The effect of socio-economic status, emotional intelligence and financial literacy as a mediation variable on personal financial management

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Abstract: This study aims to determine the effect of socioeconomic status and emotional intelligence with financial literacy as a mediating variable on the personal financial management of students at Alma Ata University, Yogyakarta. This research is quantitative research with data collection techniques using a questionnaire. The research sample is 350 respondents. The sampling technique used was random sampling and was calculated using the Slovin formula. Primary data processing uses statistical product and service solutions (SPSS) analysis techniques and the methodologies used are path analysis, sobel test and robustness test. The results of this study state (1) there is a positive and significant influence of socioeconomic status, emotional intelligence and financial literacy on the personal financial management of Alma Ata University students; (2) there is a positive and significant influence of socio-economic status and emotional intelligence on the financial literacy of Alma Ata University students; (3) financial literacy is able to mediate socio-economic status and emotional intelligence on the personal financial management of Alma Ata University students; (4) there is no difference in the results of the analysis when the sample is broken down to carry out the robustness test, so the results of this research analysis are robust.

Keywords: Socioeconomic status, emotional intelligence, financial literacy, personal financial management.

Abstrak: Penelitian ini bertujuan untuk mengetahui pengaruh status sosial ekonomi dan kecerdasan spiritual dengan literasi keuangan sebagai variabel mediasi terhadap manajemen keuangan pribadi mahasiswa Universitas Alma Ata Yogyakarta. Penelitian ini merupakan penelitian kuantitatif dengan teknik pengumpulan data menggunakan kuesioner. Sampel penelitian berjumlah 350 responden. Teknik pengambilan sampel yang digunakan adalah random sampling dan dihitung menggunakan rumus Slovin. Pengolahan data primer menggunakan teknik analisis Statistical Product and Service Solutions (SPSS) dengan menggunakan metode analisis jalur, uji sobel dan robustness test. Hasil penelitian ini menyatakan (1) terdapat pengaruh positif dan signifikan status sosial ekonomi, kecerdasan spiritual dan literasi keuangan terhadap manajemen keuangan pribadi mahasiswa Universitas Alma Ata; (2) terdapat pengaruh positif dan signifikan status sosial ekonomi dan kecerdasan spiritual terhadap literasi keuangan mahasiswa Universitas Alma Ata; (3) literasi keuangan mampu memediasi status sosial ekonomi dan kecerdasan spiritual terhadap manajemen keuangan pribadi mahasiswa Universitas Alma Ata; (4) tidak terdapat perbedaan hasil

analisis ketika sampel di *breakdown* untuk melakukan *robustness test* jadi hasil analisi penelitian ini *robust..*

Kata Kunci: *Status sosial ekonomi, kecerdasan spiritual, literasi keuangan, manajemen keuangan pribadi.*

Introduction

Indonesia is listed as a country that has a fairly large population (Devi et al., 2016). Indonesia is a country with the most populous population, occupying the fourth position after China, India and America. Even today, Indonesia is still in fourth place with a population of 275,361,267 people (Dukcapil, 2022). With a relatively large number of citizens, Indonesia needs to prepare for the many needs of its people from imports or exports to other countries. With so many needs continuously, residents are required to be able to manage or respond to the individual finances of each person. because money is often a source of considerable problems, this is because almost all human activities involve money.

Seeing how important money is in human life, it triggers people to feel that they cannot live without money. Therefore, as humans who are very dependent on money, we must also be able to control and manage our finances properly and wisely. One of the various ways to process finances is how to control every expenditure from yourself. According to Chotimah and Rohayati (2014), when expenses occur continuously and are not unlimited in total so that a person finds it difficult to control them and cannot make good decisions about finances. As a result of declining economic conditions and inflation or the development of an economic system that tends to be wasteful because people are increasingly consumptive, many people who do not understand finances cause them to suffer losses. Students are one of the many parts of society that have a large number and are an important role of state change (agent of change). Lusardi et al., (2010) emphasized that students will face the increasing complexity of financial products, services and markets over time, and they are likely to have to bear more financial risks in the future than what their parents are currently bearing.

Financial intelligence, or the ability to manage one's own financial assets, is one of the intelligences that modern humans must possess. Personal financial management is a way for someone to plan and evaluate the income and expenditure of funds that are owned for the sake of survival in the family (Hariani & Andayani, 2020). However, poor management of one's finances is influenced by several factors. Financial literacy is the first factor. Financial management is closely tied to financial literacy. Financial literacy has a 70.9% role in student personal financial planning (Albertus et al., 2020). Thus, the better financial management, the higher the level of financial literacy (Utami et al., 2022). Based on the results of the third national financial literacy and inclusion survey (SNLIK) held by the Financial Services Authority (OJK) in 2019 after the 2013 and 2016 surveys. The survey results show that Indonesian people have a financial literacy level of 38.03% with an inclusion level of 76.19%. Even though a survey conducted by the Financial Services Authority in 2019 revealed that Indonesia has a higher level of financial literacy compared to previous years, this level is still relatively low (OJK, 2019).

Socioeconomic status is the second factor that influences personal financial management, after financial literacy. Socioeconomic status refers to a person's position in terms of rights and responsibilities in interacting and resources. There is also upper

economic status, which is based on the wealth they have where they are able to show their assets that can meet their needs up to tertiary. Conversely, lower economic status where assets do not meet daily needs and are still below the average society in general (Karin Avida & Rokhmani, 2021).

Emotional intelligence is the last factor that influences personal financial management. Spiritual intelligence here leads to controlling one's two characteristics, namely intrapersonal and interpersonal. Someone who is able to control his emotions well will also be able to make good financial decisions (Dwiastanti & Wahyudi, 2022). Based on the problems above, the authors more specifically examine "The Influence of Socio-Economic Status and Spiritual Intelligence on Financial Literacy as a Mediating Variable on Personal Financial Management: Study on Students of Alma Ata University, Yogyakarta".

Literature review

Personal financial management is one of the important things, being able to make someone use money wisely provides benefits to the economy such as encouraging producers to make products and services that suit their needs (Afandy & Niangsih, 2016). Financial management is a process of planning, implementing and evaluating the finances of a person or family. households or individuals will be able to accumulate the wealth needed to meet current and future needs. Financial planning, purchasing decisions, investment decisions, saving and evaluation of expenses are indicators used to measure personal financial management (Sina & Noya, 2012).

Socio-economic is the position or position of a person's class in a human group which is determined by the type of economic activity, income, level of learning, type of house where they live and position in the organization (Chotimah & Rohayati, 2014). Socio-economic can also be understood as a socially regulated condition or position that places a person in a certain position in the structure of society. According to Maftukhah (2007), a person's social status in society is determined by their socio-economic status, namely a level that is owned by them based on their ability to meet their daily needs from the income they earn. The indicators used are three levels of education, type of work, income level, student monthly allowance (Widayati, 2014).

Emotional intelligence according to Goleman is a person's ability to manage his emotional life with intelligence (to manage our emotional life expression), namely maintaining emotional harmony and expression through self-awareness skills, self-control, self-motivation, empathy and social skills, and skills in building relationships with other people. . Emotional intelligence possessed by a person is an ability possessed by a person to understand more deeply about emotional sensitivity. This situation can make a person have a deep sense of empathy for the misfortunes experienced by other individuals. Emotions are intense feelings directed at someone or something (Sitorus et al., 2022). Students who have good emotional intelligence will find it easier to control themselves so they can implement their personal financial management in everyday life. The indicators used to measure emotional intelligence are self-awareness, self-regulation, motivation, empathy and social skills.

According to Sakinah and Mudakir (2018), financial literacy is self-confidence and skills that can influence attitudes and behavior that affect financial decision making. Financial literacy is not only one's knowledge and abilities in finance, but one can use it to make the right decisions about financial management (Kartini & Nuansari, 2018).

Financial literacy, as defined by Manurung (2009), is a set of skills and knowledge that enables individuals to make wise decisions with all their financial resources. Basic knowledge of financial management, Savings and borrowing (savings and loans), Insurance (insurance) and Investment (investment) are indicators used to measure Chen and Vlope's financial literacy (cited in (Yushita, 2017)).

Research method

The type of research used in this research is quantitative with an associative research design. This study uses primary data that is distributed melalui kuesioner (*Google form*). The sampling technique used was random sampling and was calculated using the Slovin formula with an error rate of 5%, the sample in this study was obtained by 350 respondents. The method used in this study is the classical assumption test, path analysis, Sobel test and robustness test, and processed using Statistical Product and Service Solutions (SPSS). Aims to explain the independent variables, namely socioeconomic status and emotional intelligence on personal financial management with financial literacy as a mediating variable.
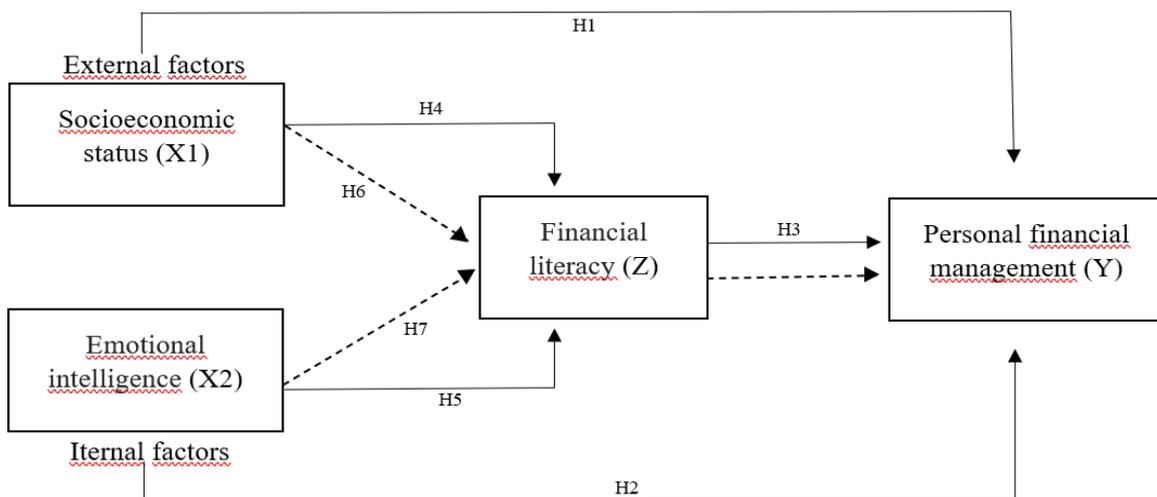

Figure 1. Research Plan

Result and discussion

Based on the Table 1, in sub structural II the significance value of X1 is 0.011 <0.05, X2 is 0.000 <0.05, and Z is 0.000 <0.05 and the coefficient value X1 is positive 0.146, X2 is positive 0.260, and Z is a positive 0.264 means that X1, X2, and Z have a positive and significant effect on Y, so H_1, H_2, and H_3 are accepted. Based on the table above, in sub structural I, the significance value of X1 is 0.000 <0.05, X2 is 0.000 <0.05 and the coefficient value X1 is positive 0.234 and X2 is positive 0.322 meaning that X1 and X2 have a positive and significant effect on Z, so H_4, and H_5 are accepted.

Table 1. Path regression analysis

Sub Struktural I			
Variabel Dependen: Literasi keuangan			
	B	**Std. Error**	**t**	**Sig.**
Status sosial ekonomi	,234	,049	4,756*	,000*
Kecerdasan emosional	,322	,019	17,02*	,000*
F		426,547*		,000*
R2				,711
Sub Struktural II			
Variabel Dependen: Manajemen keuangan pribadi			
	B	**Std. Error**	**t**	**Sig.**
Status sosial ekonomi	,146	,057	2,571*	,011**
Kecerdasan emosional	,260	,029	9,031*	.000*
Literasi Keuangan	,264	,060	4,385*	,000*
F		249,340*		,000*
R2				,684

Source: SPSS 2023 output

Based on sub-structural I and sub-structural II, the path analysis is obtained as follows:
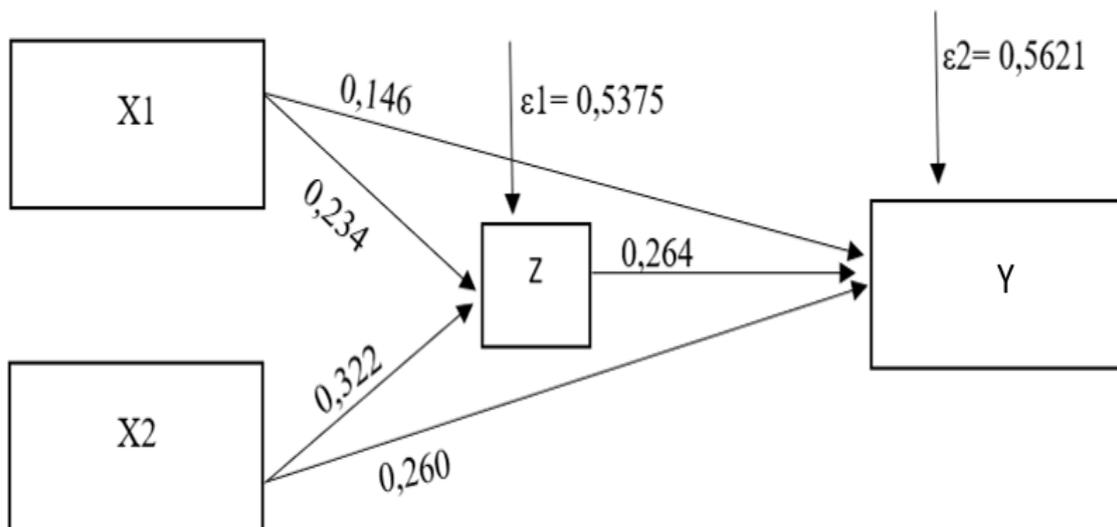
Figure 2. Path analysis results

Based on the results of the path analysis, it can be seen that the direct effect of X1 on Y is 0.146, the indirect effect of X1 on Y through Z is 0.234, and the total effect is 0.207. The direct effect of X2 on Y is 0.260, the indirect effect of X2 on Y through Z is 0.322, and the total effect is 0.345. Furthermore, to determine the significance of the intervening variable, the Sobel test was carried out with the following results:

Table 2. Sobel test

Variable	Sab	T count	T table 1%	Information
X1→Z→Y	0,000373104	165,57	2,337*	Able to mediate
X2→Z→Y	0,000377078	225,438	2,337*	Able to mediate

Based on the results of the Sobel test, it was obtained that t count X1 was 165.57 > from t table 2.337, meaning that Z was able to mediate the effect of X1 on Y, then H_6 was accepted. t count X2 is 225.43 > from t table 2.337 meaning that Z is able to mediate the effect of X2 on Y, then H_7 is accepted.

Table 3. Robustness Test Recapitulation Results in 2019, 2020 and 2021

2019			2020			2021		
Dependent variable: financial literacy			**Dependent variable: financial literacy**			**Dependent variable: financial literacy**		
Independent variable	**Coefficient**	**Sig.**	**Independent variable**	**Coefficient**	**Sig.**	**Independent variable**	**Coefficient**	**Sig.**
Socioeconomic status	0,459	,000*	Socioeconomic status	0,293	,000*	Socioeconomic status	0,254	,024***
Emotional intelligence	0,246	,000*	Emotional intelligence	0,385	,000*	Emotional intelligence	0,355	,000*
Dependent variable: financial management			**Dependent variable: financial management**			**Dependent variable: financial management**		
Independent variable	**Coefficient**	**Sig.**	**Independent variable**	**Coefficient**	**Sig.**	**Independent variable**	**Coefficient**	**Sig.**
Socioeconomic status	0,224	,098***	Socioeconomic status	0,193	,082***	Socioeconomic status	0,286	,070***
Emotional intelligence	0,357	,000*	Emotional intelligence	0,193	,008**	Emotional intelligence	0,163	,068***
Financial literacy	0,121	,000*	Financial literacy	0,408	,003**	Financial literacy	0,604	,001**

Based on the robustness results above, all variables have positive and significant coefficient values, it can be concluded that the results of this study are robust (strong).

The effect of socioeconomic status on personal financial management

Based on the tests carried out on the first hypothesis, the t-count value is 2.571 > t-table 2.337 and a significance value of 0.011 < 0.05, and β = 0.146 is positive, which means that socioeconomic status (X1) has a positive and significant effect on personal financial management (Y). These results imply that socioeconomic status is a factor that plays an important role in determining the level of improvement in student personal financial management. Differences in the socioeconomic status of parents make a big difference in a child's life. Students who have a high social status tend to get adequate facilities from their families and get more opportunities to develop skills in managing personal finances. According to Ahmadi (2007) revealed that parents' socio-economic influence on the behavior and experiences of a child. The results of this study are in line with research conducted by Lestari (2010) and Lusardi (2010) who found that parents' socioeconomic status had an effect on financial literacy

The effect of emotional intelligence on personal financial management

Based on the tests conducted on the second hypothesis, the t-count value is 9.031 > t-table 2.337 and a significance value of 0.000 < 0.05, and β = 0.260 is positive, which means that emotional intelligence (X2) has a positive and significant effect on management personal finance (Y). These results suggest that emotional intelligence is a factor that plays an important role in determining the level of improvement in student personal financial management. The better the emotional intelligence, the higher the personal financial management of Alma Ata University students. Conversely, if emotional intelligence is not good, the student's personal financial management will also experience a decrease or inability to manage finances. This is in line with research conducted by Sitorus et al., (2022) which states that emotional intelligence has a positive and significant effect on financial management. This shows that good emotional intelligence possessed by students can make them intelligent human beings in making financial decisions. So that students who have good emotional intelligence are able to manage their personal finances.

The effect of financial literacy on personal financial management

Based on the tests carried out on the third hypothesis, the t-count value is 4.385 > t-table 2.337 and a significance value of 0.000 < 0.05, and β = 0.264 is positive, which means that financial literacy (Z) has a positive and significant effect on management personal finance (Y). Based on the results of the analysis above, it can be concluded that financial literacy is one of the factors that can influence someone in personal financial management. This means that the higher one's financial knowledge and ability to implement financial aspects, one of which is basic financial knowledge which includes income, expenses, assets, debt and risk, will result in wise financial behavior and effective financial management. And vice versa, it can be said that the lower a person's basic knowledge of finance, the worse and ineffective financial management behavior will be.

In this study it can be said that Alma Ata University students have a fairly high level of financial literacy, with a high level of financial literacy students will be able to make wise financial decisions to avoid financial problems. As revealed by Chinen (2012) that someone who has the ability to make the right decisions about finances, in the future he will not have financial problems and can determine what is a need and not a want. This is in line with research (Amelia, 2022) and (Christian & Wiyanto, 2020).

The effect of socioeconomic status on financial literacy

Based on the tests carried out on the fourth hypothesis, the t-count value is 4.756 > t-table 2.337 and a significance value of 0.000 < 0.05, and $\beta = 0.234$ is positive, which means that socioeconomic status (X1) has a positive and significant effect on financial literacy (Z). In this study it can be said that the socio-economic status of Alma Ata University students is quite high. Empirically it was found that parents' socioeconomic status had a direct positive effect on financial literacy. The development of financial management is closely related to activities carried out by someone related to the use of money (Azzahrah et al., 2021). Parents' background, parents' occupation, and parents' social position can influence a person's attitude in spending, saving, investing, credit, budgeting and financial management. This is in line with research conducted by Ahmadi & Sulistyowati (2019) and Romadoni (2015).

The effect of emotional intelligence on financial literacy

Based on the tests carried out on the fifth hypothesis, the t-count value is 17.02 > t-table 2.337 and a significance value of 0.000 < 0.05, and $\beta = 0.322$ is positive, which means that emotional intelligence (X2) has a positive effect and significant to financial literacy (Z). In this study, it can be said that Alma Ata University students have a fairly good level of emotional intelligence. Emotional intelligence will support setting objectives in good and correct financial management. Emotional intelligence can help individuals understand more about knowledge related to finance.

The effect of financial literacy mediates socioeconomic status on personal financial management

Based on the results of the path analysis and Sobel test performed, a t-count value of 165.57 > t-table 2.337 and a mediation coefficient of 0.207 is obtained, which means that financial literacy (Z) is able to mediate socioeconomic status (X1) on personal financial management (Y). In this study, socioeconomic status has an indirect effect (through financial literacy) on personal financial management. If a student has a high level of social status then he can achieve good financial literacy, and if the level of student financial literacy is high then he can implement it in order to have good personal financial management. This is supported by research conducted by Prawiro (2021) which found that the Financial Literacy variable is able to become a mediating variable between Socioeconomic variables and Personal Financial Management.

Conclussion

Based on the research results, it can be concluded that the variables of socioeconomic status and emotional intelligence have a positive and significant effect on personal financial management both directly and through financial literacy as a mediating variable. There is a positive and significant influence of socioeconomic status, emotional intelligence and financial literacy on personal financial management. The results of the robustness test stated that the results of this study were robust.

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