


The link between attitudes towards money and saving habits. Case study of housewives in kupang city

Maria¹, Hans A. Lao²

^{1,2} Business Administration Department, State Polytechnic of Kupang

Article Info	ABSTRACT
Keywords: Attitude toward money Power-prestige Time retention Distrust Anxiety Saving habit	This study aims to investigate the relationship between attitudes towards money and savings behavior among household financial managers in Kupang City. Attitudes towards money are defined through the dimensions of power-prestige, time retention, distrust, and anxiety. Referring to the fields of financial management and psychology, this research forms relevant hypotheses. Data were analyzed using multiple regression analysis with the assistance of SPSS 26 software. The results of the study indicate that savings behavior is significantly influenced by attitude factors towards money, including power-prestige, time retention, distrust, and anxiety. These findings provide deeper insights into how psychological factors can affect savings behavior within the context of household financial management. This study contributes to a more comprehensive understanding of the factors influencing savings behavior and their implications for household financial management
This is an open access article under the CC BY-NC license 	Corresponding Author: Maria Business Administration Department, State Polytechnic of Kupang Lasiana, Kec. Klp. Lima, Kota Kupang, Nusa Tenggara Tim. 85258 maria.rante.lembang@pnk.ac.id

INTRODUCTION

The habit of saving is a positive thing that is recognized by all circles. Religious norms and social norms encourage one to be prepared for emergencies and in the achievement of certain goals, including financial preparation [1]. Unfortunately, the culture of saving in Indonesia is still not high. The Financial Services Authority said that compared to neighboring countries, the ratio of savings to Gross Domestic Product (GDP) is still behind Brunei Darussalam, Singapore and Thailand. The ratio of bank account ownership among adult Indonesians in 2016 was just under 50%, while the ratio of household savings to total income was only 8.5% [2]. Macro-wise, the large amount of public savings can help the government and private sector to invest in various sectors which in turn can improve the country's economy. Conversely, low savings rates make it difficult to invest so that the national economy stagnates [3].

In micro terms, the habit of saving in the household has a positive impact on many things for the household. One source of conflict in the household is financial problems that adversely affect harmony in the household which can even lead to divorce [1]. This is evidenced by data showing that more than 50% of divorces that occur in the United States are caused by poor household financial arrangements [4]. Poor financial management can also exert psychological stress, mentality, emotional and social relationships [5], it can even interfere with a person's spiritual and religious level [6]. Good household financial management can be reflected in how household financial managers can set aside a portion of their income for things that are urgent and often difficult to predict [7, 8]. Given the importance of saving habits in household management, many studies have been conducted to find out what factors make individuals usually save. We argue that saving habits are shaped by the attitude towards money of household financial managers.

The purpose of this study was to determine the relationship between attitudes towards money and the saving habits of household financial managers. Housewives were chosen as the population in this study because this demographic group is generally the manager of household finances who often make financial decisions. Money is a common language used by consumers. Attitudes toward money include every area related to daily life such as saving, spending, job performance, ideology, charity, or attitudes toward the environment. Because money is an organic part of human life, it plays an important role in emotional, psychic and physical senses [9, 10]. Yamauchi and Templer [11] Identify 4 (four) constructs in attitudes towards money namely prestige, power, time retention, distrust and anxiety. The purpose of this study was to investigate the relationship between the four dimensions of attitudes towards money and saving habits. Many previous studies have combined these four constructs as one construct, the attitude toward money, and linked them to other variables [12-14]. Previous research linking each construct of attitudes towards money with saving habits has never been conducted in Indonesia to the knowledge of the research team. Therefore, this study intends to fill the gap in the literature in question.

To achieve the objectives of this study, we conducted a review of the literature in finance and psychology to be able to build relevant hypotheses. In addition, we also took data among housewives who generally also act as household financial managers as a population. Practical benefits can be used by financial managers in households in order to manage finances better for the welfare of household members. Theoretical benefits are the contribution of theoretical knowledge to the literature in finance and psychology.

METHODS

The respondents in this study were housewives in Kupang City, the capital of East Nusa Tenggara province. Some requirements must be met by prospective respondents before participating in this study. First, they must be adults, in this case over 21 years old and fully able to answer the questionnaires in this study. Second, they filled out questionnaires willingly without feeling forced. Third, they do not know the true purpose of this study. The respondents in this study did not get monetary or other physical rewards. They are also welcome to stop filling out the questionnaire at any time if they feel uncomfortable or for other personal reasons.

Respondents receive an invitation to participate online in which there is a URL link that will direct them to the survey page. They are free to accept or decline the invitation. Be informed that their decision to accept or refuse to participate will have no effect on their relationship with the college. The respondents were informed that the purpose of this scientific study was to find out their views on household financial management. The sample was taken based on the principle of convenience sampling where the total number of respondents was targeted at 150 people. This amount is sufficient to perform parametric statistical analysis [29]. Respondents are welcome to answer questions related to existing research variables. At the end of the online survey, they were asked to fill in demographic data such as age, gender and education level. The respondent's name and mobile number are not requested in order to guarantee the principle of confidentiality so as to motivate the respondent to give truthful answers.

The questions in the questionnaire were adapted from previous studies that had passed validity and reliability tests. For the concept of attitude towards money consisting of power-prestige, time retention, distrust and anxiety is taken from the Money Attitude Scale which was adopted from previous research conducted by [11]. As for the variable of saving habits, we adapted from research conducted by [27]. All variables were measured using the 5-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree).

By Because this study is a quantitative research that aims to find out the existence and type of relationship between one variable and another, the analysis tool used is multiple linear regression with the following equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

Where:

- Y : Bound variables
X : independent variable
a : intercept
b : coefficient

The collected data were analyzed using multiple linear regression methods, where the dependent variable (Y) is the saving habit and the independent variables (X) are power-prestige (X1), time retention (X2), distrust (X3) and anxiety (X4). After that the data was analyzed using the SPSS (Statistical Product and Service Solutions) program version 26.0.

In order to test the hypothesis, the data that has been collected is processed using certain statistical techniques. But first, the quality of existing data is tested both in terms of validity and reliability to see if the data illustrates the concept being tested. In addition, testing is carried out assuming a linear relationship among the variables studied, which is carried out through classical assumption tests. According to Field [30], a regression model is used to perform forecasting; A good model is one with minimal forecasting errors. Therefore, a model before use should satisfy several assumptions, commonly referred to as classical assumption tests. The classical assumption test is a condition that must be met so that the regression equation can be said to be a good regression equation, because the resulting regression equation will be valid if used to predict. The classical assumption test consists of the normality test, the multicollinearity test, and the heteroscedaticity test.

RESULTS AND DISCUSSION

Instrument Tests

Item validity is used to measure the accuracy of an item in measuring what you want to measure. Valid items are indicated by the correlation between the item and the item's total score. Determine whether or not an item is suitable for use using the correlation coefficient significance test at a significance level of 0.05. If the significance value is lower than 0.05 then the item in question is declared valid. All items used in this study have passed the minimum requirements of the validity test.

Table 1. Validity Test

Items	(X _{power})	(X _{time})	(X _{dist})	(X _{anxi})	Y _{saving}
1	0.75*	0.74*	0.75*	0.75*	0.81*
2	0.73*	0.78*	0.85*	0.73*	0.89*
3	0.86*	0.85*	0.73*	0.88*	0.84*
4	0.85*	0.69*	0.82*	0.86*	0.84*
5	0.89*	0.75*	0.76*	0.70*	0.82*
6	0.83*	0.79*	0.72*	0.84*	0.72*
7	0.73*	0.73*		0.74*	
8		0.82*		0.75*	

Note:

1. X1 = Power-prestige
X2 = Time retention

- X3 = Distrust
X4 = Anxiety
Y = Saving habit
2. *p-value < 0.05

A measuring instrument is considered reliable if the instrument in measuring a phenomenon in multiples of time always shows the same results. The reliability test method used by researchers is Cronbach's Alpha with the help of the SPSS 26 program for windows. The reliability test results are illustrated in Table 2.

Table 2. Reliability Test Results

Variable	Cronbach Alpha	Minimum Requirement	Status
Power-prestige	0.69	0.6	Reliable
Time retention	0.86	0.6	Reliable
Distrust	0.82	0.6	Reliable
Anxiety	0.79	0.6	Reliable
Saving habit	0.83	0.6	Reliable

The overall validity and reliability test results show that the items of each variable can be used for further analysis because they show valid and reliable results.

Multiple Regression Test

Multiple Regression Analysis is examined to test the effect of all independent variables on the dependent variable. To facilitate data processing, the author uses the help of SPSS 26 for Windows programs. The results of this test can be seen as follows:

Table 3. Multiple Regression Test Results

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.412	.243		1.203	.132
	Power-prestige	-.221	.041	.542	2.004	.000
	Time retention	.180	.062	.201	3.002	.000
	Distrust	.202	.042	.168	2.952	.003
	Anxiety	-.162	.052	.193	3.056	.001

a. Dependent Variable: Performance

Based on the results in Table 3, the multiple regression equation is as follows:

$$Y' = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4$$

$$Y' = 0.412 - 0.221X_1 + 0.180 X_2 + 0.202 X_3 - 0.162 X_4$$

The partial hypothesis of this study was examined based on the results of Table 3.

- The influence of power-prestige (X_1) against saving habits (Y).
By looking at the significance value of 0.000 or less than 0.05, it can be concluded that there is a negative influence of power-prestige (X_1) on saving habits (Y). In other words, the first hypothesis was proved.
- Effect of time retention (X_2) against saving habits (Y).

By looking at the significance value of 0.000 or less than 0.05, it can be concluded that there is a positive influence of time retention (X₂) on saving habits (Y). In other words, the second hypothesis was proved.

3. Effects of distrust (X₃) against saving habits (Y).

By looking at the significance value of 0.003 or less than 0.05, it can be concluded that there is a positive influence of distrust (X₃) on saving habits (Y). In other words, the third hypothesis was proved.

4. Effect of anxiety (X₄) against saving habits (Y).

By looking at the significance value of 0.001 or less than 0.05, it can be concluded that there is a negative influence of anxiety (X₄) on saving habits (Y). In other words, the fourth hypothesis is proved.

To test the simultaneous hypothesis, we performed Test F. The test results are illustrated in the following Table 4.

Table 4. F Test Results

ANOVA ^a						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	52.265	4	11.812	55.021	.000b
	Residuals	24.762	115	.256		
	Total	72.026	119			

a. Dependent Variable: Saving

b. Predictors: (Constant), power, time, distrust, anxiety

A significance value of 0.000 or less than 0.05 indicates that simultaneously all independent variables affect the dependent variable.

The results of the coefficient of determination (R²) test analysis show that the contribution of the independent variable as a whole to the dependent variable can be seen in Table 4. The value of R square is 0.413 or (41.3%). This shows that the contribution of all independent variables to the dependent variable is 41.3%. The remaining 58.7% were influenced by other variables not included in this study model.

Table 5. Determination Test Results

Model Summary ^b				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643a	.413	.404	.38232

a. Predictors: (Constant), power, time, distrust, anxiety

b. Dependent Variable: saving

CONCLUSION

The results of this study reveal several findings that provide insight into the factors that influence saving habits in the context described. The influence of independent variables on saving habits can be seen in the results of the analysis conducted. First, from the results of the analysis it can be seen that power-prestige (X₁) has a negative influence on saving habits (Y). This means that the higher the power-prestige of the individual, the lower the individual's tendency to save. This influence can mean that individuals who have a high level of confidence in their financial capabilities may be less likely to have the need to save, because they feel able to cope with financial situations more easily [1, 31]. Second, time retention (X₂) has a positive influence on saving habits (Y). The results of significance obtained indicate that the higher the time retention rate of the individual, the greater the tendency

of the individual to save. This indicates that individuals who are more long-term oriented have stronger saving habits, perhaps because they are aware of the importance of preparing financially for the future. Third, the results of the analysis show that distrust (X3) also has a positive influence on saving habits (Y). That is, the greater the level of distrust of the individual towards the financial system or other parties, the greater the individual's tendency to save. This influence may arise because individuals who feel uncertain about financial stability or worry about possible emergency situations are more likely to build financial reserves through saving. Fourth, the results of the analysis showed that anxiety (X4) had a negative influence on saving habits (Y). In this context, the higher the anxiety level of the individual, the lower the tendency of the individual to save. This could mean that individuals experiencing high levels of anxiety may be more inclined to use funds now rather than save them for the future, in response to the anxiety they feel.

Overall, the findings from this study provide a better understanding of the factors that may influence saving habits. The existence of different influences of each independent variable indicates the complexity of the relationship between these variables in the context of saving habits [32]. Although the results of the analysis provide valuable insights, keep in mind that there are still other factors beyond the research model that can also contribute to an individual's saving habits. Therefore, future studies should consider additional factors that may have a significant impact on this phenomenon, in order to provide a more comprehensive picture.

There are several suggestions that can be applied to future research. First, the following study may consider the inclusion of control variables, such as income and employment status, to further isolate the influence of independent variables. Second, use diverse data collection methods, such as in-person interviews, to gain a deeper understanding of participants' attitudes and motivations regarding saving habits. Third, the following researchers can ensure the study sample represents the population more evenly for more generalized results. Expand the measurement of variables such as power-prestige, distrust, and anxiety with more detailed questions. Next, longitudinal studies can be conducted to track changes over time, and comparative studies between groups that have different saving habits, can also provide deeper insights. Also, research the impact of social and cultural factors on saving habits.

REFERENCE

- M. Maria, "The Effect of Financial Literacy on Saving Habits. The mediating role of self-control. Study on Small and Medium Entrepreneurs in Kupang City," *Eqien-Journal of Economics and Business*, Vol. 10, No. 1, pp. 487-493, 2022.
- Securities. "OJK says the saving culture in Indonesia is lower than Singapore." <https://hpfinancials.co.id/news/Ojk-Sebut-Budaya-Menabung-Di-Indonesia-Rendah-Daripada-Singapura> (accessed).
- M. Mardalena and S. Suhel, "Causality Analysis between Community Savings and Economic Growth in Palembang City (1995-2013)," *Journal of Development Economics*, Vol. 13, No. 2, pp. 85-95, 2015.
- L. Mandell and L. S. Klein, "The impact of financial literacy education on subsequent financial behavior," *Journal of Financial Counseling and Planning*, Vol. 20, No. 1, 2009.
- M. Malau, P. Sinaga, H. Sianturi, and S. Tampubolon, "Management of business activities and household financial management in facing the new normal situation," *IKRA-ITH ABDIMAS*, Vol. 4, No. 1, pp. 19-25, 2021.
- M. A. Nugroho, "The Essence of Debt in Islamic Household Finance," *Al-Intaj: Journal of Islamic Economics and Banking*, Vol. 5, No. 1, pp. 30-43, 2019.
- A. R. Ramadhani, "The Influence of the Entrepreneur Environment and Entrepreneurship Education on Business Success (Case Study on Business Administration Students Class of 2016-2018)," *ISOQUANT: Journal of Economics, Management and Accounting*, Vol. 5, No. 1, pp. 38-50, 2021.
- D. Schunk, "What determines the saving behavior of German households," *An Examination of Saving Motives and Saving Decisions. MEA Discussion Paper*, Pp. 124-2007, 2007.

- I. Phau and C. Woo, "Understanding compulsive buying tendencies among young Australians: The roles of money attitude and credit card usage," *Marketing Intelligence & Planning*, Vol. 26, No. 5, pp. 441-458, 2008.
- S. H. Saputro and R. F. B. Atmaja, "Analysis of Influential Factors in Entrepreneurial Success," *ISOQUANT: Journal of Economics, Management and Accounting*, Vol. 5, No. 1, pp. 13-24, 2021.
- K. T. Yamauchi and D. J. Templer, "The development of a money attitude scale," *Journal of personality assessment*, Vol. 46, No. 5, pp. 522-528, 1982.
- N. Abdullah, S. M. Fazli, and A. M. Muhammad Arif, "The Relationship between Attitude towards Money, Financial Literacy and Debt Management with Young Worker's Financial Well-being," *Pertanika Journal of Social Sciences & Humanities*, Vol. 27, No. 1, 2019.
- Y. O. Atta, "Money Attitude and Saving Intentions of Young Adults in Turkey," Anadolu University (Turkey), 2017.
- I. D. Kurniawati, "The influence of attitudes towards money and financial knowledge by mediating locus of control on family financial management behavior," STIE PERBANAS SURABAYA, 2017.
- N. Marlina and D. Iskandar, "Early saving movement in rowosari," *Journal of Vocational Service*, Vol. 1, No. 1, pp. 27-32, 2019.
- P. Ajeesh, "A Study on Saving and Spending Habit of Youth with Special Reference to Thrissur District," *EPRA International Journal of Multidisciplinary Research*, Vol. 9, No. 5, pp. 167-170, 2019
- A. Murtani, "Socialization of the Saving Movement," *Syndimas*, Vol. 1, No. 1, pp. 279-283, 2019.
- A. Gavriel and R. Ardianti, "Continuance Intention of Micro and Small Enterprises towards the Use of QRIS for Payment Transactions," *Journal of Practical Management Studies*, Vol. 1, No. 1, pp. 07-15, 2023.
- S. Durvasula and S. Lysonski, "Money, money, money—how do attitudes toward money impact vanity and materialism?—the case of young Chinese consumers," *Journal of Consumer Marketing*, Vol. 27, No. 2, pp. 169-179, 2010.
- A. Tloim and Y. Benu, "The Comparison of Service Quality Between Alfamart and Indomaret Minimarket in Kupang City," *Journal of Practical Management Studies*, Vol. 1, No. 2, pp. 30-37, 2023.
- M. Shohib, "Attitude towards money and debtor behavior," *Scientific Journal of Applied Psychology*, Vol. 3, No. 1, pp. 132–143-132–143, 2015.
- R. M. Taneja, "Money attitude-an abridgement," *Researchers World*, Vol. 3, No. 3, p. 94, 2012.
- J. A. Roberts and E. Jones, "Money attitudes, credit card use, and compulsive buying among American college students," *Journal of consumer affairs*, Vol. 35, No. 2, pp. 213-240, 2001.
- R. Manchanda, "Exploration of materialism and attitudes toward money in university students," *JIMS8M: The Journal of Indian Management & Strategy*, Vol. 22, No. 2, pp. 45-49, 2017.
- J. D. Manafe and J. P. Faggidae, "Materialism and individuals' over-indebtedness: a case of Indonesia," in *International Conference on Applied Science and Technology on Social Science (ICAST-SS 2020)*, 2021: Atlantis Press, pp. 62-65.
- K. Nga and K. Yeoh, "Affective, social and cognitive antecedents of attitude towards money among undergraduate students: A Malaysian study," *Pertanika Journal of Social Sciences & Humanities*, Vol. 23, No. 1, pp. 161-180, 2015.
- A. Bauer and A. Mitev, "The Effect of Attitude Toward Money on Financial Trouble and Compulsive Buying," in *Quantitative Marketing and Marketing Management*: Springer, 2012, pp. 247-268.
- E. P. Nofario and T. Hendratono, "The Moderating Role of Credit Card Usage on the Relationship Between Money Power Prestige, Money Distrust, and Money Anxiety with Compulsive Buying," *Technology Reports of Kansai University*, Vol. 62, No. 10, pp. 6273-6281, 2020.
- J. Hair, W. Black, B. Babin, and R. Anderson, "Multivariate data analysis . Cengage Learning," *Hampshire, United Kingdom*, 2019.
- A. Field, *Discovering statistics using IBM SPSS statistics*. Sage, 2013.
- Maria and D. Latupeirissa, "Optimism versus Pessimism and Its Effect on Saving Habits," *EAS Journal of Psychology and Behavioural Sciences*, Vol. 5, No. 1, pp. 10-14, 2023.
- J. Mandasari and A. Katiamas, "Analysis of the Accuracy of Social Assistance Fund Management for Covid-19 Affected by Covid-19 in Samapu Village, Sumbawa District," *ISOQUANT: Journal of Economics, Management and Accounting*, Vol. 6, No. 2, pp. 249-261, 2022.