 3** | | 0.767 | | | | |
| **FL 4** | | 0.786 | | | | |
| | **EFP** | **FL** | **FRT** | **FTP** | **PD** | **PT** |
| **FL 6** | | 0.749 | | | | |
| **FL 7** | | 0.753 | | | | |
| **FL 8** | | 0.708 | | | | |
| **FL 9** | | 0.729 | | | | |
| **FL 10** | | 0.775 | | | | |
| **FL 11** | | 0.762 | | | | |
| **FL 12** | | 0.724 | | | | |
| **FRT 1** | | | 0.818 | | | |
| **FRT 2** | | | 0.758 | | | |
| **FRT 3** | | | 0.815 | | | |
| **FRT 4** | | | 0.711 | | | |
| **FTP 1** | | | | 0.763 | | |
| **FTP 2** | | | | 0.746 | | |
| **FTP 3** | | | | 0.797 | | |
| **FTP 4** | | | | 0.814 | | |
| **FTP 5** | | | | 0.861 | | |
| **FTP 6** | | | | 0.846 | | |
| **FTP 7** | | | | 0.790 | | |
| **FTP 8** | | | | 0.859 | | |
| **PD** | | | | | 1.000 | |
| **PT** | | | | | | 1.000 |

Source: Data processed, 2025

Next, discriminatory validity testing was carried out using **the Heterotrait-Monotrait Ratio of Correlations (HTMT)** method. The HTMT method was chosen because it is considered more

accurate and sensitive than traditional approaches such as Fornell-Larcker criteria and cross-loading analysis. The HTMT value obtained is then compared to the suggested threshold limit, which is ≤ 0.85, to assess the extent to which an indicator in the construct can distinguish itself from other constructs. The test results are presented in table 2. The table shows that all constructs obtained an HTMT value ≤ 0.85, so that all variables can be declared to have adequate discriminant validity.

**Table 2. Discriminant Validity Test Result**

| | EFP | FL | FRT | FTP | PD | PT |
|---|---|---|---|---|---|---|
| **EFP** | | | | | | |
| **FL** | 0.122 | | | | | |
| **FRT** | 0.452 | 0.248 | | | | |
| **FTP** | 0.125 | 0.122 | 0.077 | | | |
| **PD** | 0.065 | 0.066 | 0.121 | 0.074 | | |
| **PT** | 0.112 | 0.065 | 0.099 | 0.109 | 0.368 | |

Source: Data processed, 2025

The Average Variance Extracted (AVE) test functions to assess the level of ability of indicators in a construct to explain the variants it contains. A construct is declared to meet the criteria of convergent validity if the resulting AVE value exceeds 0.5, which indicates that more than half of the variance of the indicator can be explained by the latent construct measured (Michael Musyaffi et al., 2022). The results of the AVE Test can be seen in the following Table 3. The table shows that all variables have an AVE value greater than 0.50, so it can be concluded that all variables qualify according to the minimum value that has been determined.

**Table 3. Average Variance Extraced (AVE) Test Result**

| Variabel | AVE |
|---|---|
| EFP | 0.767 |
| FL | 0.577 |
| FRT | 0.603 |
| FTP | 0.657 |

Source: Data Processed, 2025.

In this research, reliability test is carried out by evaluating the combined reliability value of each group of indicators that function to measure each variable. A variable can be declared to have good reliability if the composite reliability value obtained is greater than 0.7. The results of the composite reliability value calculation using SmartPLS 4.0 software are presented in Table 4. The table shows that all variables have a composite reliability value greater than 0.7, so it can be concluded that all variables are declared reliable.

**Table 4. Composte Reliability Test Result**

| Variabel | *Composite Reliability* |
|---|---|
| EFP | 0.952 |
| FL | 0.942 |
| FRT | 0.859 |
| FTP | 0.939 |

Source: Data Processed, 2025

Cronbach's Alpha is used to measure the level of internal consistency between indicators in each variable. A variable is considered reliable if it has a Cronbach's Alpha value above 0.6 (Michael Musyaffi et al., 2022). The results of the calculation of Cronbach's Alpha value obtained through data processing using SmartPLS 4.0 software can be seen in Table 5. The table shows that Cronbach's alpha values of all variables exceed 0.7, so it can be concluded that these variables meet the reliability criteria.

**Table 5 Cronbach's Alpha Test Result**

| Variabel | *Cronbach's Alpha* |
|---|---|
| EFP | 0.939 |
| FL | 0.937 |
| FRT | 0.783 |
| FTP | 0.935 |

Source: Data processed,2025.

3. 2. Inner Model

The R-Square value serves to measure the extent to which independent variables are able to explain the variations that occur in dependent variables in a structural model. Based on the opinion of (Hair et al., 2019), the R Square value is classified into three levels, namely 0.75 indicates a strong level, 0.50 indicates a moderate level, and 0.25 indicates a weak level. In other words, the greater the value of the R Square, the better the model's ability to describe the relationships between the variables being studied. The results of data analysis using SmartPLS 4.0 software produced an R Square value that reflects the level of predictive power of this research model.

***Tabel 6 R Square Test Result***

| Variabel | *R Square* | Klasifikasi |
|---|---|---|
| EFP | 0.204 | Lemah |

*Sumber : Data diolah, 2025.*

Based on Table 6, it can be seen that the education fund planning (EFP) variable obtained an R Square value of 0.204 which is included in the weak category. This value shows that the independent variables in this study, namely future perspective, risk tolerance, education, income, and financial literacy, together were only able to explain 20.4% of the variation that occurred in the EFP variable. Meanwhile, the remaining 79.6% was influenced by other factors outside the research model that had not been included in the analysis. Thus, although these five independent variables contribute to education fund planning, the predictive power of the model is still relatively low. Therefore, further research is recommended to add other variables such as financial behavior, level of investment awareness, or family support, so that the developed model can provide a more comprehensive explanation of education fund planning behavior.

Next, F Square ($F^2$), test is used to evaluate the magnitude of the influence exerted by each construct on the endogenous variables in the research model. Based on the guidelines put forward by (Hair et al., 2019), the $f^2$ value can be classified into three categories, namely **0.02** indicates a small influence, **0.15** indicates a moderate influence, and **0.35** indicates a large influence. Through this test, researchers can gain a deeper understanding of the contribution of each independent variable to the dependent variable. The results of the calculation of the $f^2$ value in this study are presented in Table 7 as follows.

**Table 7. F Square Test Result**

| Variabel | *F Square* | Besarnya Pengaruh |
|---|---|---|
| FL -> EFP | 0.002 | Kecil |
| FRT -> EFP | 0.186 | Sedang |
| FTP -> EFP | 0.030 | Kecil |
| PD -> EFP | 0.000 | Kecil |
| PT -> EFP | 0.012 | Kecil |

Source: Data processed, 2025

Based on the results of the $f^2$ test shown in Table 7, it is known that each independent variable has a different level of influence on the dependent variable, namely education fund planning (EFP). The $f^2$ value for financial literacy (FL) is 0.002, which indicates that financial literacy has very little influence on education fund planning. This can be interpreted that the level of respondents' understanding of financial management has not fully played a role in determining the behavior of planning children's education funds. Furthermore, the financial risk tolerance (FRT) variable has an $f^2$ value of 0.186 which is included in the category of moderate influence. This means that tolerance for financial risks makes a significant contribution to EFP. The higher an individual's ability to deal with financial risks, the greater their tendency to plan their education funds carefully. Meanwhile, the future time perspective (FTP) variable obtained an $f^2$ value of 0.030 which was included in the category of small influence. This shows that respondents' views of the future have an effect on education fund planning, although not very strongly. The educational variable (PD) has an $f^2$ value of 0.000, which means that it does not have a significant effect on EFP. Thus, the respondents' education level was not the main factor that determined their behavior in planning children's education funds. Finally, the income variable (PT) has an $f^2$ value of 0.012 and belongs to the category of small influence. These findings indicate that although income plays a role in a person's financial ability, it has not been a major driver in education fund

planning behavior. Overall, these results show that psychological factors such as risk tolerance have a greater influence than sociodemographic factors and financial literacy in explaining the education fund planning behavior of millennial parents in Aceh.

### 3. 3. Hypothesis Testing Result

Hypothesis evaluation in this study was carried out by assessing the level of significance of the relationship between variables through t-statistical values and p-values. The test was carried out with SmartPLS 4.0 software with the bootstrapping method. This analysis was carried out at a bidirectional significance level of 5 percent, where the hypothesis was declared acceptable if the t-statistical value exceeded the t-table value of 1.986 and the p-value was below 0.05. Under these conditions, H0 was declared rejected and Ha was accepted. The results of the calculations from the hypothesis test are presented in Table 8. The table presents the results of hypothesis testing regarding the influence of psychological, sociodemographic, and financial literacy factors on children's education fund planning for millennial parents in Aceh. Path coefficient analysis is used by considering t-statistical values (>1.986) and p-values (<0.05) as the basis for determining whether a hypothesis is accepted or rejected.

**Table 8. Path Coefficient Mean, STDEV, T-Values, P-values result**

| | *Original sample (O)* | *Sample mean (M)* | *Standard deviation (STDEV)* | *T statistics (\|O/STDEV\|)* | *P values* |
|---|---|---|---|---|---|
| FL -> EFP | 0.045 | 0.080 | 0.156 | 0.290 | 0.771 |
| FRT -> EFP | 0.396 | 0.383 | 0.103 | 3.838 | 0.000 |
| FTP -> EFP | -0.155 | -0.130 | 0.185 | 0.840 | 0.401 |
| PD -> EFP | -0.011 | -0.021 | 0.103 | 0.108 | 0.914 |
| PT -> EFP | 0.107 | 0.103 | 0.092 | 1.167 | 0.243 |

Source: Data Processed, 2025

Based on the test results, the Future Time Perspective (FTP) variable has a coefficient value of -0.155 with a t-statistic value of 0.940 and a p-value of 0.401. A p-value greater than 0.05 indicates that the influence of future perspective on education fund planning (EFP) is not significant. This means that an individual's view of the future or long-term time orientation does not directly drive financial planning behaviors, particularly in the context of child education fund planning. In other words, even if one has an awareness of the importance of the future, it is not necessarily manifested in concrete actions in the form of targeted financial planning.

The second hypothesis states that risk tolerance has a positive and significant effect on education fund planning. The test results showed a coefficient value of 0.396, with a t-statistic of 3.838 and a p-value of 0.000. This value met the significance criteria ($p < 0.05$ and $t > 1.986$), so it can be concluded that risk tolerance has a positive and significant effect on education fund planning. This means individuals with higher levels of risk tolerance tend to have greater desire and courage to plan long-term finances, including children's education funds.

The education variable (PD) showed a coefficient value of -0.011 with a t-statistic of 0.108 and a p-value of 0.914. These results show that education has a negative and insignificant influence on education fund planning. This condition indicates that a person's level of formal education does not always correlate with good financial planning behavior. This may be due to the fact that financial decisions are influenced more by practical experience, family values, or habits in managing daily finances than by educational background alone.

The income variable (PT) has a positive coefficient value of 0.107 with a t-statistic of 1.167 and a p-value of 0.243. Because the p value exceeds the significance limit of 0.05, it can be concluded that income does not have a significant effect on education fund planning. These results show that even if a person has a high income level, it does not necessarily encourage better financial planning behavior. In the context of millennial parents in Aceh, non-economic factors such as financial awareness, family priorities, and personal motivation may have a greater role than income factors themselves in determining education fund planning behavior.

The financial literacy variable (FL) has a coefficient value of 0.045 with a t-statistic of 0.290 and a p-value of 0.771. This value shows that financial literacy does not have a significant effect on education fund planning. This means that even if individuals have an understanding and knowledge of financial concepts, it does not necessarily encourage them to do real financial planning, including in terms of

children's education funds. These findings show that knowledge alone is not enough without strong psychological, motivational, or financial discipline factors to implement that knowledge in concrete planning actions.

**Table 9. Summary of Hypothesis Testing Results**

| No. | Hipothesis | Result | Conclusion |
|---|---|---|---|
| 1 | Future perspectives have a significant impact f on education fund planning | *t-statistik* 0,940 < t-tabel 1,986 and *p-value* 0,401 > 0,05 | **Rejected** |
| 2 | Risk Tolerance has a significant effect on education fund planning | *t-statistik* 3,838 > t - tabel 1,986 *p-value* 0,000 < 0,05 | **Accepted** |
| 3 | Education has a positive effect on education fund planning | *t-statistik* 0,108 < t-table 1,986 *p-value* 0,914 > 0,05 | **Rejected** |
| 4 | Income has a significant effect on education fund planning | *t-statistik* 1,167 < t-table 1,986 *p-value* 0,243 > 0,05 | **Rejected** |
| 5 | Financial Literacy has a significant effect on education fund planning | *t-statistik* 0,290 < t-table 1,986 *p-value* 0,771 > 0,05 | **Rejected** |

## 4. Discussion

4.3. The Influence of Future Perspectives on Education Fund Planning

The results of the study show that future time perspective does not exert a significant direct effect on education fund planning (p = 0.401). This finding suggests that a future-oriented perspective alone may not be sufficient to translate long-term orientation into concrete education financial planning behavior. While prior empirical studies by (Choung et al., 2022) emphasize that future-oriented individuals typically prioritize long-term financial utility, our results align instead with bounded rationality frameworks and hyperbolic discounting models. This suggests that abstract cognitive framing of the future fails to overcome present bias and immediate consumption pressures unless supported by tangible, structured milestones. Practically, this implies that policy interventions cannot rely solely on raising long-term awareness; instead, they must implement behavioral commitment devices and automatic savings mechanisms to bridge the intention-action gap

4.4. The Effect of Risk Tolerance on Education Fund Planning

The empirical findings demonstrate that financial risk tolerance has a positive and significant effect on education fund planning (p = 0.000). This robustly reinforces prospect theory and modern portfolio investment frameworks, which posit that individual risk attitude dictates asset allocation and commitment choices under economic uncertainty. Compared to prior empirical evidence by (Tomar et al., 2021) concerning psychological determinants of financial planning, the present study provides further evidence that risk tolerance is associated with parents' willingness to engage in long-term education financial planning. Millennial parents who possess higher tolerance for financial volatility demonstrate greater psychological resilience and readiness to lock funds into dedicated, long-horizon education instruments. Theoretically, this extends the application of behavioral financial perspectives to the context of parents' long-term education fund planning. Practically, parents may benefit from selecting financial instruments that are consistent with their individual risk tolerance and long-term education funding goals.

4.5. The Influence of Education on Education Fund Planning

The statistical analysis reveals that formal education level does not exert a significant influence on education fund planning (p = 0.914), this finding suggests that formal educational attainment alone may not be sufficient to explain differences in education fund planning. Although earlier studies by (Fachrudin et al., 2022; Feyissa & Gebbisa, 2021) documented positive linkages between education and general household financial well-being, our findings reveal a distinct decoupling when examining specific, long-term child education budgeting. This divergence indicates that general academic

credentials do not automatically impart specialized budgetary execution or investment literacy. Consequently, sociological and behavioral frameworks must look beyond formal schooling status, emphasizing instead the role of community peer networks, experiential learning, and local cultural norms in shaping household financial habits.

4.6. The Influence of Income on Education Fund Planning

The study shows that household income does not have a significant effect on education fund planning ($p = 0.243$). This finding suggests that income level alone may not be sufficient to explain differences in parents' education fund planning behavior. Although macroeconomic constraints and regional minimum wage limitations pose severe economic pressures in Aceh, our results suggest that absolute capital availability does not automatically translate into disciplined fund allocation. This aligns with modern consumer behavior and behavioral economic perspectives, which emphasize that resource management is heavily mediated by individual spending preferences, subjective priorities, and psychological budgeting rather than cash-flow volume alone. These findings suggest that financial planning models may benefit from considering behavioral factors alongside economic resources when explaining education fund planning.

4.7. The Influence of Financial Literacy on Education Fund Planning

The empirical results indicate that financial literacy does not have a significant direct effect on education fund planning ($p = 0.771$). This finding is consistent with the possibility of a knowledge-behavior gap, whereby financial knowledge does not necessarily translate into concrete financial behavior. While foundational literature by (Yeo et al., 2024) and (Kalmi & Ruuskanen, 2018) highlights financial literacy as a core cornerstone of rational financial planning, our findings confirm that theoretical knowledge and cognitive comprehension do not guarantee practical execution. In the absence of supporting psychological drivers, self-control, and behavioral discipline, acquired financial knowledge remains latent. This extends current literature by demonstrating that public and institutional financial literacy programs must shift away from traditional information-delivery models toward experiential, habit-forming interventions that actively bridge the intention-action divide.

## 5. Conclusion

This study concludes that early childhood education fund planning among millennial parents in Aceh is predominantly driven by financial risk tolerance, while other psychological factors, sociodemographic characteristics, and financial literacy do not exert a direct significant effect. Parents with appropriate financial risk tolerance tend to demonstrate better long-term planning behavior for their children's education, whereas variables such as future time perspective, education level, income, and financial literacy show no significant impact. This indicates a potential gap between financial knowledge and actual planning behavior, where traditional socioeconomic markers do not automatically guarantee better financial planning. These findings imply that efforts to strengthen education fund planning should move beyond conventional literacy delivery, focusing instead on cultivating psychological readiness, risk management capacity, and behavioral discipline from early childhood.

## 6. Acknowledgement

The authors would like to express their sincere gratitude to Universitas Syiah Kuala (USK) for providing financial support for this study. The support and facilitation provided by USK were instrumental in enabling the completion of this research. The authors also extend their appreciation to all respondents who participated in this study and to all parties who contributed, directly or indirectly, to the successful implementation of this research..

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