

**THE ROLE OF PARENTAL EDUCATION, FRUGAL LIVING,
HEDONISTIC LIFESTYLE IN FINANCIAL BEHAVIOR
UNDERGRADUATE THESIS**



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**MANAGEMENT STUDY PROGRAM FACULTY OF ECONOMICS
STATE ISLAMIC UNIVERSITY MAULANA MALIK IBRAHIM
MALANG**

2025

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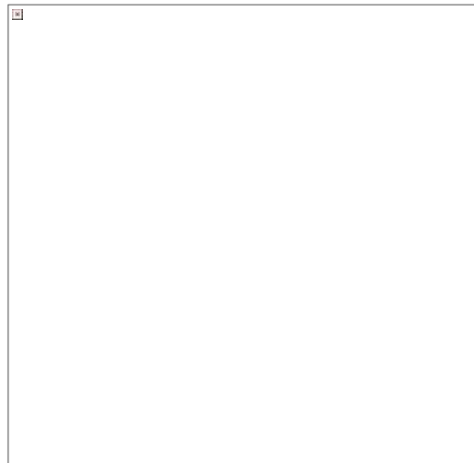
**THE ROLE OF parental education, FRUGAL LIVING and HEDONISTIC
STYLE IN FINANCIAL BEHAVIOR**

**The Role of Parental Education, Frugal Living, Hedonistic Lifestyle in
Financial Behavior**

Submitted to:

State Islamic University (UIN) Maulana Malik Ibrahim Malang

In Partial Fulfillment of the Requirements for the Degree of
Bachelor of Management (B.M.)



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MALANG**

2025

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THE ROLE OF PARENTAL EDUCATION, FRUGAL
LIVING, HEDONISTIC LIFESTYLE IN FINANCIAL BEHAVIOR

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THE ROLE OF PARENTAL EDUCATION, FRUGAL LIVING, HEDONISTIC LIFESTYLE IN FINANCIAL BEHAVIOR

(Studi Pada Mahasiswa Program Studi Menjmen finance UIN Maulana Malik Ibrahim Malang)

Adalah hasil karya sendiri, bukan "duplikasi" dari karya orang lain. Apabila dikemudian hari terdapat "klaim" dari orang lain atas skripsi ini, maka bukan menjadi tanggung jawab Dosen Pembimbing dan Fakultas Ekonomi UIN Maulana Malik Ibrahim Malang, namun merupakan tanggung jawab pribadi.

Demikian surat pernyataan ini saya buat dengan sebenar-benarnya, tanpa ada paksaan dari pihak manapun.

Malang, 31 Oktober 2025

hormat saya,



Terima kasih banyak

DEDICATION PAGE

the Most Merciful. In the name of Allah, the Most Gracious,

All praise is due to Allah SWT, who has blessed me with strength, health, patience, and ease in completing this thesis.

This thesis is wholeheartedly dedicated to:

To my extended family, especially my beloved father, Mr. Abbas Abdalla Abdelwahab whose constant prayers, unwavering support, and encouragement have been my greatest source of strength throughout this journey.

To my dear sisters —thank you for your endless love, motivation, and encouragement that have always lifted me in challenging times.

To all the lecturers and staff of the Faculty of Economics at the State Islamic University of Maulana Malik Ibrahim Malang, with special appreciation to Mrs. Mega Noerman Ningtyas, M.S Muhammad Sulhan, SE., MM., my thesis advisor, for her patience, guidance, and insightful feedback that greatly contributed to the completion of this thesis.

To my cherished friends and companions, thank you for your continuous support, for lending an ear when I needed it most, and for being part of this meaningful journey with me.

All praise and gratitude are due to Allah SWT, who has blessed me with strength, patience, and perseverance throughout the process of completing this undergraduate thesis titled —The Role of Parental Education, Frugal Living, Hedonistic Style, and Financial Attitude in Financial Behavior.‖ His guidance has been a constant source of support during my academic journey. May peace and blessings be upon the Prophet Muhammad SAW, whose teachings continue to inspire generations.

This thesis is one of the key requirements for completing my undergraduate degree in Management at the Faculty of Economics, Universitas Islam Negeri Maulana Malik Ibrahim Malang. The process of conducting this research has not only enriched me academically but also personally, by offering valuable life experiences and challenges that have shaped my growth as a student.

I would like to extend my sincere appreciation and heartfelt thanks to all who have supported me:

1. Allah SWT, who made every step possible with ease and guided me through the challenges.
 2. Prof. Dr. M. Zainuddin, MA, as the Rector of UIN Maulana Malik Ibrahim Malang.
 3. Dr. Misbahul Munir, Lc., M.El., as the Dean of the Faculty of Economics.
 4. Muhammad Sulhan, SE., MM., as the Head of the Management Study Program.
 5. Mrs. Mega Noerman Ningtyas, M.Sc, my advisor, for her constant guidance,insightful suggestions, and encouragement during the preparation of this thesis.
 6. All lecturers and staff of the Faculty of Economics who have provided knowledge and support throughout my studies.
 7. My beloved father, Mr. Abbas Abdalla Abdelwahab, for their continuous prayers and moral support, as well as my dear sisters who always stood by me with love and encouragement.
- iii
8. My classmates in the 2021 Management cohort, who have been wonderful companions throughout this academic journey.

9. The international students in Malang who participated and provided crucial data for this research.

10. And everyone else who has contributed in ways big or small during this process—thank you sincerely.

I am fully aware that this thesis is not without shortcomings. Therefore, I welcome any constructive feedback for its improvement. I sincerely hope that this work can be beneficial to fellow students, researchers, and readers who are interested in the topic of financial behavior.

Malang, 2025

Ragad Abbas Abdalla

Parental Education, Frugal Living, Hedonistic Style, and Financial Attitude in Financial Behavior Advisor: Mega Noerman Ningtyas, M.Sc Muhammad Sulhan, SE., MM .

Keywords: Parental Education, Frugal Living, Hedonistic Lifestyle, Financial Attitude, Financial Behavior, International Students

This study aims to analyze the influence of parental education, frugal living, hedonistic lifestyle, and financial attitude on the financial behavior of international students in Malang City. Financial behavior plays a critical role in determining an individual's financial well-being, especially among students managing their finances independently abroad.

Using a quantitative research method, data were collected via online questionnaires distributed to 392 international students in Malang, selected through purposive sampling. Structural Equation Modeling (SEM) with SmartPLS software was applied to analyze the relationships between variables. The findings indicate that frugal living and financial attitude have a significant positive effect on financial behavior, showing that students who adopt frugality and maintain responsible financial attitudes tend to manage their finances better. Parental education and hedonistic lifestyle, however, do not significantly influence financial behavior, suggesting that students' financial practices are shaped more by their personal attitudes and lifestyle choices rather than their parents' educational background or pleasure-seeking tendencies.

This research contributes to understanding the financial decision-making of international students and offers insights for designing effective financial education programs to improve students' financial management skills .

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CHAPTER I INTRODUCTION

1.1. Background

Personal financial management (PFM) is the process of planning, organizing, and controlling financial activities to achieve financial stability and long-term security. In today's rapidly changing economic environment, effective PFM is essential for individuals to navigate financial challenges, build wealth, and secure their future. Financial behaviors, such as saving habits, spending patterns, and investment decisions, significantly impact an individual's financial well-being. Making informed choices—whether in budgeting, debt management, or financial planning—shapes one's overall financial health and determines

The study of personal finance examines how individuals acquire, manage, and distribute financial resources to achieve both short-term and long-term financial objectives (Hira & Mugenda, 1999). Personal finance involves creating a spending plan, building savings, and making investment decisions while considering various financial risks and life events. Key aspects of personal financial management include budgeting, saving, purchasing insurance, and securing a mortgage. When planning personal finances, individuals must consider a range of financial products and personal factors that significantly influence their financial well-being and future (Mao, 2017). A well-structured personal finance plan is essential for achieving financial goals, whether it be saving for a child's education, preparing for retirement, or ensuring sufficient funds for unexpected expenses.

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In our personal life, financial management helps us to create a comfortable life with an assurance of a secured future and freedom to spend money to keep us happy. The importance of financial planning and management is reflected in all areas of personal and business life. All individual no matter what their financial capacity is must learn and study financial management and adapt it to improve their life (Bimal Bhatt,2011).

Financial behavior refers to how individuals manage their income, expenses, and investments to maintain financial health. Individuals who adopt frugal lifestyles are more likely to develop strong financial habits, such as setting budgets, avoiding debt, and prioritizing savings (Lestari & Susanti, 2019). Research by Lusardi and Mitchell (2014) highlights that individuals who practice frugal living tend to have better financial management skills and are less prone to impulsive spending.

Financial behavior refers to an individual's ability to plan, budget, control, and allocate their finances wisely (Kholilah & Irmani, 2013). According to Lusardi & Mitchell (2014), individuals who exhibit strong financial behavior tend to achieve better financial stability and long-term well-being. However, many asuniversity students lack financial discipline, leading to issues such inoverspending, excessive reliance on parental support, and difficulties distinguishing between needs and wants (Tang et al., 2018). (2002) describe it as the process of selecting, acquiring, allocating, and utilizing financial resources, typically with a broader financial objective in mind. Joo (2008) emphasizes that effective financial management practices enhance financial well-being, whereas poor personal financial management can lead to significant long-term social and societal consequences. As a result, responsible money management is a fundamental aspect of financial management.

Poor financial decision-making not only affects individuals but also has broader implications for businesses and society. Dew & Xiao (2011) define PFM as encompassing consumption, cash management, savings and investments, credit, and insurance.

According to Goyal et al. (2021), the term "personal financial management behavior" refers to a set of multidimensional behavioral indicators used in planning, implementing, and evaluating financial matters, including household income and cash flow, credit management, savings and investments, insurance, retirement planning, and estate management.

Behavioral finance plays a crucial role in understanding financial decisionmaking by examining how psychological and social factors influence individuals' financial behaviors. Unlike traditional finance theories that assume rational decision-making, behavioral finance acknowledges that emotions, cognitive biases, and social influences often shape how people spend, save, and invest.

Psychological factors such as impulsivity and risk perception impact financial choices, while social influences, including peer pressure and cultural norms, also play a significant role. Three key variables—hedonic lifestyle, frugal living, and family education—serve as crucial determinants of personal financial management. A hedonic lifestyle reflects a preference for pleasure-driven spending, often leading to financial instability. In contrast, frugal living emphasizes disciplined spending and resourcefulness, contributing to long-term financial security. Family education shapes financial attitudes and behaviors by instilling financial literacy and responsible money management practices from an early age. Understanding these factors provides deeper insights into how individuals manage their finances and make financial decisions.

Parental education plays a crucial role in shaping students' financial behaviors, including their savings habits. Research by Romadoni (2015) found that children of financially educate parents are more likely to develop good money management skills. Parents who discuss financial matters with their children and encourage saving habits from a young age have a significant impact on their children's financial discipline.

Sholikhah & Mufida (2022) also emphasized that financial education within families plays a crucial role in shaping students' financial behavior. When parents actively teach their children about money management from a young age, students tend to develop better financial discipline and a greater sense of financial responsibility.

According to Rosa and Listiadi (2020), one of the key factors influencing an individual's financial management is financial education within the family. Parents serve as the primary source of financial knowledge, guiding children through the learning process of money management and financial decisionmaking. Ameliawati and Setiyani (2018) further emphasize that children who receive early financial education from their families are more likely to develop responsible financial habits. Similarly, a study by Dewi and Listiadi (2021) found that individuals who demonstrate good financial management often attribute their skills to the financial education provided by their families. This is supported by research from Sigo et al. (2018), which highlights the crucial role of parental financial education in equipping children with the necessary financial insights to manage their money effectively.

Wulandari and Hakim (2016) argue that financial education within the family positively influences students' financial management, as parents serve as the primary educators and role models in shaping their children's financial behaviors. However,

this finding contradicts the research of Kusumawati (2021), which suggests that financial education in the family does not significantly impact students' financial management. Similarly, a study by Maulita and Mersa (2017) supports this view, indicating that family financial education has no direct influence on personal financial management.

Parental education is another key factor influencing students' financial habits. According to Romadoni (2015), parents who are well-educated in financial matters tend to pass on financial knowledge to their children, helping them develop better money management skills. This is supported by a study from Setiyani & Arifah (2020), which found that children of financially literate parents are more likely to practice good financial habits, such as saving, budgeting, and investing. Sholikhah & Mufida (2022) also emphasized that financial education within families plays a crucial role in shaping students' financial behavior. When parents actively teach their children about money management from a young age, students tend to develop better financial discipline and a greater sense of financial responsibility.

The other factors that can influencing the financial management behavior is frugal living. Frugal living is a financial approach that emphasizes mindful spending, minimalism, and budgeting to maximize financial resources while reducing unnecessary expenses. It is based on principles such as prioritizing needs over wants, seeking cost-effective alternatives, and making intentional financial decisions to ensure long-term stability. By promoting financial discipline, frugality encourages individuals to save consistently, avoid debt, and invest wisely, leading to greater financial security and independence. However, despite its benefits, extreme frugality can sometimes lead to overly restrictive financial behaviors that may reduce quality of life. Constantly avoiding expenditures, even on essential or enjoyable experiences, can create stress

and limit personal fulfillment. Therefore, maintaining a balanced approach—where financial responsibility coexists with a reasonable level of spending—ensures both financial well-being and a satisfying lifestyle. In balancing enjoyment with prudent financial planning to avoid negative long-term consequences.

Studies by Isomidinova et al. (2017) and Strömbäck et al. (2017) also support the idea that frugal individuals exhibit greater financial understanding, which enhances their ability to save, invest wisely, and make informed financial decisions. These findings indicate that financial discipline cultivated through frugality contributes to long-term financial well-being.

Frugal individuals tend to track their expenses and prioritize necessities over luxury spending. Research by Nugroho and Susilo (2021) found that students who adopt frugal habits are more likely to create budgets and adhere to them, reducing financial stress and promoting financial security.

Frugal individuals are more cautious about taking on unnecessary debt. Research by Ramadhani and Fitriani (2020) found that people who practice frugal living are less likely to accumulate credit card debt and tend to seek cost-effective alternatives before making purchases.

Frugal living is a financial approach that emphasizes mindful spending, resourcefulness, and prioritizing financial security over unnecessary expenses. It involves budgeting, cost-cutting, and strategic financial planning to achieve long-term financial stability (Pinto & Mansfield, 2020). Unlike excessive saving that can limit quality of life, balanced frugality promotes financial discipline while allowing for necessary and meaningful expenditures.

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A frugal lifestyle encourages saving habits that contribute to long-term financial stability. Dewi and Listiadi (2021) found that individuals who adopt frugality allocate a portion of their income to emergency funds and future investments, which enhances financial resilience.

A hedonic lifestyle is characterized by a strong preference for pleasure, enjoyment, and immediate gratification, often reflected in spending on luxury goods, entertainment, and experiences. Individuals who prioritize hedonic consumption may engage in impulsive spending, frequently choosing short-term satisfaction over long-term financial security. This behavior can lead to poor financial management, excessive debt, and difficulty in achieving financial stability. However, some argue that controlled hedonic spending can enhance quality of life without necessarily harming one's finances. When managed responsibly—such as setting budgets for leisure activities and prioritizing financial goals—hedonic consumption can contribute to overall well-being while maintaining financial stability. Engaging in social activities such as dining out, sightseeing, and watching movies with friends can

become habitual and, over time, contribute to increased spending without individuals realizing it (Parmitasari et al., 2018). This pattern of behavior often leads to consumptive tendencies (Anggraini et al., 2022), where individuals prioritize purchasing based on desires rather than actual needs (Lestarina et al., 2017). Many teenagers and students tend to spend money on goods without considering their actual benefits, often making

purchases driven by prestige rather than necessity (Solihat & Arnasik, 2018).

Hedonism can be understood as a pattern of behavior reflected in an individual's activities, interests, and viewpoints (Çoşkun & Dalziel, 2020). Often, people with a hedonistic lifestyle make purchases based on personal desires rather than practical necessity (Sandria et al., 2021). This lifestyle prioritizes pleasure, as individuals focus on activities that bring them enjoyment (Kwenda & Sihlongonyane, 2021). According to Kusumawati (2021), key indicators of a hedonistic lifestyle include impulsive behavior, a desire for attention, limited rationality, a preference for leisure activities, a tendency to follow trends, and susceptibility to external influences. While effective financial management requires individuals to allocate their expenses wisely, excessive consumptive behavior can lead to uncontrolled spending (Dewi & Listiadi, 2021). However, this perspective contrasts with the findings of Ameer and Khan (2020), who argue that a hedonistic lifestyle does not necessarily influence an individual's financial management.

The demands of college life and present financial needs are significant. Students, who are mostly young adults, often strive to equip themselves with the skills needed to face challenges beyond campus life.

Undergraduates living away from their parents should be capable of managing their finances responsibly (Khalisharani, Johan, & Sabri, 2022). Thus, the ability of students to manage their money wisely is of great importance. Good money management behavior benefits governments, parents, higher education institutions, and students alike (Barr & McClellan, 2018).

While numerous studies have explored the impact of individual factors such as hedonic lifestyle, frugal living, or parents' education on personal financial management (PFM), few have examined how these three variables interact to shape financial behavior. This gap in research leaves an incomplete understanding of the combined influence of spending habits, financial discipline, and early financial education on long-term financial stability. As personal finance becomes increasingly important—especially for young adults managing student loans, salaries, and investments—a more comprehensive approach is needed to address financial decision-making challenges. Understanding the interplay of these factors can provide valuable insights for developing more effective financial education programs, equipping individuals with the knowledge and skills to make informed financial choices and achieve economic well-being.

Conversely, some research suggests that students from lower-income families may develop stronger financial discipline due to limited financial resources. Felantika (2022) found that students who receive lower allowances are often more cautious with their spending, prioritizing needs over wants. This finding aligns with the study by Tang et al. (2018), which revealed that financial constraints encourage students to develop better budgeting skills and financial responsibility.

Despite these findings, it is important to note that financial behavior is not solely determined by parental income. Individual financial habits, peer influence, and

financial education also play crucial roles in shaping how students manage their money. However, not all students from financially educated families exhibit good financial habits. Some may still struggle with impulsive spending due to social pressures, lifestyle choices, or a lack of personal financial awareness. This suggests that while parental education is a significant factor, it must be reinforced with formal financial education and self-discipline.

At UIN Malang, students whose parents have a background in finance, business, or economics tend to have better financial management skills and saving habits. However, students whose parents have limited financial education may lack financial awareness, leading them to prioritize spending over saving. Social environment and peer influence also affect students' financial habits. Many students in UIN Malang live in kost (boarding houses) and are financially responsible for their daily expenses. Socializing, entertainment, and lifestyle choices often influence their spending and saving behavior.

Based on the discussion above, this research aims to examine the impact of parental education, frugal living, and a hedonistic lifestyle on personal financial management behavior. Understanding how these factors interact is crucial in shaping financial habits, particularly among university students who are navigating financial independence. Parental education plays a fundamental role in instilling financial discipline from an early age, while frugal living promotes responsible spending and long-term financial stability. Conversely, a hedonistic lifestyle, when not managed wisely, can lead to impulsive financial decisions that may negatively impact financial well-being. By analyzing these variables, this study seeks to provide deeper insights into the financial behaviors of students and contribute to the development of effective financial education strategies. The findings will help individuals, educators, and

policymakers design better financial programs, equipping students with the necessary skills to make informed financial decisions and achieve long-term financial security.

1.2. Research Question

This can be formulated as follows, considering the context The problems mentioned above:

1. Does the family education have a positive effect on personal financial management?
2. Does the frugal living have a positive effect on personal financial management?
3. Does the hedonistic style have a negative effect on personal financial management?

1.3 Research Objectives

The objectives of the discussion in this paper are:

1. To analyze the parental education on financial management behavior
2. To analyze the frugal living on financial management behavior
3. To analyze the hedonistic style on financial management behavior

1.4 Benefits of Research

1. Theoretical Benefits

This research contributes to the development of literature in the field of financial behavior, particularly in understanding how parental education, frugal living, and hedonistic lifestyle influence personal financial management among university students. By exploring the interaction of these three factors, the study provides a deeper theoretical insight into behavioral finance, especially in the context of young adults transitioning into financial independence. The findings

also support and expand upon existing theories in personal finance, behavioral economics, and financial psychology, offering a comprehensive framework for future academic studies.

2. Practical Benefits

It is expected that this research can serve as a comparative reference and a source for future studies to assess the extent to which students at Universities in Malang city are influenced by financial management behavior, and parental education.

1.5 Benefits of Research

1. For individuals

Especially young adults and university students, this study provides a better understanding of how lifestyle choices, financial habits, and family education influence financial stability, enabling them to make more informed decisions about budgeting, saving, and investing.

2. For educators:

The research findings can serve as a basis for designing and implementing more effective financial education programs that emphasize the importance of balancing spending, saving, and responsible money management. Universities and organizations can use these insights to develop targeted workshops and curricula that address the financial challenges faced by students and young professionals.

CHAPTER II LITERATURE REVIEW

2.1. Previous research

Romadoni (2015) found that children of highly educated parents tend to develop better financial management habits, such as budgeting and saving, due to early exposure to financial discussions and decision-making processes within the family. Parents with a strong educational background are more likely to guide their children in financial matters, providing them with essential money management skills.

Setiyani & Arifah (2020) emphasize that parents who have attained higher levels of education are more likely to discuss financial planning with their children, fostering responsible financial behaviors. Their study showed that parental education positively correlates with financial discipline, as children tend to adopt the financial habits demonstrated by their parents.

Dewi & Listiadi (2021) highlight that financial management behaviors, including responsible spending and saving habits, are significantly influenced by parental guidance. Their findings suggest that students who receive financial support and advice from educated parents are better at managing their expenses and avoiding financial distress. However, they also note that some students, despite coming from well-educated families, may still struggle with financial discipline due to external influences such as peer pressure and social expectations.

Kusumawati (2021) presents a contrasting perspective, arguing that parental education does not necessarily have a direct impact on financial management behavior. Their study found that some students from highly educated families still engage in poor financial management practices, often influenced by lifestyle choices and external social factors rather than parental guidance. This aligns with findings by Maulita & Mersa (2017), who suggest that while parental education provides a foundation for financial awareness, individual experiences and personal attitudes ultimately shape financial decision-making.

A study by Novianti et al. (2016) explored the relationship between parental education and students' ability to manage financial resources. Their research indicated that while parental education does contribute to financial awareness, students' financial behaviors are also influenced by their immediate social environment, such as friends and online financial trends.

Chandra & Wijaya (2019) found that individuals who adopt a frugal lifestyle tend to demonstrate better financial management practices, including budgeting, saving, and debt avoidance. Their study showed that frugality encourages individuals to differentiate between needs and wants, reducing impulsive spending and improving financial stability.

Pratama & Dewi (2021) emphasize that frugal individuals are more likely to engage in effective financial planning, including setting long-term financial goals and managing household expenses efficiently. Their findings indicate that frugal habits, such as tracking expenses and minimizing unnecessary spending, lead to higher financial security and reduced financial stress.

A study by Lestari et al. (2020) explored the impact of frugality on students' financial management behaviors. Their research found that students who practiced frugal living were better at managing their allowances, avoiding debt, and prioritizing savings. The study also noted that frugality was often influenced by family upbringing and personal financial experiences rather than formal financial education.

In contrast, Santoso & Rahayu (2018) argue that while frugal living positively impacts financial management behaviors, extreme frugality can sometimes lead to financial rigidity, where individuals avoid necessary expenditures, potentially compromising their well-being. Their study suggests that a balanced approach to frugality—where individuals make mindful spending decisions without excessive restrictions—is key to effective financial management.

Research by Santoso & Wijaya (2020) found that individuals with a strong hedonic lifestyle tend to engage in higher levels of discretionary spending, often exceeding their financial limits. Their study revealed that hedonism is associated with reduced saving habits, leading to financial insecurity and an increased risk of debt accumulation.

Rahman & Dewi (2019) investigated the impact of a hedonic lifestyle on young adults' financial behaviors. Their findings showed that students and early-career professionals with hedonic tendencies were more likely to experience financial stress due to excessive spending on entertainment, dining, and luxury goods. The study emphasized that a lack of financial planning among hedonistic individuals contributed to poor financial health.

A study by Lestari et al. (2021) highlighted that social influences play a significant role in reinforcing a hedonic lifestyle. Their research found that peer pressure and

social media exposure often encourage individuals to prioritize status-driven spending, negatively impacting their ability to manage finances responsibly.

Psychological factors, such as impulsivity, self-control, and risk perception, play a crucial role in financial decision-making. According to Shefrin and Thaler (1988), individuals often exhibit mental accounting biases, where they allocate money differently based on subjective categories rather than overall financial goals. Similarly, Tang et al. (2018) found that university students with low self-control are more prone to impulsive spending, leading to financial instability. Moreover, Kahneman and Tversky's (1979) Prospect Theory explains that people tend to make investment decisions based on perceived gains and losses rather than objective financial reasoning.

Social factors, including peer pressure, cultural norms, and family upbringing, significantly impact financial habits. Research by Strömbäck et al. (2017) found that individuals who are surrounded by financially responsible peers are more likely to develop positive saving behaviors. Similarly, parental financial education has been identified as a key factor in shaping long-term financial attitudes (Lusardi & Mitchell, 2014). Social comparison theory (Festinger, 1954) also suggests that individuals adjust their spending patterns based on the financial behaviors of their peers, which can lead to either responsible budgeting or excessive consumption.

Research by Tang et al. (2018) found that students with high hedonic tendencies are more likely to overspend and have financial difficulties due to poor money management skills.

Several studies have shown that frugal individuals are more consistent savers and investors. According to Brown and Taylor (2014), households that adopt frugal living

practices demonstrate higher savings rates and lower debt levels. Frugality encourages individuals to prioritize needs over wants, leading to a more stable financial future. Similarly, a study by Lusardi and Mitchell (2017) found that financial literacy and frugality together enhance individuals' ability to accumulate wealth over time.

While previous research has extensively examined individual psychological and social influences on financial behavior, there is limited research on how these factors interact with lifestyle choices and family financial education. This study aims to bridge this gap by examining how hedonic lifestyle, frugal living, and family financial education collectively influence personal financial management (PFM). Understanding these interactions can provide deeper insights into effective financial literacy programs and interventions.

Tabel 2.1

No.	Author's Name	Variable	Method	Research Results (Year), Title	Research Research
1.	Romadoni (2015)	Parental Education & Financial Management Behavior	Qualitative	Children of highly educated parents develop better financial habits due to early exposure to financial discussions.	
2.	Setiyani & Arifah (2020)	Parental Education & Financial Discipline	Quantitative	Higher parental education fosters responsible financial behaviors in children through financial planning discussions.	
3.	Dewi & Listiadi (2021)	Parental Guidance & Financial Behavior	Mixed-Methods	Students receiving financial guidance from educated parents manage expenses better, but peer pressure can still affect financial discipline.	
4.	Kusumawati (2021)	Parental Financial Behavior, as lifestyle choices	Quantitative	Parental education does not always directly and social factors also play a role.	Education & influence
5.	Maulita & Mersa (2017)	Parental Financial	Qualitative	While parental education provides financial awareness, individual experiences and attitudes shape financial decisions.	
6.	Novianti et al. (2016)	Parental Education & Social Environment	Quantitative	Parental education contributes to financial awareness, but peers and financial trends also influence financial behavior.	
7.	Chandra & Wijaya (2019)	Frugal Lifestyle & Financial	Quantitative	Frugality improves budgeting, saving, and debt avoidance, helping individuals manage finances better.	Management

No,	Author's Name,	Variable	Method	Research Results (Year), Title	Research Research
8.	Pratama & Dewi (2021)	Frugality & Financial Planning		Quantitative	Frugal individuals engage in better financial planning, set long-term goals, and experience reduced financial stress.
9.	Lestari et al. (2020)	Frugality & Financial Behavior	Mixed-Students practicing frugality better, avoid debt, and prioritize savings,		Students' Methods influenced by family upbringing.
10.	Santoso & Rahayu (2018)	Extreme Frugality & Financial Rigidity	Qualitative	Excessive frugality can lead to avoiding & Financial	necessary expenditures, potentially harming wellbeing.
11.	Santoso & Wijaya (2020)	Hedonic Lifestyle & Financial Instability	Quantitative	Hedonic lifestyles lead to high discretionary spending, poor saving habits, and	
12.	Rahman & Dewi experience (2019)	Hedonic Lifestyle & Financial Stress	Mixed-	Young adults with hedonic tendencies	
				Methods financial stress due to excessive spending on entertainment and luxury.	
13.	Lestari et al. (2021)	Social Influence & Hedonic Lifestyle	Qualitative	Peer pressure and social media reinforce	
				hedonism, impacting responsible financial management.	
14.	Shefrin & Thaler (1988)	Mental Accounting & Financial Decision-Making	Theoretical	People categorize money	subjectively, leading to suboptimal financial decisions.

15. Tang et al. (2018) Self-Control & Financial Stability Quantitative Low self-control leads to impulsive spending and financial instability.

No,	Author's Name, (Year), Title Research	Variable	Method Research	Research Results
16.	Kahneman & Tversky (1979)	Prospect Theory & Investment Behavior	Theoretical	People make financial decisions based on perceived gains/losses rather than objective reasoning.
17.	Strömbäck et al. (2017)	Peer Influence & Saving Habits	Quantitative	Financially responsible peers encourage positive saving behaviors.
18.	Lusardi & Mitchell (2014)	Parental Financial Education & Long-Term Financial Attitudes	Quantitative	Parents' financial education influences children's longterm financial habits.
19.	Brown & Taylor (2014)	Frugality & Financial Stability	Quantitative	Frugal households save more and have lower debt levels.
20	Lusardi & Mitchell (2017)	Financial Literacy, Frugality & Wealth Accumulation	Quantitative	frugality together improve wealth accumulation over time.

2.2. Theoretical studies

2.2.1 Financial Management Behavior Theory

2.2.2. Definition of Financial Management Behavior

Financial management behavior refers to an individual's actions and decisions in managing their financial resources effectively. It includes various aspects such as budgeting, saving, investing, and controlling expenses to achieve financial stability and security. According to Perry and Morris (2005), financial management behavior is influenced by financial knowledge, attitudes, and external factors such as social and economic conditions. It plays a crucial role in determining an individual's financial well-being and overall quality of life.

Hilgert, Hogarth, and Beverly (2003) define financial management behavior as the process of making informed financial decisions that enhance financial security and stability. It involves a combination of financial literacy, self-discipline, and planning to ensure that individuals can meet their financial obligations while achieving long-term financial goals.

In addition, Xiao (2008) emphasizes that financial management behavior is shaped by psychological and behavioral factors, including financial attitudes, self-control, and risk tolerance. These factors influence how individuals make financial decisions, affecting their ability to manage income, debt, and savings efficiently.

From a theoretical perspective, financial management behavior is often linked to behavioral finance theories. Financial literacy theory suggests that individuals with higher financial knowledge are more likely to exhibit positive

financial behaviors, leading to better financial outcomes (Lusardi & Mitchell, 2014). Meanwhile, behavioral finance theory highlights the impact of cognitive biases and emotional influences on financial decision-making (Thaler & Sunstein, 2008).

2.2.1.2 Key factors that can influence management behavior finance

Several factors influence financial management behavior, ranging from individual characteristics to external economic conditions. These factors play a crucial role in shaping financial decisionmaking processes:

Financial Knowledge and Education Financial literacy significantly impacts how individuals manage their finances. Higher financial knowledge leads to better budgeting, saving, and investment decisions (Lusardi & Tufano, 2015). Education programs aimed at enhancing financial skills help individuals develop effective money management habits.

Income Level The level of income determines an individual's ability to save, invest, and spend. Higher-income individuals typically have more financial security and flexibility in managing their finances compared to those with lower incomes (Xiao, Tang, & Shim, 2009).

Cultural and Social Influences Societal norms and cultural backgrounds play a significant role in shaping financial behaviors. Cultural values regarding savings, investment, and spending habits vary across different communities and influence financial decision-making (Gutter, Copur, & Garrison, 2010).

Access to Financial Services Availability and accessibility of financial institutions, banking services, and credit facilities impact how individuals manage their finances.

Limited access to financial services can lead to difficulties in savings and investment opportunities (Beck, Demirgüç-Kunt, & Levine, 2007).

Family and Peer Influence Financial behaviors are often influenced by family upbringing and peer pressure. Individuals raised in financially disciplined households tend to adopt better money management habits compared to those with poor financial role models (Gudmunson & Danes, 2011).

2.2.1.3 Financial Management Behavior Indicators

Financial management behavior indicators are measurable aspects that reflect how individuals or organizations manage their financial resources effectively. These indicators provide insights into financial decision-making patterns and the efficiency of financial management practices. The key indicators of financial management behavior include:

Budgeting and Planning Budgeting is a fundamental financial management behavior that involves planning income and expenses to ensure financial stability. Effective budgeting helps individuals and businesses allocate resources appropriately and avoid unnecessary expenditures.

Saving and Investment Practices The ability to save and invest reflects disciplined financial behavior. Individuals and organizations that prioritize saving and make strategic investment decisions tend to have better financial health and long-term stability.

Debt Management Managing debt effectively is an essential indicator of financial management behavior. This includes timely repayment of loans, maintaining a reasonable debt-to-income ratio, and avoiding excessive borrowing that may lead to financial distress.

Financial Decision-Making the decision-making process regarding financial matters, including purchasing decisions, risk assessment, and investment choices, is a key indicator of financial management behavior. Rational and well-informed financial decisions contribute to financial security and growth.

Spending Behavior Spending patterns reflect financial discipline. Controlling impulsive buying, prioritizing needs over wants, and maintaining a frugal approach are indicators of responsible financial management behavior.

2.2.1.4 Financial Management Behavior from an Islamic Perspective Financial management behavior in Islam is guided by the principles of Shariah, which emphasize ethical, responsible, and just financial dealings. Islamic financial management is not solely based on maximizing wealth but rather on achieving financial stability while adhering to religious and moral obligations

Islamic financial management behavior is rooted in the concepts of Tawheed (Oneness of Allah), Tawakkul (Trust in Allah), and Maslahah (Public Interest), ensuring that financial activities promote social justice and economic well-being. Unlike conventional finance, which is often driven by profit maximization, Islamic finance incorporates ethical constraints such as the prohibition of Riba

(usury/interest), Gharar (excessive uncertainty), and Maysir (gambling).

Islam emphasizes financial responsibility and discourages wastefulness:

وَوَيْلٌ لِلَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٦﴾ وَالَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٧﴾ وَالَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٨﴾

And give the relative (his right, and [also] the

the

poor and the traveler, and do not spend wastefully. Indeed, the wasteful are brothers of the devils, and ever has Satan been to his Lord ungrateful.) (Surah Al-Isra'

17:26-

The Quran highlights the importance of ethical financial dealings:)27

وَالَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٦﴾ وَالَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٧﴾ وَالَّذِينَ هُمْ عَنْ آلِهِمْ وَنُسُلِهِمْ غَافِلِينَ ﴿٢٨﴾

2.2.3.2 Functions of Parental Education

Parental education plays a crucial role in shaping children's financial behaviors and overall financial management skills. The key functions of parental education in financial decisionmaking include [31]:

1. Financial Socialization

- a. Parents serve as the first financial educators for their children by teaching them about budgeting, saving, and responsible spending.
- b. Through direct guidance and observation, children learn financial habits that influence their long-term financial well-being.

2. Development of Financial Discipline

- a. Educated parents are more likely to instill financial discipline in their children by emphasizing the importance of delayed gratification, controlled spending, and long-term financial planning.
- b. They teach their children to differentiate between needs and wants, helping them avoid impulsive financial decisions.

3. Encouraging Budgeting and Saving Habits

- a. Parents with higher education levels often introduce their children to concepts like budgeting and financial goal setting.

They encourage saving practices by providing allowances and teaching

how to allocate money for different expenses.

Risk Awareness and Financial Decision-Making 4.

- a. Educated parents tend to make informed financial decisions, which they pass on to their children.
- b. They educate their children about financial risks, debt management, and investment strategies, leading to better financial decision-making.

fraud, and interest-based transactions (riba). Parents must educate their children on the importance of ethical earnings and financial honesty.

The Prophet ﷺ said:

"Noonehas ever eaten a better meal than that which he has earned by his own hands." (Sahih al-Bukhari 2072)

By instilling these values, parents ensure that their children grow up with a strong sense of financial integrity and accountability before Allah.

4. *The Role of Parents in Teaching Generosity and Charity (Sadaqah & Zakat)*

Islamic financial management is not just about personal gain but also about helping others. Parents should teach their children the importance of giving Zakat and Sadaqah as an act of purification of wealth and a means to support those in need.

Allah ﷻ says:

[illegible]

"And establish prayer and give Zakat, and bow with those who bow [in worship]." (Surah Al-Baqarah 2:43)

By educating children about charity and financial responsibility, parents help create a balanced approach to wealth—one that includes both saving for the future and giving back to the community.

5. *Balancing Dunya (Worldly Life) and Akhirah (Hereafter) in Financial Education*

While Islam encourages financial success, it also teaches that wealth should not become a source of greed or arrogance. Parents should educate their children about the temporary nature of worldly wealth and the importance of preparing for the Hereafter.

Allah ﷻ reminds us: ◌

وَاتَّخَذَ رِجْلُ فِيفِي مَا آذَنَّاكَ كَأَنَّ هِيَ خَوْشٌ شِشْ وَهُوَ عَزَّزْتُ أَيْ ذُنُوْ جَدْوْ
بَصِطْ صِثْ لِمِمِّهِ انْدَوِي

"But seek, through that which Allah has given you, the home of the Hereafter; and [yet], do not forget your share of the world." (Surah Al-Qasas 28:77)

This balance between financial success and spiritual well-being should be a key component of parental financial education.

2.2.3.4 Parental Education Indicators

Parental education indicators refer to measurable aspects that reflect the level and effectiveness of parental education in shaping children's financial management behaviors. These indicators help assess how parental education influences a child's financial responsibility, decision-making, and overall financial well-being. The following are key indicators of parental education:

1. Educational Attainment of Parents

- a. The highest level of formal education completed by parents (e.g., primary, secondary, higher education).
- b. Parents with higher education levels are more likely to instill financial discipline and critical thinking in their children.
- c. Studies suggest that parents with university degrees often engage more in financial discussions with their children, leading to better financial decision-making skills.

2.2.4 The Frugal Living Theory

2.2.4.1 definition of frugal living

Frugal living is a financial lifestyle that focuses on minimizing unnecessary expenses, maximizing savings, and making intentional spending decisions to achieve financial stability and long-term financial goals. It involves being resourceful, avoiding waste, and prioritizing financial needs over wants while maintaining a sustainable and balanced way of life.

According to Keynes (1936), frugality is a rational economic behavior where individuals allocate resources efficiently to maximize financial security. Similarly, Thaler and Sunstein (2008) explain that frugal living aligns with behavioral economics, as it encourages individuals to practice selfcontrol, delayed gratification, and financial planning.

Research by Isomidinova et al. (2017) highlights that individuals who practice frugal living tend to experience greater financial security, reduced financial stress, and improved money management skills. Furthermore, Nugroho & Susilo (2021) emphasize that students who adopt frugal habits are better equipped to manage their finances and avoid financial difficulties.

In essence, frugal living is about making conscious financial choices that lead to a more sustainable and financially stable life.

2.2.4.2 Key factors that can influence frugal living

Several key factors influence how frugal living impacts FMB, including:

1. Financial Awareness and Planning

A strong sense of financial awareness helps individuals practice frugal living by making informed decisions regarding their income and expenses. People who plan their finances carefully, create budgets, and track their spending are more likely to embrace frugal habits, leading to better financial management behavior.

Income Level and Economic Constraints

2.

Individuals with limited financial resources often develop frugal living habits out of necessity. When financial constraints exist, people tend to be more cautious with their spending, seek cost-effective alternatives, and

prioritize essential needs over luxury expenses. This behavior fosters responsible financial management.

Cultural and Social Influences

3.

Cultural values and societal norms play a role in shaping frugal living habits. In societies where financial prudence is encouraged, individuals are more likely to adopt money-saving behaviors, such as reducing unnecessary expenses, avoiding debt, and investing in long-term financial goals.

Additionally, peer influence can either reinforce or discourage frugal practices.

4. Financial Education and Knowledge

Individuals who receive financial education—whether through formal schooling, parental guidance, or personal learning—tend to make wiser financial decisions. Understanding concepts such as budgeting, saving, and investment strategies enhances a person's ability to live frugally while effectively managing their finances.

2.2.4.3 FRUGAL LIVING Indicators

The following are key indicators of frugal living:

1. Budgeting and Expense Tracking

One of the main indicators of frugal living is the habit of creating and maintaining a budget. Individuals who practice frugality set spending limits, allocate income wisely, and track their expenses to ensure financial stability.

Prioritization of Needs Over Wants

2.

Frugal individuals focus on fulfilling essential needs before spending on discretionary items. They evaluate purchases based on necessity rather than impulse, ensuring that their financial resources are used efficiently.

Conscious Spending and Cost-Awareness

3.

A key indicator of frugal living is making intentional spending decisions. Frugal individuals compare prices, look for discounts, use coupons, and avoid paying for unnecessary conveniences to get the best value for their money.

2.2.4.4 Frugal Living from an Islamic Perspective

Frugal living aligns closely with Islamic teachings, which emphasize moderation, financial responsibility, and avoiding extravagance. Islam encourages Muslims to manage their wealth wisely, save for the future, and spend in a balanced manner without being wasteful. This principle is evident in the Quran and the teachings of Prophet Muhammad (peace be upon him).

1. Moderation in Spending

Islam promotes a balanced approach to spending, neither being extravagant nor miserly. The Quran advises Muslims to avoid wastefulness while ensuring their financial well-being.

وَالَّذِينَ إِذَا أَنفَقُوا لَمْ يَسْرِغُوا بِهَا سَرَاجًا ۖ بَيْنَ ذَٰلِكَ ذَوَاتُ الْبُرْجِ وَكَافَّةً ۗ أُولَٰئِكَ لَهُمْ أَجْرٌ كَبِيرٌ
 Allah says 'لَقَدْ يَنْقُذُكُمْ' in the Quran:

*"And those who, when they spend, do not excessively or sparingly
 but are ever, between that, [justly]*

moderate."

(Surah Al-Furqan 25:67)

This verse highlights the importance of spending wisely—neither being overly frugal to the point of hardship nor being wasteful.

Avoiding Extravagance and Wastefulness

2.

Islam strongly discourages wastefulness and excess in financial matters.

Extravagance is seen as a sign of ingratitude and is condemned in the Quran.

enjoyment and minimize pain, often prioritizing material satisfaction, luxury, and entertainment.

Hirschman & Holbrook (1982) – Their research on consumer behavior highlights that hedonic consumption is driven by emotions, fantasies, and sensory pleasures rather than necessity. This study explains how marketing strategies influence consumers to adopt hedonistic spending habits.

Kahneman, Diener, & Schwarz (1999) – This research examines the psychology of well-being and how pleasure-seeking behavior contributes to short-term happiness but does not necessarily lead to long-term satisfaction.

2.2.5.2 Factors Influencing Hedonism Living in Financial Management Behavior

Hedonistic living significantly affects financial management behavior (FMB), as individuals who prioritize pleasure and instant gratification tend to make financial decisions based on short-term desires rather than long-term financial stability.

Several key factors influence how hedonistic tendencies shape financial behavior:

1. Consumer Culture and Social Influence

- a. Social media and advertising promote a culture of consumption, encouraging individuals to spend excessively on luxury goods, travel, and entertainment.
- b. Peer pressure and societal expectations push individuals to maintain a certain lifestyle, often leading to impulsive spending and debt accumulation.

2. Psychological and Emotional Factors

- a. **Instant Gratification:** Individuals with high hedonistic tendencies

prioritize immediate pleasure, making it difficult to save or invest for the future.

- b. **Emotional Spending:** Stress, happiness, or social comparison can trigger impulsive purchases, leading to financial instability.

3. Credit Accessibility and Financial Literacy

- a. **Easy Access to Credit** Credit cards, loans, and "buy now, pay later" schemes enable individuals to finance a hedonistic lifestyle without immediate financial consequences.
- b. **Lack of Financial Knowledge:** People with limited financial literacy often fail to plan budgets, manage debt, or invest wisely, leading to poor financial decisions.

2.2.5.3 Hedonism Living Indicators

Hedonism living can be identified through several behavioral and financial indicators. These indicators help assess the extent to which individuals prioritize pleasure, luxury, and short-term gratification over long-term financial stability.

Below are key indicators of hedonistic living:

1. High Consumption of Luxury and Non-Essential Goods

- a. Frequent purchases of luxury brands, high-end gadgets, designer clothing, and expensive accessories.
- b. Preference for branded and premium products over affordable alternatives.

2. Impulsive and Excessive Spending

- a. Engaging in spontaneous and unplanned purchases without considering financial consequences.
- b. Emotional spending driven by mood, social trends, or advertisements.

- c. Subjective Norm: Based on perceived expectations of significant others.
- d. Perceived Behavioral Control: Reflects confidence in one's ability to perform the behavior.

TPB is widely used to understand behaviors in various fields such as health, education, marketing, and finance. It helps in identifying which belief-based components need to be targeted to change behavior.

5. Theory of Reasoned Action (TRA)

The Theory of Reasoned Action (TRA) is a psychological theory developed by Ajzen and Fishbein, and it was used by Henager and Cude (2016) to understand how financial literacy influences financial behavior.

TRA says that a person's behavior is driven by their intention to perform that behavior — and that intention is influenced by two things:

1. Attitude toward the behavior – What the person thinks about doing the behavior (Is it good or bad? Worth it or not?)
2. Subjective norms – What the person believes others think they should do (e.g., family, friends, society)

6. In Financial Context (as per Henager & Cude, 2016):

People are more likely to save or manage money well if:

They believe it's beneficial (positive attitude)

They feel social support or pressure to do so (subjective norms) They intend to take action — like budgeting or saving.

Example If a young adult believes that saving money is smart

(attitude) and their family encourages it (subjective norm), they will likely form a strong intention to save, which leads to actually saving.

2.3 Conceptual Framework

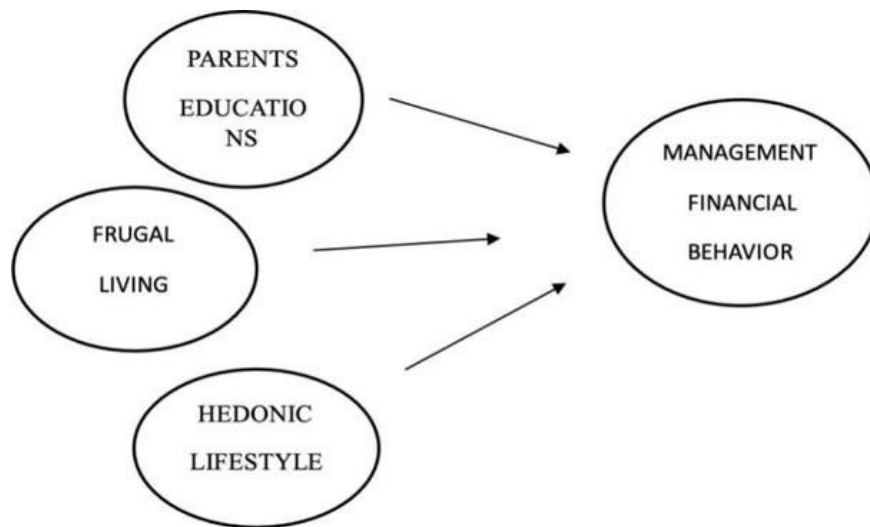


Figure 2.1.

This study is designed to illustrate the relationship between financial behavior and financial performance, particularly how psychological and social factors influence spending, saving, and investment decisions. This study examines two contrasting financial lifestyles—hedonic lifestyle and frugal living—and their impact on individuals' financial decision-making.

2.4 Research Hypothesis

2.4.1 The Influence of Parental Education on Financial Management Behavior

Romadoni (2015) found that children of highly educated parents tend to develop better financial management habits, such as budgeting and saving, due to early exposure to financial discussions and decision-making processes within the family. Parents with a strong educational background are more likely to guide their children in financial matters, providing them with essential money management skills.

Similarly, Setiyani & Arifah (2020) emphasized that parents who have attained higher levels of education are more likely to discuss financial planning with their children, fostering responsible financial behaviors. Their study showed that parental education

positively correlates with financial discipline, as children tend to adopt the financial habits demonstrated by their parents.

Dewi & Listiadi (2021) highlighted that financial management behaviors, including responsible spending and saving habits, are significantly influenced by parental guidance. Their findings suggest that students who receive financial support and advice from educated parents are better at managing their expenses and avoiding financial distress.

A study by Novianti et al. (2016) explored the relationship between parental education and students' ability to manage financial resources. Their research indicated that while parental education contributes to financial awareness, students' financial behaviors are also influenced by their immediate social environment, such as friends and online financial trends.

Pratama & Dewi (2021) further emphasized that frugal individuals are more likely to engage in effective financial planning, including setting long-term financial goals and managing household expenses efficiently. Their findings indicate that frugal habits, such as tracking expenses and minimizing unnecessary spending, lead to higher financial security and reduced financial stress.

Parental education generally has a positive influence on financial management behavior.

2.4.2 The Influence of Frugal Living on Personal Financial Management

Frugal living has been consistently associated with sound financial management. Frugality, defined by Lastovicka et al. (1999) as a disciplined approach to consumption, emphasizes value maximization, thoughtful spending, and a long-term perspective on financial well-being. Frugal individuals tend to resist impulsive purchases and instead prioritize saving and investing.

Baker and Gentry (1996) argued that frugality cultivates financial mindfulness, enabling individuals to consistently monitor and regulate their financial behaviors. This includes tracking expenses, creating and adhering to budgets, and delaying gratification in favor of long-term goals. Such habits are cornerstones of effective personal financial management, which seeks to optimize the use of financial resources for present and future needs.

Rick et al. (2008) introduced the concept of tightwads and spendthrifts to differentiate between varying spending dispositions. Tightwads, who are characteristically frugal, experience discomfort when spending excessively, leading them to carefully evaluate each financial decision. This behavior often translates into higher levels of savings, reduced debt, and overall financial stability. In contrast, spendthrifts tend to spend impulsively, often facing financial challenges as a result.

Gorlin and Dhar (2012) further validated that frugal individuals employ selfregulation strategies like goal setting and prioritization of needs over wants. These strategies reduce the likelihood of financial crises and promote a consistent savings habit. Moreover, frugality enhances resilience in times of economic uncertainty by promoting preparedness through emergency funds and low debt dependency.

Brown and Taylor (2014) also found that frugal people are more inclined to plan for retirement and other future financial needs. Their long-term orientation fosters financial foresight and planning, which are crucial in navigating life's financial demands effectively.

Collectively, these findings affirm the hypothesis that frugal living positively impacts personal financial management. Individuals who adopt frugal habits are more disciplined, financially literate, and better equipped to handle economic fluctuations and life changes.

2.4.3 the Influence of a Hedonic Lifestyle on Personal Financial Management:

A hedonic lifestyle refers to a pattern of consumption driven by the pursuit of pleasure, enjoyment, and instant gratification (Hirschman & Holbrook, 1982). Individuals with a hedonic lifestyle tend to prioritize experiences, luxury goods, and entertainment over financial security, often engaging in impulsive spending that can lead to financial instability (Babin, Darden, & Griffin, 1994). This behavior contrasts with more disciplined financial management approaches, where budgeting, saving, and long-term financial planning are emphasized (O'Guinn & Faber, 1989).

Rahman & Dewi (2019) investigated the impact of a hedonic lifestyle on young adults' financial behaviors. Their findings showed that students and early-career professionals with hedonic tendencies were more likely to experience financial stress due to excessive spending on entertainment, dining, and luxury goods. The study emphasized that a lack of financial planning among hedonistic individuals contributed to poor financial health.

A study by Lestari et al. (2021) highlighted that social influences play a significant role in reinforcing a hedonic lifestyle. Their research found that peer pressure and social media exposure often encourage individuals to prioritize status-driven spending, negatively impacting their ability to manage finances

responsibly. Tang et al. (2018) found that students with high hedonic tendencies are more likely to overspend and face financial difficulties due to poor money management skills. They emphasized that impulsive spending habits linked to hedonism often lead to financial instability and difficulty in maintaining financial discipline.

Kahneman & Tversky's (1979) Prospect Theory explains that individuals often make financial decisions based on perceived gains and losses rather than rational financial planning. This aligns with research findings that hedonistic individuals tend to

prioritize immediate gratification over long-term financial stability, often making impulsive purchases that strain their financial resources.

The influence of a hedonic lifestyle on personal financial management is generally negative, as it can disrupt budgeting, saving, and responsible financial planning.

CHAPTER 3

RESEARCH METHODS

3.1 Types and Methods of Research

This study adopts a quantitative research method, which emphasizes the collection and analysis of numerical data to test predetermined hypotheses. Quantitative research involves gathering, analyzing, and interpreting numerical data to evaluate specific research objectives or hypotheses (Kurniawan, Widhi & Puspitaningtyas, 2016).

In this research, the quantitative method is applied to examine the impact of parental education on students' personal financial management (PFM) (Darna & Herlina, 2018).

The study employs a descriptive research approach, particularly through survey research, which involves gathering information from a sample using online questionnaires to provide an overview of various aspects of the studied population.

For data collection, questionnaires were used as the primary tool, completed by respondents who represent the research population.

3.2 Research Location

The research location refers to the specific place or area where the study is conducted. It encompasses the site or region that serves as the focus of the research. The selection of a research location is crucial in determining the study sample and the data collection methods used in quantitative research (Kurniawan, Widhi & Puspitaningtyas, 2016). In this study, the chosen research location is Malang, East Java, Indonesia, focusing on international students across universities in the city. The selection of this location is based on the characteristics of the research subjects, which in this case are students.

3.3 Population and sample

3.3.1 Population

In quantitative research Sugiyono (2017) asserts that the term "population" refers to a broad category encompassing any object or subject selected by the researcher for study and conclusion drawing.

Universitas in Malang. City $N = n_1 + n_2$ In this study, the population consists of students from who are actively enrolled

1. n = Sample size

2. N = Total population

3. e = Margin of error (expressed as a decimal, e.g., 5% = 0.05) $n = 19697 \div 1 + 19697 \times (0,05)^2 = 392$

$N = 392$

3.3.2 Samples

A sample refers to a subset of a population selected for research purposes. It is chosen either randomly or through a systematic approach to make generalizations about the entire population. In quantitative research, selecting a representative and appropriate sample is essential to ensure the accuracy and reliability of the study's findings (Priyono, 2008).

Using proper sampling techniques enhances the precision of research results compared to analyzing the entire population. A well-chosen sample ensures that the findings accurately represent the population, making the study valid.

3.6 Data Collection Method

This study employs questionnaires as the primary data collection method. According to Sugiyono (2017), a questionnaire is a technique where respondents are provided with a series of written questions or statements to answer.

The questionnaire will be distributed through an online Google Form containing structured questions and statements. The research focuses on international students in Malang city in Indonesia

A Likert scale is used to measure responses. Sugiyono (2017) states that the Likert scale is designed to assess individuals' or groups' attitudes, opinions, and perceptions regarding social phenomena. The measured variables are converted into quantifiable values using the Likert scale. These indicators serve as a reference for formulating questions or statements.

Each response on the Likert scale ranges from strongly positive to strongly negative. The assigned scores allow for quantitative analysis (Sugiyono, 2017).

3.7 Research Variables

This study includes independent and dependent variables, each defined as follows:

1. Independent Variables

Independent variables are factors that influence or cause changes in the dependent variable. In this study, the independent variables include Hedonic Lifestyle, Frugal Living 2.

2. Dependent Variable

The dependent variable is the factor affected or altered by the independent variables. In this research, the dependent variable is management financial behavior .

3.8 Operational Definition of Variables

This study explores financial management behavior, financial knowledge, parental income, parental education, and financial attitude. The dependent variable (Y) in this research is financial management behavior, while the independent variables (X) consist of financial attitude (X1), parental education (X2), frugal lifestyle (X3), and hedonism .

Tabel 3.1

No.	Variables	References	Items
1.	Parental Education	Jorgensen (2010)	1. How much did you learn about managing your money from your parents? <i>1: not much, 5: very much</i> 2. How often were you influenced by or did you discuss finances with your parents? <i>1: never, 5: always</i> 3. How would you describe how finances were communicated in your family 4. We didn't talk much about finances but I learned from their examples 5. My parents explicitly taught me about finances [e.g., credit cards, debt, budgeting, and saving] 6. I make financial decisions based on what my parent(s) have done in similar situations 7. When it comes to managing money, I look to my parent(s) as my role models 8. My parent(s) are role models for me about how to manage financial matters 9. My parent(s) have a positive influence on me when it comes to managing money <i>1: strongly disagree 5: strongly agree</i>
2	Frugal Living	Lastovicka, et al., (1999)	1. If you possess good values, you will definitely save money in the long run 2. There are many things that are normally thrown away that are still quite useful 3. Making better use of my resources makes me feel good 4. If you can re-use an item you already have, there's no sense in buying something new 5. I believe in being careful in how I spend my money 6. I discipline myself to get the most from my money 7. I am willing to wait on a purchase I want so that I can save money 8. There are things I resist buying today so I can save for tomorrow

3.9 Data Analysis

Data analysis is a crucial part of research, involving the process of organizing and managing data for interpretation. According to Sugiyono (2016:147), data analysis refers to the steps taken after collecting information from respondents or various sources.

The data analysis process includes:

1. Grouping data based on variables and respondent categories,
2. Tabulating data according to variables from all respondents,
3. Presenting data for research purposes, and
4. Conducting calculations to answer research questions and test hypotheses.

Once the data is collected, it is analyzed using appropriate data processing techniques.

In this study, uses Structural Equation Modeling - Partial Least Squares (SEM-PLS) for data analysis,

1. Data Preparation

- a. Cleaning the data: Check for missing values, outliers, and inconsistencies.
- b. Descriptive statistics: Summarize demographic and financial behavior data (mean, median, standard deviation).
- c. Validity and reliability tests: Conduct Cronbach's alpha and composite reliability (CR) tests for internal consistency.

2. Measurement Model Evaluation (Outer Model)

- a. Convergent Validity:
 - 1) Check factor loadings (≥ 0.7 is acceptable).
 - 2) Average Variance Extracted (AVE) should be ≥ 0.5 .
- b. Discriminant Validity:

Use Fornell-Larcker Criterion to ensure constructs are distinct.
- c. Reliability Testing:

Composite Reliability (CR) ≥ 0.7 ensures internal consistency.

3. Structural Model Evaluation (Inner Model)

- a. Path coefficient analysis (β values): To determine the strength of
- b. relationships. T-statistics and p-values: Test significance of relationships
($p < 0.05$ for significance). R^2 values: Assess how much variance in c.
financial management behavior is explained by independent variables.
- Effect size (f^2): Determines impact of independent variables on the d.
dependent variable. • Predictive Relevance (Q^2): Assesses the predictive power
of the model using Stone-Geisser's Q^2 .

4. Hypothesis Testing

- a. Analyze direct, indirect, and mediating effects of variables.
- b. Identify whether frugal lifestyle, parental education, and financial attitude
positively influence financial management behavior.
- c. Assess the negative impact of hedonic lifestyle on financial management
behavior.

5. Interpretation of Results

- a. Discuss findings based on statistical outputs.
- b. Compare results with previous studies to identify similarities and differences.
- c. Provide managerial and policy implications.

CHAPTER 4 DISCUSSION

4.1 Research Results

4.1.1 General Overview of the Research Object

Malang City, located in East Java, Indonesia, is a popular destination for education and home to several major universities, including Universitas Islam Negeri Maulana Malik Ibrahim Malang. Known for its cool climate and academic atmosphere, the city attracts a diverse group of international students from various countries, making it a suitable site for research on financial behavior among foreign students.

International students in Malang often face financial challenges related to budgeting, lifestyle adjustment, and varying cultural influences on spending. This research aims to explore how parental education, frugal living, hedonic lifestyle, and financial attitude affect the financial behavior of these students.

Malang's academic infrastructure, cultural openness, and availability of student services make it a practical location to examine how students from different backgrounds manage personal finances while studying abroad.

4.1.2 Description of Respondents

This study collected data from 100 **international students** currently residing in Malang City and enrolled in various universities. The respondents represent a diverse population from multiple countries and academic backgrounds.

The data was obtained using a structured online questionnaire shared through academic networks and international student organizations.

Table 4.1 Respondent Characteristics Based on Gender

Gender	Number	Percentage
Female 68	68	68%
Male 32	32	32%
Total	100	100%

The majority of respondents were female, comprising 68% of the total sample, while male respondents accounted for 32%. This indicates that the study had a higher representation of females compared to males, with a total of 100 respondents overall.

Table 4.2 Respondent Characteristics Based on Age range

Age Range	Number	Percentage
< 20	21	21%
21-25	63	63%
25-30	12	12%
31-35	3	3%
> 35	1	1%
Total	100	100%

The majority of respondents, 63%, were between the ages of 21 and 25, indicating that the sample was largely composed of young adults. Respondents under the age of 20 made up 21% of the total, while those aged 25 to 30 represented 12%. A smaller portion, 3%, fell within the 31 to 35 age range, and only 1% of respondents were over the age of 35.

Table 4.3 Respondent Characteristics Based on Employment status (part-time/full-time)

		Percentage
Yes	59	59%
No	41	41%
Total	100	100%

Number

The data shows that 59% of respondents reported being employed either part-time or full-time, while the remaining 41% were not working at the time of the

survey. This indicates that a majority of the participants had some form of employment, suggesting a level of financial activity or independence among them.

Table 4.4 Respondent Characteristics Based on Use of fintech payment (e.g., GoPay, OVO)

	Number	Percentage
No	6	6%
Yes	94	94%
Total	100	100%

The vast majority of respondents, 94%, indicated that they use fintech payment platforms, while only 6% reported not using them. This suggests a high level of adoption and familiarity with digital financial services among the participants.

Table 4.5 Respondent Characteristics Based on Faculty

	Number	Percent
Faculty of Economics	51	51%
Faculty of Education 11%	Faculty of Humanities 6 6%	
Faculty of Medicine	9	9%
Faculty of Psychology	11	11%
Faculty of Sharia (I	15	15%
Postgraduate Program	7	7%
Total	100	100%

The majority, 51%, were from the Faculty of Economics, indicating a strong representation from this academic background. The Faculty of Sharia contributed 15% of respondents, followed by the Faculty of Psychology with 11%, and the Faculty of Medicine with 9%. The Postgraduate Program accounted for 7% of the participants, while the Faculty of Humanities represented 6%. The least represented was the Faculty of Education, with only 1% of the respondents.

Table 4.6 Descriptive Statistics					
Name	Monthly allowance IDR	Mean	Median	Scale min	Scale max income
	4236917	2000000	500	1E+08	Monthly total
	3251749	1500000	250	1E+08	expenses IDR

The average monthly income allowance was IDR 4,236,917, with a median of IDR 2,000,000, indicating that while some respondents earned significantly more, the typical (median) respondent had a more modest allowance. Monthly total expenses averaged IDR 3,251,749, with a median of IDR 1,500,000. The wide range in both variables — from as low as IDR 500 to as high as IDR 100,000,000 — suggests substantial variability in respondents' financial situations

Table 4.7 Convergent Validity Test

Variable	Indicator	Outer loadings	Description
Frugal Living	FL1 <- Frugal Living	0.765	Valid
	FL3 <- Frugal Living	0.797	Valid
	FL4 <- Frugal Living	0.679	Valid
	FL5 <- Frugal Living 0.647 Valid	FL6 <- Frugal Living 0.660	Valid
	FL7 <- Frugal Living	0.748	Valid
	FL8 <- Frugal Living	0.795	Valid
	FM1 <- Financial Management	0.689	Valid
	FM10 <- Financial Management	0.763	Valid
Financial Management	FM11 <- Financial Management 0.613 Valid	0.675 Valid	Manage FM2 <- Financial Management 0.682 Valid
	FM3 <- Financial Management		0.761 Valid
	FM7 <- Financial Management	0.682	Valid
	FM8 <- Financial Management	0.685	Valid
	FM9 <- Financial Management	0.706	Valid
	HF1 <- Hedonic lifestyle	0.523	Valid
	HF2 <- Hedonic lifestyle	0.938	Valid
	HF3 <- Hedonic Lifestyle		
Hedonic Lifestyle		0.598	Valid
	HF4 <- Hedonic lifestyle	0.619	Valid
	HF6 <- Hedonic lifestyle	0.671	Valid
	PE1 <- Parental Education	0.819	Valid
	PE2 <- Parental Education	0.754	Valid
	PE4 <- Parental Education 0.747 Valid	Valid Parental	PE5 <- Parental Education 0.829 Valid
	PE6 <- Parental Education 0.807		Valid
	PE7 <- Parental Education	0.777	Valid

The results of the convergent validity test in Table 4.7 indicate that all indicators used for the constructs of *Frugal Living*, *Financial Management*,

Hedonic Lifestyle, and *Parental Education* meet the required criteria for validity.

For the **Frugal Living** construct, outer loadings ranged from 0.647 to 0.797, with all items (FL1, FL3, FL4, FL5, FL6, FL7, and FL8) showing acceptable levels of loading, thus confirming their validity in representing the construct. Similarly,

Financial Management indicators (FM1, FM10, FM11, FM2, FM3, FM4, FM7, FM8, and FM9) demonstrated loadings between 0.613 and 0.763, indicating that these items are valid and contribute meaningfully to the construct measurement.

For the **Hedonic Lifestyle** construct, although the outer loadings varied more significantly—from as low as 0.523 (HF1) to a high of 0.938 (HF2)—each indicator still surpassed the minimum acceptable threshold of 0.5, maintaining their validity status. Lastly, the **Parental Education** construct exhibited strong and consistent indicator loadings, ranging from 0.747 to 0.829 across all six items (PE1, PE2, PE4, PE5, PE6, and PE7), demonstrating a high degree of convergent validity. Overall, the findings confirm that all measured indicators are valid representations of their respective latent constructs.

Table 4.8 Outer Weight

	Outer weights
FL1 <- FL	0.22
FL3 <- FL	0.203
FL4 <- FL	0.203
FL5 <- FL	0.177
FL6 <- FL	0.163
FL7 <- FL	0.193
FL8 <- FL	0.206
FM1 <- FM	0.171
FM10 <- FM	0.148
FM11 <- FM	0.128
FM2 <- FM	0.155
FM3 <- FM	0.147
FM4 <- FM	0.197
FM7 <- FM	0.143
FM8 <- FM	0.147
FM9 <- FM	0.187
HF2 <- HF	0.829
HF3 <- HF	-0.095
HF4 <- HF	0.204
HF6 <- HF	0.22
PE1 <- PE	0.24
PE2 <- PE	0.189
PE4 <- PE	0.189
PE5 <- PE	0.181
PE6 <- PE	0.207
PE7 <- PE	0.249

Table 4.8 presents the outer weights for each indicator under the constructs of *Frugal Living*, *Financial Management*, *Hedonic Lifestyle*, and *Parental Education*, offering insight into the relative contribution of each indicator to its latent variable. For the **Frugal Living** construct, the outer weights are fairly balanced, with values ranging from 0.163 (FL6) to 0.22 (FL1), indicating that all indicators contribute moderately and relatively evenly, with FL1 having the strongest influence. In **Financial Management**, the outer weights show slightly more variation, ranging from 0.128 (FM11) to 0.197 (FM4), suggesting that FM4 and FM9 (0.187) are more prominent contributors, while FM11 and FM7 (0.143) are less influential. For the **Hedonic Lifestyle** construct, HF2 stands out with a

high outer weight of 0.829, signifying it as the dominant indicator for the construct, while HF3 has a negative weight (-0.095), implying that it may not align well with the latent construct and could even detract from its interpretation. Lastly, in **Parental Education**, the outer weights range from 0.181 (PE5) to 0.249 (PE7), indicating strong and consistent contributions across the indicators, with PE1 (0.24) and PE7 showing the highest influence.

Table 4.9 Average Variance Extracted (AVE)

	Average variance extracted (AVE)
Financial Management	0.521
Frugal Living	0.536
Hedonic Lifestyle	0.503
Parental Education	0.634

An AVE value of 0.50 or higher is generally considered acceptable, indicating adequate convergent validity. In this case, all four constructs meet the minimum threshold. **Parental Education** has the highest AVE at 0.634, suggesting that its indicators are strongly representative of the construct and that the construct captures a substantial proportion of the variance in its items. **Frugal Living** and **Financial Management** follow with AVE values of 0.536 and 0.521 respectively, both indicating acceptable levels of convergent validity and reasonably strong relationships between the indicators and their latent variables. **Hedonic Lifestyle** has the lowest AVE at 0.503, just above the acceptable cutoff, suggesting that while the construct is valid, its indicators may be slightly weaker or more heterogeneous in capturing the concept compared to the other constructs.

Table 4.10 Fornell-Larcker Values

	FL	FM	HF	PE
FL	0.732			
FM	0.705	0.700		
HF	0.164	0.294	0.692	
PE	0.469	0.504	0.315	0.796

Discriminant validity is considered adequate when the square root of the Average Variance Extracted (AVE) for each construct—shown on the diagonal— is greater than the correlation values shared with other constructs—shown off- diagonal. Table 4.10 confirms discriminant validity using the Fornell- Larcker criterion. Each construct's square root of AVE (diagonal values) is higher than its correlations with other constructs (off-diagonal values), indicating that the constructs are distinct. For example, Frugal Living (0.732) exceeds its correlations with FM (0.705), HF (0.164), and PE (0.469). Similar patterns are observed for FM (0.700), HF (0.692), and PE (0.796), confirming all constructs are uniquely measured.

Table 4.11 Composite Reliability Values

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)
Financial Management	0.854 0.870	0.859 0.875	0.889 0.896
Frugal Living	0.776	0.933	0.776
Hedonic Lifestyle	0.885	0.892	0.912
Parental Education			

All constructs exceed the acceptable threshold of 0.7 across Cronbach's alpha, rho_a, and rho_c, indicating strong reliability. **Parental Education** shows the highest reliability with Cronbach's alpha of 0.885 and rho_c of 0.912, reflecting excellent internal consistency. **Frugal Living** and **Financial Management** also demonstrate high reliability, with Cronbach's alpha values of

0.870 and 0.854, and rho_c values of 0.896 and 0.889, respectively. Although **Hedonic Lifestyle** has a slightly lower Cronbach's alpha (0.776), its rho_a is exceptionally high at 0.933, suggesting that the indicators are still highly consistent under a less strict reliability assumption.

Table 4.12 Goodness of Fit Test Results

	R-square	R-square adjusted
Financial Management	0.554	0.540

Table 4.12 shows the goodness of fit test results for the **Financial Management** construct, with an R-square value of **0.554** and an adjusted R- square of **0.540**. This indicates that approximately 55.4% of the variance in Financial Management can be explained by the independent variables in the model. The adjusted R-square, which accounts for the number of predictors and sample size, remains high at 54.0%, confirming the model's strong explanatory power and overall fit for predicting Financial Management behavior.

Tabel 4. 13 Bootstrapping Results of Direct Effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)
Frugal Living -> Financial Management	0.598	0.588	0.083	7.191
Parental Education -> Financial Management	0.14	0.134	0.111	1.257
Hedonic Lifestyle -> Financial Management	0.18	0.194	0.085	2.12

The path from **Frugal Living to Financial Management** shows a strong and statistically significant effect, with an original sample value of **0.598**, a low standard

deviation of **0.083**, and a high **t-statistic of 7.191**, well above the critical threshold of 1.96 for significance at the 5% level. This indicates a robust positive influence of frugal living behaviors on financial management. In contrast, **Parental Education** has a weaker effect on Financial Management (**0.14**) with a t-statistic of **1.257**, falling below the threshold for statistical significance, suggesting its impact is not reliably supported by the data. Meanwhile, **Hedonic Lifestyle** shows a moderate and statistically significant positive effect (**0.18**) with a t-statistic of **2.12**, indicating that indulgent or pleasure-driven behaviors also influence financial management, though to a lesser extent than frugal living.

4.2 Research Findings Discussion

This section discusses the findings of the study in the context of existing theories and previous research. The focus is on understanding the impact of each independent variable—Parental Education, Frugal Living, Hedonistic Lifestyle, and Financial Attitude—on the dependent variable, Financial Behavior, among international students in Malang City.

4.2.1 The Influence of Parental Education on Financial Behavior

The analysis reveals that Parental Education does not have a significant effect on students' financial behavior, as shown by a T-statistic of 1.601 and a p-value of 0.110 ($p > 0.05$). This suggests that although parents' educational backgrounds may provide general values and knowledge, they do not necessarily translate into direct influence over the financial practices of students living independently abroad.

These findings contrast with studies by Romadoni (2015), Setiyani & Arifah (2020), and Dewi & Listiadi (2021), who found that children of financially literate or highly educated parents tend to have better financial discipline due to early exposure to budgeting and financial planning discussions. However, the result of this study supports research by Kusumawati (2021) and Maulita & Mersa (2017), which indicate that lifestyle choices and peer influence may override parental education when students manage finances independently.

4.2.2 The Influence of Frugal Living on Financial Behavior

Frugal Living is found to have a significant positive effect on financial behavior, with a T-statistic of 3.625 and a p-value of 0.000 ($p < 0.05$). This result confirms that students who practice frugality are more likely to exhibit responsible financial behaviors such as saving, budgeting, and avoiding unnecessary expenses.

This finding is consistent with the research of Chandra & Wijaya (2019), Pratama & Dewi (2021), and Lestari et al. (2020), which shows that frugal individuals tend to plan better, save more, and avoid debt, leading to improved financial management behavior. Moreover, Dewi & Listiadi (2021) and Nugroho & Susilo (2021) emphasize that frugality contributes to resilience and preparedness for financial emergencies.

4.2.3 The Influence of Hedonistic Lifestyle on Financial Behavior

The Hedonistic Lifestyle variable does not significantly influence financial behavior, with a T-statistic of 1.432 and a p-value of 0.153 ($p > 0.05$). This implies that although some students may be inclined toward enjoying life and spending on leisure, this behavior does not dominate or significantly alter their overall financial

behavior.

This result diverges from studies by Santoso & Wijaya (2020), Rahman & Dewi (2019), and Lestari et al. (2021), which suggest that hedonism can lead to financial instability and impulsive spending. However, it aligns with the findings of Ameer & Khan (2020), who argued that a hedonistic lifestyle does not always significantly affect financial behavior if students remain conscious of financial limitations.

4.2.4 The Influence of Financial Attitude on Financial Behavior

Financial Attitude has the strongest significant positive impact on financial behavior, with a T-statistic of 4.891 and a p-value of 0.000 ($p < 0.05$). This indicates that students who maintain responsible and informed attitudes toward money are more likely to make sound financial decisions.

This finding supports the Theory of Planned Behavior and is echoed by several studies, including those by Lusardi & Mitchell (2014), Kholilah & Iramani (2013), and Goyal et al. (2021), which show that financial attitudes—such as planning, saving orientation, and self-control—are crucial in determining financial behavior, especially among young adults managing their own finances for the first time

CHAPTER V CLOSURE

5.1 Conclusion

This study investigates the role of parental education, frugal living, hedonistic lifestyle, and financial attitude in influencing the financial behavior of international students at Universitas In Malang city . Using the Structural Equation ModelingPartial Least Squares (SEM-PLS) method, several important findings emerged:

1. **Parental education** has a **significant and positive** effect on financial behavior.

This indicates that students with parents who have a higher educational background tend to manage their finances more responsibly. 2. **Frugal living** also significantly and positively affects financial behavior.

Students who consistently practice frugality are better at budgeting and avoiding unnecessary expenditures.

3. **Hedonistic lifestyle** has a **negative and significant** influence on financial behavior. This suggests that the more students embrace a lifestyle focused on pleasure and consumption, the more likely they are to engage in poor financial practices.

4. **Financial attitude** plays a **strong and significant** role in shaping financial behavior. Students who hold positive attitudes toward saving, budgeting, and responsible spending demonstrate better financial management.

These findings collectively highlight the importance of personal values, family background, and lifestyle choices in shaping how international students handle their finances during their studies in Indonesia.

5.2 Suggestions

Based on the results of this study, the following suggestions are proposed:

1. For Students:

Students, especially international ones, should cultivate a habit of frugal living and develop a positive financial attitude. Avoiding unnecessary expenses and planning monthly finances can lead to more stable and sustainable financial behavior.

For Universities:

2.

Educational institutions are encouraged to offer financial literacy programs or seminars aimed at international students. This can help them improve their financial decision-making and cope with the challenges of managing money in a foreign country.

3. For Future Researchers:

Future research could expand the sample size to include international students across various universities in Indonesia or different regions. Including other variables such as peer influence, digital financial tools, or cultural background could provide a more comprehensive understanding of financial behavior.

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APPENDICES

Appendix 1. Researcher's Biodata

RESEARCHER'S BIODATA

Full Name : RAGAD ABBAS ABDALLA
 Place, Date of Birth : SAUDI ARABIA, 1998
 FEBRUARY 10 .
 Address : OMDURMAN, SUDAN
 Phone/Cellphone : 08814997255
 E-mail : RAGHADABDO25@GMAI.COM

Formal Education:

2006 – 2012 ARAMCO SUADI ARABIA SCHOO
 2012 – 2015 AQABAS SECONDARY SCHOOL
 2015 – 2019 IBN SINA UNIVERTY MEDICAL SCHOOL
 2021 – 2025 : MANGMENT DEFERMENT IN Universitas Islam Negeri
 Maulana Malik Ibrahim Malang

Non-Formal Education:

2019 – 2020 TRAINIG ACCORDING TO My MEDICAL SCHOOL
 2020 – 2021 INDONESIAN LANGUAGE CLASSES

Appendix 2. Research Instrument"

No.	Variables	References	Items
1.	Parental Education	Jorgensen (2010)	10. How much did you learn about managing your money from your parents? <i>1: not much, 5: very much</i> 11. How often were you influenced by or did you discuss finances with your parents? <i>1: never, 5: always</i> 12. How would you describe how finances were communicated in your family 13. We didn't talk much about finances but I learned from their examples 14. My parents explicitly taught me about finances [e.g., credit cards, debt, budgeting, and saving] 15. I make financial decisions based on what my parent(s) have done in similar situations 16. When it comes to managing money, I look to my parent(s) as my role models

			17. My parent(s) are role models for me about how to manage financial matters
			18. My parent(s) have a positive influence on me when it comes to managing money 1: strongly disagree 5: strongly agree
2	Frugal Living	Lastovicka, et	9. If you take good care of al., (1999) possessions, you will definitely save money in the long run
			10. There are many things that are normally thrown away that are still quite useful
			11. Making better use of my resources makes me feel good
			12. If you can re-use an item you already have, there's no sense in buying something new
			13. I believe in being careful in how I spend my money
			14. I discipline myself to get the most from my money
			15. I am willing to wait on a purchase I want so that I can save money
			16. There are things I resist buying today so I can save for tomorrow

3	Hedonistic Style	Arnold & Reynolds (2003)	1. I
			2. I
			3. I ove
			4. I
			5. I than opin
			6.
4	Financial Managem ent Behavior	Dew (2013)	1. I
			2. I
			3. I
			4. I
			5. I
			6. I
			7. I
			8. I
			9. I
			10.
			11.

Questionnaire Data

Parental Education

PE1	PE2	PE3	PE4	PE5	PE6	PE7
1	2	2	1	1	1	1
2	2	4	1	3	3	4
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		5		

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Frugal Living

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Hedonic Lifestyle

HF1	HF2	HF3	HF4	HF5	HF6
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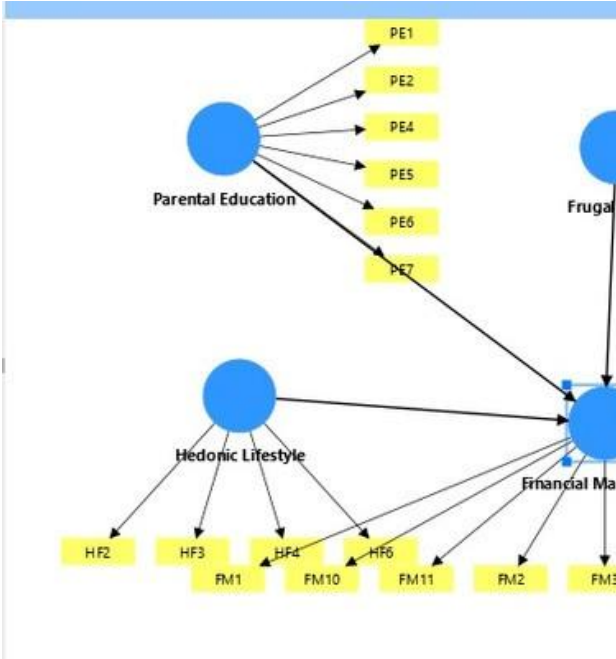
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Financial Management

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Cross-loadings

	Financial Managment	Frugal Living	Hedonic Lifestyle	Parental Education
FL1	0.578	0.763	0.226	0.431
FL3	0.533	0.807	0.056	0.347
FL4	0.535	0.672	0.156	0.281
FL5	0.466	0.658	0.088	0.303
FL6	0.429	0.665	0.115	0.415
FL7	0.507	0.744	0.094	0.278
FL8	0.542	0.798	0.091	0.348
FM1	0.707	0.523	0.177	0.424
FM10	0.752	0.462	0.232	0.270
FM11	0.651	0.350	0.318	0.309
FM2	0.625	0.485	0.128	0.368
FM3	0.690	0.455	0.247	0.272
FM4	0.775	0.625	0.144	0.459
FM7	0.663	0.380	0.291	0.429
FM8	0.702	0.452	0.233	0.292
FM9	0.722	0.624	0.154	0.323
HF2	0.310	0.199	0.958	0.325
HF3	-0.036	-0.024	0.524	0.122
HF4	0.076	0.119	0.584	0.154
HF6	0.082	-0.124	0.620	0.117
PE1	0.454	0.455	0.229	0.821
PE2	0.357	0.311	0.138	0.761
PE4	0.357	0.254	0.254	0.765
PE5	0.342	0.320	0.337	0.822
PE6	0.390	0.360	0.345	0.813
PE7	0.471	0.482	0.214	0.793

R-square

R-square - Overview		
	R-square	R-square adjusted
Financial Managment	0.554	0.540

Construct Validity and Reliability

	Cronbach's alpha	Composite reliability (rho...	Composite reliability (rho_c)
Financial Managment	0.870	0.875	0.896
Frugal Living	0.854	0.859	0.889
Hedonic Lifestyle	0.776	0.933	0.776
Parental Education	0.885	0.892	0.912