


Financial literacy on a person's attitude towards debt and the influence of friends on debt habits in Indonesia

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Article Info	ABSTRACT
Keywords: Financial Literacy, Attitudes, Peers, Debt Habits	It is very important for each individual to have the insight and skills to be able to use the money they have effectively so as to provide optimal benefits. there is uncontrolled spending. The income earned by individuals can run out in a short time, so many individuals are looking for various alternative sources of income from various loan sources, both online and conventional banks. The research aims to analyze the influence of financial literacy on a person's attitude towards debt and the influence of friends on debt habits. The research method used is a literature review. This research shows that financial attitudes, peers, and financial literacy have a positive influence on financial management behavior, including debt.
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INTRODUCTION

Today's technological advances require people to have intelligence in the financial aspect. Financial intelligence in question is the ability to manage and be accountable for personal finances so that there is a balance between each individual's income and expenses. Likewise, according to Hilgert & Hogarth (2002) stated that financial management, also known as money management, consists of intelligence in controlling personal finances to obtain financial prosperity. Kholilah & Iramani (2013) explain that behavior in managing finances is the ability to manage finances. These financial arrangements can be carried out through the budget planning, budget management, stages. In order to achieve prosperity, every individual must be able to manage their finances. Margaretha and Pambudhi (2015). The impact of internal and external motives causes pressure on consumption patterns and behavior. This causes uncontrolled spending. The income earned by individuals can run out in a short time, so many individuals are looking for various alternative sources of income from various loan sources, both online and conventional banks (Cynamon & Fazzari, 2008). Debt behavior is not only influenced by consumption factors but also by social relationship factors (Legge & Heynes, 2009). The existence of these social relationships is the cause of individual dissatisfaction with the life they have so that they tend to impose other people's standards of living on themselves through debt.

influence of those closest to them, the consumption behavior of neighbors and the surrounding. The current social phenomenon is that it is becoming easier for people to apply for debt through various online loan platforms. The existence of impulsive buying and a consumptive lifestyle has an impact on a person's debt habits. This consumptive behavior includes buying products that are not needed just because of the lure of prizes, not considering the price, buying just because the product packaging is attractive, buying products just because of lifestyle and the desire to have similar products with different brands. An individual who has a tendency to imitate behavior in his social environment so that this also influences the individual's debt behavior (Herispon, 2017). When it comes to debt, many people tend to choose online loans because the conditions are easy and there is no collateral. With just an identity card, people can apply for debt on various online loan platforms. Factors that influence someone to get into debt cannot be separated from easy access to financial facilities provided by banking institutions so that many individuals are interested in taking on debt (Goel et al., 2017). The development of online loan platforms in Indonesia is also increasingly massive and numerous. This convenience is certainly very useful for people in meeting their needs through debt, but sometimes people do not understand the legal consequences and other risks related to online loans. These risks include threats of not paying installments, collection using loan sharks, loan interest that is too high so that sometimes people are unable to pay, payment terms are quite short, risk of stress, depression and even the risk of suicide and others due to this online loan. However, if seen from another side, debt contributes to smooth consumption activities and improves the quality of an individual's lifestyle (Cynamon & Fazzari, 2008).

If we look at this phenomenon, financial literacy is a very important thing for the public to understand. Financial literacy is a source of understanding in financial management, making effective financial decisions. Good financial literacy can also improve the economic welfare of each individual. Apart from that, people also have an understanding of savings and loans, insurance, investment, understanding in using financial services, understanding the risks of each financial product and can avoid unclear financial services. There is a link between financial inclusion and debt behavior in individuals (Mutezo, 2014).. Individual financial behavior is also influenced by financial attitudes. Having a financial attitude can help individuals to manage their various financial decisions. The better an individual's financial attitude, the better their financial management will be. Likewise, the worse an individual's financial attitude, the more messy his financial management will be. Greed can arise from poor financial attitudes. Here, money has various different meanings depending on each individual's understanding of the meaning of the money they own. Apart from that, peers or social friends also influence the decision to take on debt. The difference in lifestyle of each individual in one social circle will cause feelings of envy so that individuals who are left behind will try to equalize their lifestyle through debt. It's not surprising that friends are also a determining factor in an individual's financial stability. The more friends who encourage consumer behavior, the more difficult it will be to manage the finances of individuals with mediocre incomes. Based on these

various explanations, debt behavior is not only influenced by budget limitations but also by external factors such as the environment

Literature Review

Financial literacy is very effective in financial management (Chen & Volpe, 1998). Meanwhile, according to Lusardi & Mitchell (2007), financial literacy is the ability to apply finances. Financial literacy is an activity that aims to increase the overall insight of society so that they are able to manage their finances effectively. Kholilah & Iramani (2013) explain that managing finances is the ability to manage daily finances. These financial arrangements can be carried out through the budget planning, budget management, control and money saving stages. In order to achieve prosperity, every individual must be able to manage their finances (Margaretha & Pambudhi, 2015).

Meanwhile, according to Lapierre (in Azwar, 2015: 5), attitude is a tendency to respond to conditions that occur. This financial attitude will influence financial behavior. A poor financial attitude will certainly lead to bad financial behavior. Vice versa. If someone has a good attitude, they can easily make the right decisions in managing their finances. According to Pankow (2003), financial attitudes include thinking abilities, opinions and individual judgments about financial problems. A person's attitude reflects their feelings towards personal financial matters, and this can be measured through their responses to opinions about finances (Marsh, 2006).

Azwar (2015) factors that determine financial attitudes, namely: a) Personal experience gives a strong impression and is the basis for forming an individual's attitude., b) The influence of other people who are considered important will have an impact on the individual's attitudes, including financial attitudes. Individuals tend to be motivated by people who are considered to be examples. c) Cultural influences can have a significant influence on the formation of individual attitudes. A hedonic culture will cause individuals to have hedonic attitudes too, d) Mass media plays an important role in conveying messages that can influence individuals. This influences the formation of each individual's attitudes, including financial attitudes, e) Educational institutions and religious institutions are believed to provide moral values that underlie the formation of financial attitudes of individuals, including the belief system adopted, e) The influence of emotional factors sometimes influences the formation of financial attitudes. from individuals as a form of maintaining their ego.

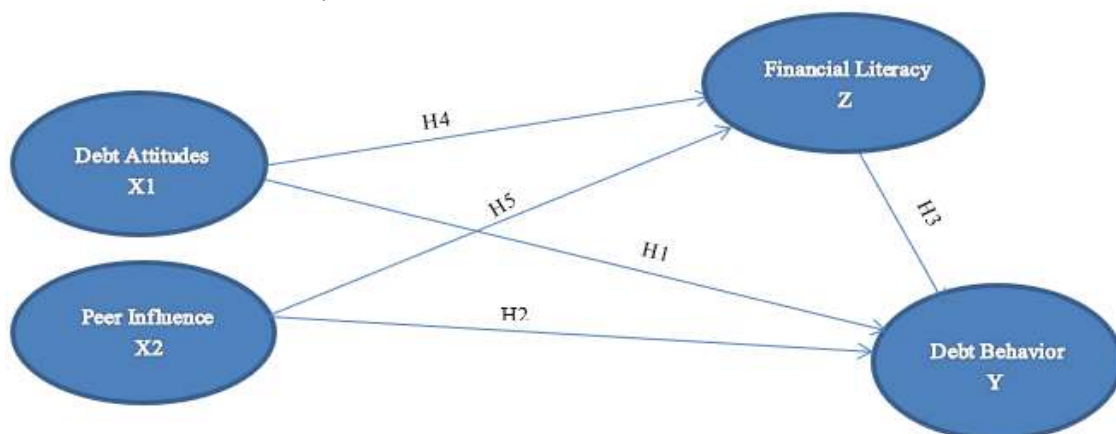
Peers are those who have the same age level. In general, individualGetting feedback on their abilities from peers, they tend to measure themselves and compare them with their peers whether they should be better, less good or which parts need to be improved. Peers have a significant influence on each individual's financial management behavior (Wulandari & Hakim, 2015). This opinion is also supported by Chotimah & Suci (2013) that peers influence a person's finances. However, Putra et al. (2013) provide contradictory results, namely that subjective norms have no effect on individual financial management. Research conducted by Herra Fikri (2021) hypothesizes that peers have a significant positive effect on financial literacy, while financial attitudes have no effect on financial literacy. Financial management behavior is important as a step to avoid financial problems. Financial

management covers various activities of planning, managing and controlling finances effectively and well. Ida & Chintia (2010) explain financial management as part of a person's financial responsibilities related to financial management. Financial responsibility is managing finances and assets productively. There is the involvement of the control process and use of financial assets in responsible financial management.

Effective financial management involves several elements, such as planning a budget and evaluating purchases based on needs. The core activity in financial management is the budget preparation process. A budget is used to ensure that a person can manage their financial obligations well, using the available income within the same period. According to Hilgert & Hogarth (2002), a person's attitude can be measured by how wise they are in managing savings and expenses. In the context of savings, this includes whether a person has regular savings, an emergency fund, and other things related to savings. Meanwhile, in the context of spending, financial behavior is reflected in how a person buys a house, has financial goals, and other aspects related to spending. According to Selcuk (2015). (Marsh, 2006) measures financial management behavior with the indicator: Organizing Behavior which includes the extent to which individuals can manage their money over a certain period of time, whether recorded in financial applications or manual notes. This budget has a role in implementing activities over a certain period of time. Expenditure Behavior includes the use of funds owned by each individual over a certain period of time, including paying bills, purchasing needs and wants. Saving Behavior includes an individual's ability to set aside the money they have for savings and can be used in urgent needs, Wasteful Behavior includes spending that should not be made by the individual. This wasteful behavior arises from a momentary feeling of wanting the item purchased to be not important or usefu.

Conceptual framework

Based on the description above, it can be built research framework as follows:



Research Hypothesis

H1: Attitudes toward debt have a positive and significant influence on financial Behavior

Abdullah (2018) conducted research that financial attitudes influence the intention to change students' financial behavior. This shows that there is an influence on managing

finances. Rizky Anugrah (2018) states that financial iteration influences people's intentions in managing finances.

H2: Financial Behavior influences friends

Research conducted by Herra Fikri (2021) shows that peers have a positive effect on financial Behavior, and financial attitudes have no effect on financial literacy.

H3: Financial literacy influences debt habits

Kholilah Iramani (2013) explains that Behavior in managing finances is the ability to manage daily finances. These financial arrangements can be carried out through the budget stages, budget management, control, and saving of money. To achieve prosperity, every individual must be able to manage their finances effectively (Margaretha & Pambudhi, 2015).

H4 : Attitudes toward debt influence debt habits

According to Lapierre (in Azwar, 2015: 5), attitude is a tendency to respond to conditions that occur. Financial attitudes, including attitudes toward debt, will influence financial Behavior. A bad financial attitude will undoubtedly lead to bad financial Behavior as well. Likewise, an excellent financial attitude will influence good financial Behavior.

H5: Friends' influence influences financial literacy

Peers have a significant influence on the financial management behavior of each individual (Wulandari & Hakim, 2015). This opinion is also supported by Chotimah and Rohayati (2013) that the presence of peers has a positive and significant effect on individual financial management. An individual tends to imitate Behavior in their social environment, which also influences the individual's debt behavior (Herispon, 2017).

METHOD

Types of research

The method used in this paper is a survey method.

Location and Time of Research

Data collection was carried out in 2 ways, namely collecting primary data and using a questionnaire form which would be distributed to respondents. Sampling will use non-probability sampling where members of the population have no chance of being selected as samples. The selection of sample members was not chosen randomly but was based on criteria. Purposive sampling is taking a number of samples with a specific aim based on the characteristics of people who use loan services both online and conventional banking with an age range of 18-35 years. This research uses an online questionnaire (google form). The scale used in this research questionnaire is a Likert scale from 1-5. This research questionnaire consists of various questions related to the research variables used by researchers to achieve research objectives. Secondary data collection was carried out by reviewing documents (Priyono, 2016). Document review was carried out to strengthen research data. Sources of secondary data can be obtained from various online platforms, journals and other supporting documents.

Sampling technique

Analysis techniques can be carried out after the research data has been collected. In this research, the analysis technique used is quantitative descriptive analysis and PLS-SEM testing using Smartpls software. Quantitative descriptive analysis to describe the data obtained without drawing conclusions from the data (Sugiyono, 2016). This quantitative descriptive analysis takes the form of graphs, diagrams and tables containing research data. Meanwhile, PLS makes it easier for researchers to model and test complex relationships between variables in a research model (Chin, 2015). This test does not require the assumption that the data is normally distributed and can be carried out for models that have many indicators and variables in a complex relationship.

Types of Research Data

The primary data source is by distributing research questionnaires to respondents or research samples. The secondary data in this study are journal articles, books, *website* government and *website* validated data relating to the research conducted.

Operational Definition of Research Variables

Data Analysis Techniques

Data analysis was carried out by the method *Partial Least Square* (PLS) use *SmartPLS software version* Hypothesis test

Hypothesis testing using analysis *full model structural equation modeling* (SEM) with smartPLS. In *full model structural equation modeling* besides confirming the theory, it also explains whether there is a relationship between latent variables (Ghozali, 2012). Hypothesis testing by looking at the calculated value *Path Coefisien* on testing the inner model. The hypothesis is said to be accepted if the significance value 0.05 (α 5%) and the hypothesis is rejected when the significance value 0.05 (a 5%) .

RESULT AND DISCUSSION

There are 3 characteristics based on age, gender and place of residence. Based on gender, there are women and men aged 18 to 35 years, while the places of residence are in Kalimantan, Sumatra, Jakarta, Sulawesi and Papua. This study employs Partial Least Squares (PLS) analysis through the Smart PLS software. Internal modelling, or influence testing or hypothesis testing, seeks to forecast the association between latent variables.

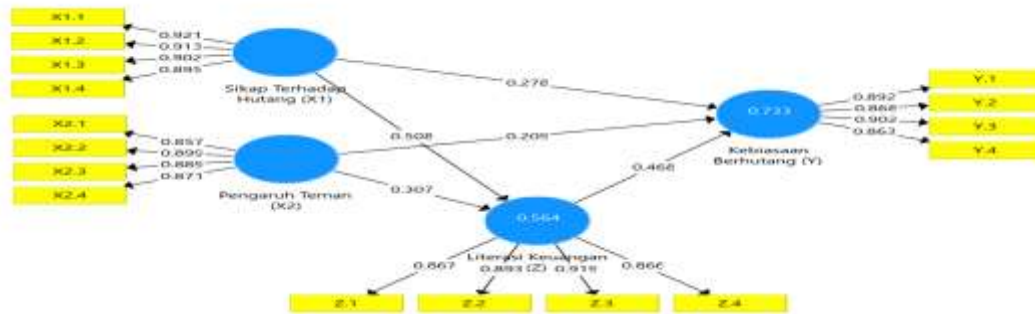


Figure 1 Research Model Results

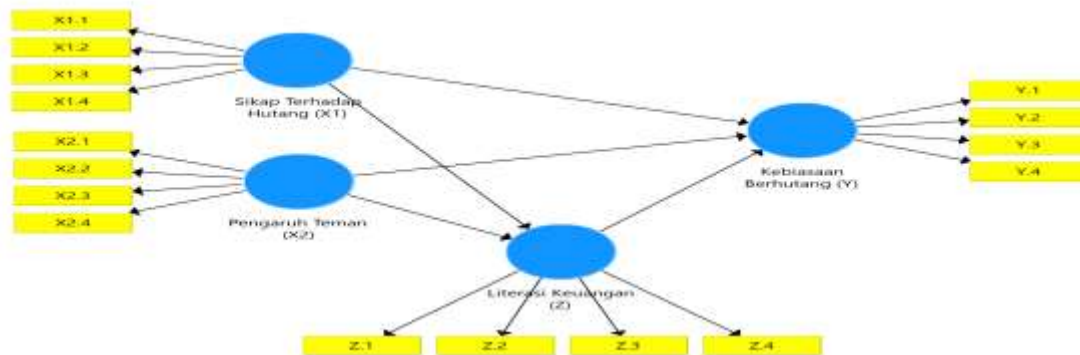


Figure 2 of Structural Equation Model Research

Table 1. Convergent Validity (Convergent Validity)

	Debt Habit (Y)	Financial Literacy (Z)	Friend Influence (X2)	Attitude Toward Debt (X1)
X1.1				0.921
X1.2				0.913
X1.3				0.902
X1.4				0.895
X2.1			0.857	
X2.2			0.899	
X2.3			0.889	
X2.4			0.871	
Y.1	0.892			
Y.2	0.868			
Y.3	0.902			
Y.4	0.863			

Z.1	0.867
Z.2	0.893
Z.3	0.919
Z.4	0.866

Based on the initial calculations, there were several indicators with loading factor values below 0.50. As a result, some indicators deemed invalid were removed, followed by a recalculation as follows: According to the data in the table, all indicators have outer loadings above 0.7, indicating a higher level of convergent validity. This is apparent through the of Cronbach's alpha, Composite reliability, and Average Variance Extracted (AVE).

Table 2. Discriminant validity table

	Debt Habit (Y)	Financial Literacy (Z)	Friend Influence (X2)	Attitude Toward Debt (X1)
Debt Habit (Y)	0.881			
Financial Literacy (Z)	0.804	0.887		
Friend Influence (X2)	0.702	0.652	0.879	
Attitude Toward Debt (X1)	0.755	0.716	0.677	0.908

The results of the discriminant validity analysis, performed using the Fornell-Larcker Criterion, were obtained. Summarizing the information from the AVE value in the preceding table, the following observations can be made.

Table 3

1	√AVE	Latent variable correlation (SE)			
		Y	Z	X2	X1
Y	0.881	1			
Z	0.887	0.804	1		
X2	0.879	0.702	0.652	1	
X1	0.908	0.755	0.716	0.677	1

The table displays the research variables' theoretical correlation (\sqrt{AVE}), with values ranging from 0.879 to 0.908. These correlations are statistically significant at the $\rho < 0.05$ level or are equal to or greater than 0.70. This suggests that the root validity criterion AVE is acceptable, as Solimun et al. (2019) stated. Furthermore the \sqrt{AVE} values for all variables surpass the correlations between each pair, indicating a high level of discriminant validity.

Table 4. Cronbach alpha, Composite reliability, and Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Debt Habit (Y)	0.904	0.905	0.933	0.777
Financial Literacy (Z)	0.909	0.912	0.936	0.786
Friend Influence (X2)	0.902	0.903	0.932	0.773
Attitude Toward Debt (X1)	0.929	0.930	0.949	0.824

The outcomes of the reliability assessment utilizing Cronbach's alpha, as outlined by Ghozali (2011), indicate that an instrument is considered dependable if its Cronbach's alpha exceeds 0.7. The table's analysis indicates that every variable demonstrates a Cronbach's alpha surpassing 0.7. As a result, one can conclude that Cronbach's alpha for all variables exceeds 0.7, indicating their reliability.

Similarly, the composite reliability test results indicate that the composite reliability values for each variable surpass 0.6, signifying that all variables satisfy the requirements for composite reliability. The evaluation of the Average Variance Extracted (AVE) yields values that, when exceeding 0.5 for each variable, confirm that they meet the criteria for Average Variance Extracted.

Table 5. HTMT results (Heterotrait-Monotrait Ratio (HTMT))

	Debt Habit (Y)	Financial Literacy (Z)	Friend Influence (X2)	Attitude Toward Debt (X1)
Debt Habit (Y)				
Financial Literacy (Z)	0.884			
Friend Influence (X2)	0.776	0.719		
Attitude Toward Debt (X1)	0.821	0.779	0.739	

The HTMT Heterotrait-Monotrait Ratio (HTMT) test results indicated that the correlation between variables was below 0.9, affirming the validity of the data. The results obtained from assessing the internal model, designed to gauge how well the structural model aligns with the research goals, are as follows.

Table 6. Inner structural model testing table

	R Square	R Square Adjusted
Debt Habit (Y)	0.733	0.729
Financial Literacy (Z)	0.564	0.560

1. R2 indicates that the variation in variable Y can be accounted for by variables X1,
2. R2 indicates that the variability in variable Z is accounted for by variables X1 and F Square (Effect size).

Table 7. F square (effect size)

	Debt Habit (Y)	Financial Literacy (Z)	Friend Influence (X2)	Attitude Toward Debt (X1)
Debt Habit (Y)				
Financial Literacy (Z)	0.357			
Friend Influence (X2)	0.079	0.117		
Attitude Toward Debt (X1)	0.119	0.321		

The impact of variable X1 on variable Z is 0.321, equivalent to 32.1%, while the impact of variable X2 on variable Z is 0.117, corresponding to 11.7%. The impact of variable X1 on variable Y is reflected by a 0.119 or 11.9% influence, and with the presence of other variables, namely X2 and Z, the cumulative effect surpasses zero, indicating that together, they adequately account for the variation in variable Y, meeting the criteria for a satisfactory model.

Table 8. Q-Square Predictive Relevance (Q2)

	SSO	SSE	Q ² (=1-SSE/SSO)
Debt Habit (Y)	800,000	353,226	0.558
Financial Literacy (Z)	800,000	448,828	0.439
Friend Influence (X2)	800,000	800,000	
Attitude Toward Debt (X1)	800,000	800,000	

The impact of variables X1 is effectively captured through accurate reconstruction with predictive significance.

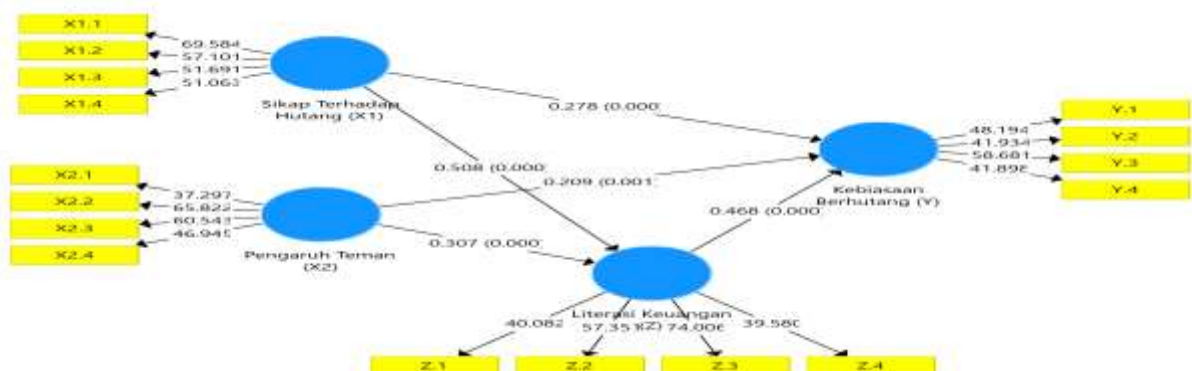


Figure 3 Image of Bootstrapping Results

Offer valuable perspectives for comprehending the correlation between variables in this research. The evaluation includes scrutinizing the approximated parameters' importance by analyzing probability values and t-statistics. Specifically, a p-value less than 0.05 at a significance level (α) of 5% is considered statistically significant. In comparison, the critical t-table value for α 5% is 2.019.

To accept a hypothesis in the hypothesis testing process using the Smart PLS method, the t-statistic value must surpass the relevant t-table value. This procedure incorporates a bootstrap approach. This simplifies identifying the connection between external and internal variables, ensuring a thorough analysis of their impact.

Table 9. Bootstrapping Results Table Effect (Hypothesis)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Financial Literacy (Z) -> Debt Habits (Y)	0.468	0.466	0.070	6,726	0,000
Influence of Friends (X2) -> Debt Habit (Y)	0.209	0.217	0.059	3,535	0.001
Peer Influence (X2) -> Financial Literacy (Z)	0.307	0.301	0.051	5,992	0,000
Attitude Toward Debt (X1) -> Debt Habits (Y)	0.278	0.275	0.073	3,792	0,000
Attitude Toward Debt (X1) -> Financial Literacy (Z)	0.508	0.515	0.061	8,301	0,000

Referring to the information presented in the table, the structural equation's hypothesis testing is illustrated as follows.

1. X1 on Y: The significance level is 0.05, and the initial sample observation is favorable. Consequently, the hypothesis is deemed valid, indicating that there is a substantial and positive impact of X1 on Y.
2. X2 on Y: The significance level is 0.05, and the initial sample value is positive. Consequently, we can conclude that the hypothesis is valid, indicating a noteworthy positive impact of X2 on Y.
3. Z on Y: The p-value, which is 0.000 and less than 0.05, along with the positive initial sample value, leads to the acceptance of the hypothesis. Consequently, it indicates that Z has a statistically significant positive impact on Y.
4. X1 on Z: The significance of X1 on Z is confirmed as the value ranging from X1 to Z is 8.301, surpassing the t-table value of 1.972. Additionally, the p-value of 0.000 is less than 0.05, indicating a positive initial sample value. Consequently, the hypothesis is supported, signifying that X1 exerts a positive and substantial impact on Z.
5. X2 on Z: The significance of X2 on Z is affirmed as its value, 5.992, surpasses the critical t-table value (1.972), and the p-value, registering at 0.000, is lower than the

0.05 threshold. With a positive initial sample value, the hypothesis is validated, indicating a positive and noteworthy impact of X2 on Z.

Table 10. Mediation test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Influence of Friends (X2) -> Financial Literacy (Z) -> Debt Habits (Y)	0.144	0.141	0.034	4,245	0,000
Attitude Toward Debt (X1) -> Financial Literacy (Z) -> Debt Habits (Y)	0.238	0.240	0.045	5,316	0,000

- a. The relationship between X1 and Y is effectively channeled through the intermediary factor Z, confirming the acceptance of the hypothesis in this study. This indicates a noteworthy and positive impact of X1 on Y, with Z playing a significant mediating role.
- b. Z plays a mediating role in the relationship between X2 and Y. The hypothesis is validated with the acceptance of the null hypothesis. This indicates that the positive and significant impact of X1 on Y is notably mediated by Z

Discussion

The findings of the study indicate that debt habits are influenced by financial knowledge, financial attitudes, and peer influence, aligning with the theories employed to elucidate financial management behavior.. Particularly, Ajzen's (2005) Theory of Planned Behavior (TPB) holds significant importance. TPB Based on this theory, behavior is influenced by attitudes, the attitudes mentioned in this research are financial attitudes, and are also influenced by cognitive behavior in this research, namely self-control and subjective norms such as financial literacy. This research is supported by the views of Mien & Thao (2015) The financial management behavior in this study is primarily affected by financial attitudes and, specifically in this research, by financial knowledge. Andanika (2020) states that there is a simultaneous influence between the variables autonomy, financial knowledge, financial management on financial attitudes. Financial literacy refers to what is needed to help someone make effective financial decisions. by LD Gadi Djou (2019) Understanding financial concepts along with practicing effective financial management leads to improved ability in handling one's finances as the level of financial management proficiency increases. Financial attitudes influence a person's financial management. A person's attitude will help determine his financial behavior. Pankow (2003) said that financial attitude is a mental state. Shows that financial attitudes influence a person's management of their finances. Good and appropriate financial management behavior

begins with a good financial attitude (Parahiyangan, 2013). One's success in managing finances can be significantly influenced by their outlook on money matters.

1. The influence of financial literacy on financial management

The hypothesis of this study is affirmed, indicating that X1 exerts a favorable and noteworthy influence on Y. According to (Wahyuni, 2022), Financial literacy pertains to an individual's capacity to make sound choices concerning their monetary matters. Understanding financial matters can also assist individuals in steering clear of diverse financial issues, particularly those frequently brought about by mishandling of finances. (Rosa & Listiadi, 2020) and (Trisnawati, 2015). state that self-control has a big influence on financial management. This opinion is also supported by Chotimah and Rohayati (2013) The existence of peers exerts a favorable and noteworthy impact on the management of an individual's finances. A person also has a tendency to imitate behavior in the social environment so that it can influence everyone's investment behavior (Herispon, 2017). Peers also have a large and significant influence on the behavior of managing each individual's finances (Wulandari & Hakim, 2015).

2. The influence of debt habits on financial management

This research hypothesis is accepted. Komarudin (2020) believes that self-control greatly influences a person's financial management behavior. Behavioral control is understanding that if you do something, you need to think about it before you act. If someone has good self-control then their financial decisions will be more accurate. (Sari et al., 2021) Financial literacy is also important for people to avoid various types of financial problems and also know how to manage finances well. (Putri & Lestari, 2019), (Yushita, 2017) and (Rosa & Listiadi, 2020) Financial management is significantly impacted by one's level of financial literacy. Lapierre (in Azwar, 2015: 5), attitude is also a person's tendency to react to something that happens. Financial attitudes, including attitudes towards debt, will influence a person's financial behavior. Therefore, a bad financial attitude can also lead to bad financial behavior.

3. The influence of friends on financial management

The accepted research hypothesis indicates that there is a meaningful and positive impact of Z on Y. Housewives in Panji Anom Village exhibit improved financial management behavior as a result of possessing financial knowledge. Organization for Economic Co-operation and Development (OECD) by Soetiono and Setiawan (2018: 7), The concept posits that achieving positive financial outcomes involves a blend of awareness, understanding, competencies, attitudes, and actions, collectively referred to as financial literacy. Resolve to achieve financial prosperity. Financial literacy is a skill that can help someone make financial decisions effectively. LD Gadi Djou (2019)) Indicated that possessing financial literacy positively influences one's behavior in managing finances..Lifestyle can be said to describe a person's behavior, especially how a person lives, uses the money and time they have (Utami & Marpaung, 2022). Lifestyle greatly influences a person's behavior and ultimately determines their spending habits. A person's lifestyle changes over time. Research results (Gunawan

et al, 2020), (Pulungan & Febriaty, 2018), (Sucihati, 2021) and (Utami & Marpaung, 2022).

4. Influence literacy finance debt habit And Friend towards financial management

The proposed hypothesis in this study has been validated. This implies that the findings align with Pankow's (2003) theory, asserting that financial attitude pertains to one's mental state, perspective, and evaluation of financial matters. This income is also supported by Amanah (2016), where financial attitudes are a person's thoughts, opinions and assessments regarding their personal finances which are applied to attitudes . Establishing positive financial habits can initiate effective financial management by adopting a favorable financial mindset (Parahiyangan, 2013)., Napitupulu (2021), that financial attitude influences personal financial management behavior. Financial literacy is knowledge, a person's understanding of how to manage finances well and with education, a person can have knowledge and understanding about finances. (Gunawan et al, 2020) Self-control is considered a factor that influences a person's behavior.

CONCLUSION

Based on the research results, it can be concluded : Understanding how to manage finances is greatly impacted by one's level of financial literacy. Borrowing habits also have a significant influence on a person's attitude towards financial management. Lifestyle has a significant influence on a person's attitude and financial management. At a moderate level, an individual's perspective on financial management is collectively shaped by their financial literacy, patterns of debt, and financial conduct. The positive and noteworthy impact of X1 on Y is considerably mediated by Z. People need to plan carefully regarding their financial aspects, such as prioritizing spending, not being influenced by the current ease of debt, not being influenced by a hedonic environment and other negative influences. People also need to increase their financial literacy so they understand more about how to manage their finances well so they don't get trapped in a forest of receivables. Good financial literacy will increase people's ability to manage their finances so they can avoid debt behavior. (Malini & Widayatmoko, 2021)

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