KnE Social Sciences
3rd ICEEBA
International Conference on Economics, Education, Business and Accounting
Volume 2019

Knowledge E
Engaging minds

Conference Paper

# Financial Well-being of College Students: An Empirical Study on Mediation Effect of Financial Behavior

**Rediana Setiyani and Ipit Solichatun**

## Abstract

The aim of this study is to examine the influence of financial literacy, financial socialization, financial attitude, and financial confidence on financial well-being, either directly or through financial behavior. The population of this study are students of Economics Faculty of Semarang State University force year 2015, there are 536 students. The sample of this research are 230 students that is taken using Slovin formula with proportionate random sampling technique. This study used a quantitative approach and used questionnaire as data collecting method. Then, data analysis technique used descriptive analysis, path analysis, and sobel test. The results showed that financial literacy, financial socialization, financial attitude, financial confidence, and financial behavior have positive effect on financial well-being. Financial literacy, financial socialization, financial attitude, and financial confidence also have a positive effect on financial behavior. Then, financial literacy, financial socialization, financial attitude, and financial confidence have a positive effect on the financial well-being through financial behavior.

**Keywords:** financial attitude, financial behavior, financial confidence, financial socialization, financial well-being

Corresponding Author:
Rediana Setiyani
redianasetiyani@gmail.com

Received: 29 January 2019
Accepted: 27 February 2019
Published: 24 March 2019

Publishing services provided by Knowledge E



Selection and Peer-review under the responsibility of the 3rd ICEEBA Conference Committee.



## 1. Introduction

College students began intensive personal financial management without the supervision of a parent while in college (Gutter & Copur, 2011). Students are in the age range of 18-25 years, which are at different levels of their life (Shim et al., 2009). In that period, the student enter the new life experiences, according to the majors taken in universities (Gutter & Copur, 2011). Leila & Laily (2011) adding that students are at an age where it began to develop their skills and build personal well-being in the present and the future.

National survey results, Gutter & Copur (2011) on 15.797 United States college students in 2008 resulted that the financial well-being average score of students is 6.18 at the midpoint of 5.50. That indicates that college students financial well-being level is still

**How to cite this article**: Rediana Setiyani and Ipit Solichatun, (2019), "Financial Well-being of College Students: An Empirical Study on Mediation Effect of Financial Behavior" in *International Conference on Economics, Education, Business and Accounting*, KnE Social Sciences, pages 451–474. DOI 10.18502/kss.v3i11.4026

relatively moderate (Gutter & Copur, 2011). Other research, Leila & Laily (2011) on 11 universities in Malaysia shows that the average level of financial well-being of male students (32.2) is higher than female students (26.48) with a maximum score of 60. The level of financial well-being is still relatively low because the average score is still below the midpoint.

The government through Otoritas Jasa Keuangan (OJK) revisited SNLKI (National Strategy for Financial Literacy Indonesia) as a form of accelerated achievement of literacy and financial inclusion index by 75% in 2019 can be achieved (OJK, 2017). Revisit SNLKI had the vision to realize the Indonesian people who have a high index of financial literacy (well literate) so it can take advantage of financial products and services that appropriate to achieve a sustainable financial welfare/financial well-being (OJK, 2017).

OJK (2017) stated that financial well-being society are society that can manage finances well, has ability to invest and have financial resilience. Revisit SNLKI shows that financial well-being of Indonesian people is still low. The government also revised the target of revisit SNLKI that composed of various groups, one of them is college student. Therefore, college students need to support government program till achieve sustainable financial prosperity.

This study examines the financial well-being of college students of the Economics Faculty Universitas Negeri Semarang in force 2015, especially students who are already taking courses in Finance and Investment Management, and Budgeting. It means that college students have gained more financial knowledge. Based on that, students should be able to plan finances for the future, so can achieve financial prosperity. Financial well-being of students is important, because financial well-being of students has a significant influence on their financial well-being after graduation and overall life satisfaction (Shim et al., 2009).

The reality, financial well-being of students is not easy to achieve. Based on interviews initial observation, shows that the majorities of students sometimes feel worried about their personal finances. The reasons are because no savings for immediate needs, and lack of financial planning, so that students tend to behave wasteful. Sabri & Falahati (2012) stated that individuals who lack the money to buy daily necessities and lack the ability to regulate the financial will have lower of financial well-being. Therefore, there is phenomenon gap between the ideal conditions with the fact.

Many factors affect the financial well-being of college students. The first factor that supposed could affect financial well-being of college students is financial literacy. Financial well-being can be achieved if the individual has a good financial literacy in making financial decisions (Atkinson & Messy, 2012). The second factor which is thought to have an influence on the financial well-being is financial socialization. Albeerdy & Gharleghi (2015) said financial socialization is the process of acquiring the skills, knowledge and attitudes of the internal and external environment that is needed to maximize the role of consumers in the financial markets. Financial socialization agents provide valuable financial information about the financial well manage to achieve personal financial well-being.

The third factor that supposed affect the financial well-being is financial attitude. Ajzen and Fishbein (2005) explains that attitudes toward behavior can be defined as the degree of positive or negative assessment of the individual against behavior. The attitude of personal finance has an important influence on the financial well-being, because the attitude will determine decision-making behavior in everyday life. Other factors supposed of affecting financial well-being is financial confidence. Financial confidence is statistically significant in predicting the long-term prosperity and short-term (Kempson et al., 2017).

This research refers to Akben-Selcuk (2015) with the development of research to determine the effect of financial behavior on financial well-being. Therefore, financial behavior in this study serves as an intervening variable. Financial well-being is affected either directly or indirectly by the financial behavior ( Joo and Grable (2004) in Gutter & Copur (2011)). Based on above, this study aims to examine the effect of financial literacy, financial socialization, financial attitude, financial confidence to financial well-being, both directly and indirectly through financial behavior.

## 2. Literature Review

Theoretical approaches that used to explain financial behavior in this study is Theory of Planned Behavior (TPB) developed by Ajzen. The theory of planned behavior (Ajzen, 1991) conceptualize behavior as a result of a combination of attitudes, subjective norms, and perceived behavioral control. According to TPB, behavior is influenced by attitudes, subjective norms, and behavior control. The attitude in this research is financial attitude, subjective norm in this research is financial socialization, and perceived behavioral control in this research is financial confidence.

This study uses a theoretical approach that is used to describe financial well-being that is the theory of lifespan development. Theory of lifespan development lifelong psychological development that involves learning about the constancy and behavioral changes along of life, from conception until death (Baltes, 1987). The theory of lifespan development in this study will focus on several major development tasks undertaken by students for their social demands, cognitive development and influence of non-normative life that forms the basis of subsequent behavioral habits established and will provide welfare for individuals finance.

## 2.1. Financial well-being

Sabri & Falahati (2012) defines the financial well-being as a state of being financially healthy, happy, and free from worry, which is based on a subjective appraisal of one's financial situation. Meanwhile, according to (Prawitz et al., 2006) stated that the financial well-being as a person's feelings about the financial situation at the moment.

Leila & Laily (2011) argues that the factors that affect the financial well-being of students there are three, namely financial problems, financial knowledge, and financial socialization. In addition, Fazli Sabri, Cook, & Gudmunson (2012) argues that the factors that affect financial well-being are personal and family background, academic ability, consumer childhood experience, financial socialization, and financial literacy.

## 2.2. Financial literacy

Theodora & Marti'ah (2016) stated that generally, financial literacy is critical to help someone manage money independently and make the appropriate financial planning. Knowledge and understanding related to personal finances will affect students in making good and wise financial decisions (Gunardi, Ridwan, & Sudarjah, 2017).

Sabri & Falahati (2012) showed that financial literacy has a positive and significant impact on financial well-being of college students. Different results shown in studies conducted Addin, Nayebzadeh, Taft, & Mir (2013) proved that financial literacy has no significant effect on the financial well-being. Leila & Laily, (2011) showed that a high level of financial knowledge will show better financial behavior, and consequently the level of financial well-being of high perceived.

## 2.3. Financial socialization

Albeerdy & Gharleghi (2015) argues that the financial socialization is the process whereby a person acquiring the skills, knowledge and attitudes of the internal and external environment that is needed to maximize the role of consumers in the financial markets. Sundarasen, Rahman, Othman, & Danaraj (2016) defines financial socialization as a proxy for individual interaction with socialization, for example, parents, friends, educators and the media are important among young adults toward optimization of money and wealth.

Theory of planned behavior developed by Ajzen & Fishbein (2005) states that behavior is influenced by the subjective norm. Subjective norm is a social factor which encourages people to perform or not perform the behavior. Research Fazli Sabri et al. (2012), Chandra & Memarista (2015) shows that financial socialization positive and significant impact on the financial well-being of students. Leila & Laily (2011) shows that the early socialization financial show better financial behavior, and consequently the level of financial well-being of high perceived.

## 2.4. Financial attitude

Individuals with high financial attitudes tend to have a positive attitude toward planning (Remund, 2010). Theory of planned behavior, which is the development of the theory of reasoned action states that the behavior of one of them can be influenced by the attitude toward the behavior. Attitude toward behavior shows the level a person has an evaluation of the behavior.

Shim et al. (2009) reveals that financial attitude has a negative effect with some financial indicators of well-being (debt and extreme copying strategy). But financial attitude also had a positive influence with one of the indicators on the financial well-being (economizing copying strategy). Financial well-being can be said to be high when the student has a financial positive attitude, and a healthy financial behavior (Gutter & Copur, 2011).

## 2.5. Financial confidence

Financial confidence is the confidence of individuals in financial management based on the belief (Susilowati et al., 2017). Theory of planned behavior developed by Ajzen & Fishbein (2005) states that behavior is influenced by perceived behavioral control. The more confident they were that they could follow financial plan, the more likely they engage in a positive financial behavior (Shim et al., 2009).

The research of Braun Santos, Mendes-Da-Silva, Flores, & Norvilitis (2016) shows that financial confidence has a direct impact on the financial well-being. This similar to research Shim et al. (2009), which shows the perceived behavioral control and financial efficacy had a positive influence on the financial well-being. Financial confidence represents the perceived behavioral control in the theory of planned behavior is regarded as one of the factors that affect the behavior. Furthermore, in the theory of lifespan development, behavior can affect welfare.

### 2.6. Financial behavior

Financial behavior can be defined as human behavior is to do with money management (Gutter & Copur, 2011). The behavior of financial management is regarded as one of the key concepts in financial discipline, particularly with regard to the effective management of funds (Thi, Mien, & Thao, 2015).

Akben-Selcuk (2015) argues that the factors that affect the financial behavior of students there are three, there are financial literacy, financial socialization agents, and attitude toward money. Meanwhile, Thi et al. (2015) also found personal financial management behavior is influenced by three factors, there are financial attitudes, financial knowledge, and external locus of control.

Based on the explanation that described, then the hypothesis in this study as follows:

$H_1$: Financial literacy have positive effect on financial well-being.

$H_2$: Financial socialization have positive effect on financial well-being.

$H_3$: Financial attitude have positive effect on financial well-being.

$H_4$: Financial confidence have positive effect on financial well-being.

$H_5$: Financial behavior have positive effect on financial well-being.

$H_6$: Financial literacy have positive effect on financial behavior.

$H_7$: Financial socialization have positive effect on financial behavior.

$H_8$: Financial attitude have positive effect on financial behavior.

$H_9$: Financial confidence have positive effect on financial behavior.

$H_{10}$: Financial literacy had positive effect on financial well-being through financial behavior.

$H_{11}$: Financial socialization had positive effect on financial well-being through financial behavior.

$H_{12}$: Financial attitude had positive effect on financial well-being through financial behavior.

$H_{13}$: Financial confidence had positive effect on financial well-being through financial behavior.

The research model can be illustrated in Figure 1 below:

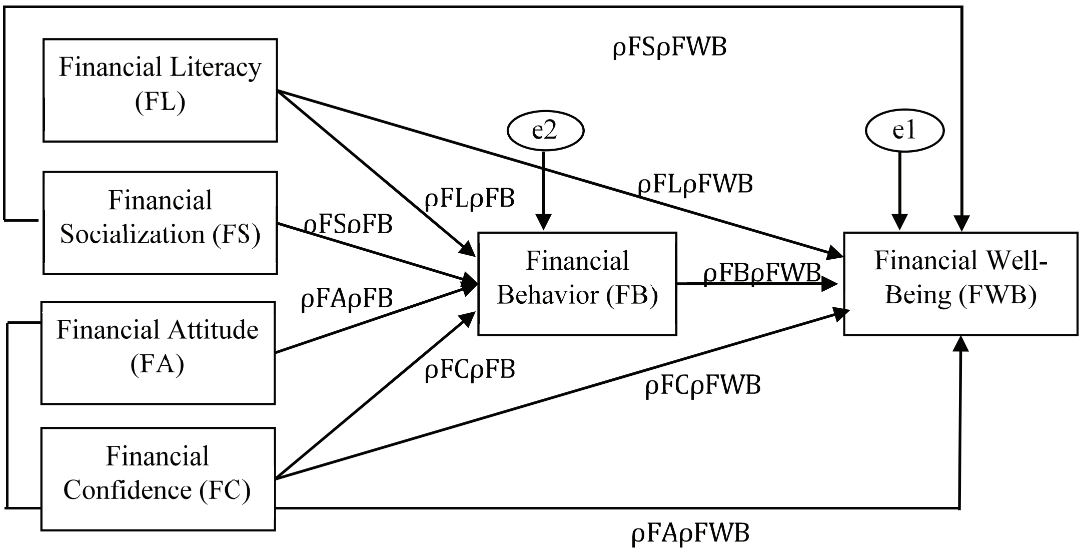


**Figure** 1: Path Analysis.

Based on Figure 1, in this study, there are two structural equation regression analysis, namely:

Equation 1, $FWB = \rho_1 FL + \rho_2 FS + \rho_3 FA + \rho_4 FC + \rho_5 FB + e_1$

Equation 2, $FB = \rho_1 FL + \rho_2 FS + \rho_3 FA + \rho_4 FC + e_2$

# 3. Methodology

## 3.1. Participants and procedure

This type of research is quantitative research with active student population, Semarang State University Faculty of Economics in force in 2015, especially students who are already taking courses in Finance and Investment Management, and Budgeting some 536 students. The samples in this study as many as 230 students were taken using a formula Slovin with proportionate random sampling technique. The dependent variable to be measured in this study is the financial well-being (FWB). The independent variable of this research is financial literacy (FL), financial socialization (FS), financial attitude (FA), and financial confidence (FC). This research intervening variables namely financial behavior (FB).

Data collection methods in this study was a questionnaire with data analysis method is descriptive statistical analysis, path analysis, and sobel test. Before the path analysis, test prerequisites consisting of normality test and linearity test. Used the classical assumption test the multicollinearity and heteroscedasticity test.

### 3.2. Measures

Financial well-being (FWB) is measured by indicators Fazli Sabri et al. (2012) that is money that is saved, the current financial condition, and financial management skills. Financial literacy (FL) seen from the knowledge of personal finance in general, savings and loans, insurance, and investment (Ronald & Chen, 1998). Financial socialization (FS) measured by indicators of parents, education, friends, and the media (Sundarasen et al., 2016). Financial indicators of attitude (FA) based on the opinions Anthony (2011) namely the attitude toward daily financial behavior, attitudes toward austerity plan, attitudes toward financial management, and attitude toward the future financial capabilities. Financial confidence (FC) refers to Vyvyan namely self-confidence/esteem, belief-future change, and belief-future prosperity. While the behavior of financial indicators (FB) based on the opinions Akben-Selcuk (2015) and Gutter & Copur (2011) namely punctual in paying bills, budgeting personal and compulsive buying.

## 4. Results and Discussion

### 4.1. Results

Descriptive analysis variables in the study are presented in Table 1 as follows:

Table 1: Results Descriptive Analysis of Research Variables.

| No. | Variables | Mean | Criteria |
|---|---|---|---|
| 1. | Financial well-being | 35.77 | Good |
| 2. | Financial literacy | 38.07 | Good |
| 3. | Financial socialization | 34.83 | Good |
| 4. | Financial attitude | 39.14 | Good |
| 5. | Financial confidence | 40.88 | Good |
| 6. | Financial behavior | 32,50 | Good |
| Source: Data processed, 2018. | | | |

Descriptive analysis on financial variables of well-being (FWB) showed good criterion with the lowest score 28, highest score 43, and the average value of 35.77. The details of each indicator of financial well-being can be seen in the following table:

Table 2: Descriptive Statistics Financial Indicators of well-being.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | Money saved | 7.21 | Good Enough |
| 2. | The current financial situation | 14.33 | Good |
| 3. | Financial management skills | 14.23 | Good |
| Source: Data processed, 2018 | | | |

The descriptive analysis on financial literacy variables (FL) showed good criterion with the lowest value of 29, the highest score of 48, and the average value of 38.07. The details of each indicator of financial literacy can be seen as follows:

Table 3: Descriptive Statistics Indicators Financial Literacy.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | General knowledge of personal finance | 7.18 | Good Enough |
| 2. | Savings and loans | 10.47 | Good |
| 3. | Insurance | 10.58 | Good |
| 4. | Infestation | 9.84 | Good Enough |
| Source: Data processed, 2018. | | | |

Descriptive analysis of financial socialization (FS) showed good criterion with the lowest score 23, highest score 46, and the average value of 34.83 with the details of each financial indicator socialization as follows:

Table 4: Descriptive statistics Socialization Financial Indicators.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | Parents | 7.62 | Good |
| 2. | Education | 10.61 | Good |
| 3. | Friend | 7,13 | Good Enough |
| 4. | Media | 9.46 | Good Enough |
| Source: Data processed, 2018. | | | |

The descriptive analysis on financial variables attitude (FA) showed good criterion with the lowest score 32, highest score 47, and the average value of 39.14 with the details of each financial attitude indicator variable as follows:

Table 5: Descriptive Statistics Financial Indicators Attitude.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | Attitudes toward daily financial behavior | 11,13 | Good |
| 2. | Attitudes toward austerity plan | 12.10 | Good |
| 3. | Attitudes toward financial management | 7.58 | Good |
| 4. | Attitudes toward future financial capability | 8.34 | Good |
| Source: Data processed, 2018. | | | |

Descriptive analysis of financial confidence (FC) showed good criterion with the lowest value of 33, the highest score of 48, and the average value of 40.88 with the details of each financial confidence indicator variable as follows:

TABLE 6: Descriptive statistics Confidence Financial Indicators.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | Self-confidence/self-esteem | 10.55 | Good |
| 2. | Belief-future change | 14.70 | Good |
| 3. | Belief-future prosperity | 15.63 | Good |
| Source: Data processed, 2018. | | | |

Descriptive analysis of financial behavior (FB) showed good criterion with the lowest score 27, highest score 38, and the average value of 32,50 with the details of each indicator behavior of financial variables as follows:

TABLE 7: Descriptive Statistics Financial Indicator Behavior.

| No. | Indicator | Mean | Criteria |
|---|---|---|---|
| 1. | Punctual in paying bills | 15.12 | Good |
| 2. | Creating a personal budget | 7.89 | Good |
| 3. | Purchase compulsive | 9.49 | Good Enough |
| Source: Data processed, 2018. | | | |

Before the path analysis, performed first prerequisite test consisting of normality test and linearity test. Normality test is done using the One Sample Kolmogorov-Smirnov Test. In the first regression model Test Statistic values obtained at 0.057 and 0.419 significant at a value above 0.05, so it can be concluded that the data residual regression model 1 normal distribution. In the second regression model also Test Statistic values obtained at 0.051 and 0.576 significant at a value above the 0.05 confidence level, so that it can be concluded that the data residual regression model 2 is also normally distributed.

Linearity test performed using LaGrange multiplier test conducted by comparing the count value $c^2$ and $c^2$ table. Chi Square ($c^2$) count obtained from n x $R^2$ value, while the value of $R^2$ can be seen from the table models SPSS output summary. In the first regression model obtained count value $c^2$ is 0 smaller than $c^2$ 260.992 table, so it can be concluded that 1 newfangled linear regression model. In the second regression model was also obtained count value $c^2$ is 0 is less than 260.992, so that it can be concluded that 2 newfangled linear regression model.

Classic assumption test conducted consists of a test multicollinearity and heteroscedasticity test. The test results multicollinearity in regression models 1 and 2 regression models known that the tolerance of each independent variable more than 0.1. In addition, the value of Variance Inflation Factor (VIF) of each independent variable is less than 10. It can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity test is using glejser test, if the significance value > 0.05 then there is no heteroscedasticity in the model. The test results glejser regression models 1 and 2 show that the probability of significance of all the independent variables more than the confidence level of 0.05, so it can be concluded that the regression model 1 and 2 do not contain heteroskedasticities.

Path analysis is an extension of the multiple linear regression analysis. Here are the results of structural equation regression coefficient regression analysis as follows:

Table 8: Regression results for Financial Literacy, Financial Socialization, Financial Attitude, Financial Confidence and Financial Behavior of Financial Well-being.

| **Coefficientsa** | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | Coefficients unstandardized | | standardized Coefficients | *t* | Sig. |
| | | B | Std. Error | beta | | |
| **1** | (Constant) | –1.286 | 1.151 | | –1.117 | 0.265 |
| | FL | 0.236 | 0.033 | 0.296 | 7.217 | 0.000 |
| | FS | 0.090 | 0.029 | 0.117 | 3.071 | 0.002 |
| | FA | 0.175 | 0.041 | 0.186 | 4.262 | 0.000 |
| | FC | 0.119 | 0.038 | 0.135 | 3.163 | 0.002 |
| | FB | 0.408 | 0.060 | 0.323 | 6.796 | 0.000 |
| Note: a. Dependent Variable: FWB. | | | | | | |
| Source: Data processed, 2018. | | | | | | |

Table 9: Regression results for Financial Literacy, Financial Socialization, Financial Attitude and Financial Confidence, Against Financial Behavior.

| **Coefficientsa** | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | Coefficients unstandardized | | standardized Coefficients | *t* | Sig. |
| | | B | Std. Error | beta | | |
| **1** | (Constant) | 7.376 | 1,181 | | 6.246 | 0.000 |
| | FL | 0.174 | 0.034 | 0.274 | 5.041 | 0.000 |
| | FS | 0.121 | 0.031 | 0.199 | 3.864 | 0.000 |
| | FA | 0.175 | 0.044 | 0.235 | 3.975 | 0.000 |
| | FC | 0.182 | 0.040 | 0.259 | 4.541 | 0.000 |
| Note: a. Dependent Variable: FB. | | | | | | |
| Source: Data processed, 2018. | | | | | | |

Results of regression equation one, FWB = 0.296 FL FS + 0.186 + 0.117 + 0.135 FA FB FC + 0.323 + 0.399 (e1). Financial literacy equation indicates that each increase of one unit of a financial literacy, it will cause an increase in the financial well-being of 0,296 assuming a FS, FA, FC, and FB remains. If every increase of one unit of financial socialization, it will cause an increase in the financial well-being of 0.117 assuming FL, FA, FC, and FB remains. Every increase of one unit of financial attitude, it will cause an increase in the financial well-being of 0.186. If financial confidence increased by one unit, it will cause an increase in the financial well-being of 0.135. Every increase of one unit of financial behavior then causes an increase in the financial well-being of 0.323, assuming the variable FL, FS, FA and FC remain. The value of 0.399 is the value of residual (error). That is, FWB is influenced by other variables not examined in this study amounted to 39.9%.

The results of the regression analysis obtained by the second equation, FL FB = 0.274 + 0.235 + 0.199 FS FC FA + 0.259 + 0.560 (e2). Based on the equation of the two, indicating if each increase of one unit of a financial literacy, it will cause an increase in financial behavior amounted to 0.274 assuming FS, FA, FC remain. Every increase of one unit of financial socialization, it will cause an increase in financial behavior of 0,199. If the increased financial attitude of the unit then causes an increase in financial behavior by 0.235. If every increase of one unit of financial confidence, it will cause an increase in the financial well-being of 0.259 assuming FL, FS, FA, FC remain. The value of 0.560 is the value of residual (error). That is,

Test the hypothesis with t test on the regression model 1, the value of a financial literacy significance 0.000 < 0.05. This means that financial literacy affect the financial well-being, so that $H_1$ is accepted. In the socialization of financial significance value 0.002 < 0.05. This means that socialization financial effect on the financial well-being, so that $H_2$ is accepted. Attitude financial significance value of 0.000 < 0.05. That is the attitude of financial effect on the financial well-being, so that the $H_3$ is received. In the confidence of financial variables significance value 0.002 < 0.05. This means that financial confidence affect the financial well-being, so $H_4$ is accepted. The behavior of financial significance value of 0.000 < 0.05. That is the behavior of financial effect on the financial well-being,

Hypothesis test on the regression model 2, the value of a financial literacy significance 0.000 < 0.05. This means that financial literacy financial effect on behavior, so that $H_6$ is received. In the socialization of financial significance value 0.000 < 0.05. This means that socialization financial effect on the financial behavior, so $H_7$ is received. Attitude financial significance value of 0.000 < 0.05. That is the attitude of financial effect on the financial behavior, so $H_8$ accepted. In the confidence of financial variables significance value 0.000 < 0.05. It means confidence financial effect on financial behavior, so $H_9$ accepted.

Test the hypothesis of this study mediating variables using Sobel test. In a financial literacy (FL) to the financial well-being (FWB) through financial behavior (FB) obtained two-tailed probability value 0.00000759 < 0.05. That is, in a positive financial behavior mediates the effect of financial literacy on the financial well-being, so that $H_{10}$ is received. The direct effect of 0.296, the indirect effect of 0.089, so that the total effect of 0.385.

In the financial socialization (FS) on the financial well-being (FWB) through financial behavior (FB) obtained two-tailed probability value 0.00003709 < 0.05. That is, the behavior in a positive financial mediate socialization of financial influence on the financial well-being, so that $H_{11}$ is received. The direct effect of 0.117, the indirect effect of 0,064, bringing the total effect of 0.181. In the financial attitude (FA) to the financial well-being (FWB) through financial behavior (FB) obtained two-tailed probability value 0.00014974 < 0.05. That is, the behavior in a positive financial effect of financial mediating attitude to financial well-being, so that $H_{12}$ is received. The direct effect of 0.186, the indirect effect of 0.076, so that the total effect of 0.262.

Financial confidence (FC) to the financial well-being (FWB) through financial behavior (FB) obtained two-tailed probability value 0.00003709 < 0.05. That is, in a positive financial behavior mediates the effect of financial confidence to financial well-being, so that $H_{13}$ is received. The direct effect of 0.135, the indirect effect of 0,084, bringing the total effect of 0.219.

## 4.2. Discussions

### 4.2.1. The effect of financial literacy on financial well-being

The results showed that financial literacy is a positive and significant effect on the financial well-being of students. This means that if the level of financial literacy of students is getting better, then the financial well-being of students is also getting better. Conversely, if the level of financial literacy of students is getting worse, then the financial well-being of students is also getting worse.

Financial literacy can help students to achieve financial prosperity. For example, when students have the knowledge about the benefits of savings and loan, then the student will do a good financial consideration to make the deposit or loan so that students can achieve financial well-being. General knowledge of personal finance, savings and loans, insurance, and investments owned by students to support students to achieve financial prosperity.

The results of the study in accordance with the life-span development theory proposed Baltes (1987), Life-span development is closely related to the theory of cognitive development that will benefit and well-being during the period of human life. In this study, a financial literacy represents the cognitive development that can give financial well-being. The results of this study are also in accordance with the Sabri which proves that financial literacy has a positive and significant impact on the financial well-being of students at 0.582. The results are consistent with previous studies proposed byFazli Sabri et al. (2012), Chandra & Memarista (2015) which shows that financial literacy has a direct impact on the financial well-being.

### 4.2.2. The effect of financial socialization on financial well-being

The results showed that the financial socialization positive and significant effect on the financial well-being of students. This means that if the financial socialization of students getting better, then the financial well-being of students is also getting better. The socialization of finance, for example through parents gained attention, learning about finance at lectures or seminars about finances, a good friend, and the media to give positive information about personal finance. Positive financial socialization can make students pay more attention to the use of money so that they can feel better.

The results of the study in accordance with the life-span development theory proposed Baltes (1987), Life-span theory development is closely related to social demands and environmental influences that can benefit and well-being during the period of human life. In this study, financial socialization of parents, education, friends, and media representing the influence of social demands that can provide the financial welfare of individual students.

The results are consistent with the opinion Fazli Sabri et al. (2012) which proves that the financial socialization agent can improve the financial well-being of students. Starobin et al. (2013), Chandra & Memarista (2015) also proves that good socialization agent through the primary socialization agent and secondary socialization agent has a positive and significant effect on the financial well-being. Another study conducted Leila & Laily (2011) also prove financial socialization have a positive influence on the financial well-being of 14.9%.

### 4.2.3. The effect of financial attitude on financial well-being

The results showed that financial attitude positive effect on the financial well-being of students. Attitudes toward daily financial behavior, a good attitude toward austerity plan, attitudes toward financial management, attitudes toward future financial capabilities are able to make the students more concerned with finances so that they can achieve financial prosperity. If a student can have a positive financial attitude in daily life, it will make students able to control the finances so as to achieve financial goals optimally.

The results are consistent with the views expressed by Shim et al., (2009) which proves that financial attitude has a positive influence on the financial well-being of students. Chandra & Memarista (2015) financial attitude also proves that students have a positive and significant effect on the financial well-being of 0.319 or 31.9%.

### 4.2.4. The effect of financial confidence on financial well-being

The results showed that financial confidence in a positive and significant effect on the financial well-being of students. Assessed financial confidence of confidence possessed by students will be able to make the students motivated to achieve financial prosperity. Believe-the future may change as defined in this study is a sense of confidence in her ability to perform financial management to be able to change the future in terms of finance. Meanwhile, the future prosperity of confidence-formed feeling confident can achieve financial prosperity in the days to come, such as by controlling expenditure.

The results of the study in accordance with the life-span development theory proposed Baltes (1987). Life-span theory development is closely related to the effect of non-normative life as determinants of growth that can benefit and well-being during the period of human life. In this study, the effect of financial confidence represent non-normative life that can give financial well-being of individual students.

The results are consistent with the opinion Shim et al. (2009) which proves that the perceived behavioral control in this study is the confidence of financial variables have a strong relationship with the financial well-being of students. Sina (2013) also proves that self-efficacy has a positive and significant impact on student financial satisfaction. Another study conducted by Braun Santos et al. (2016) also proves that financial self-confidence has a positive influence on the financial well-being of students 0.12.

### 4.2.5. The effect of financial behavior on financial well-being

The results showed that the financial behavior positive and significant effect on the financial well-being of students. Financial behavior timely in paying bills is done by paying all the bills without delay. Creating a personal budget to determine priorities in spending the finances, and did not make a purchase compulsive to always exercise discretion in spending the finances, it will make students feel safe with finances so as to achieve financial prosperity.

The results of the study in accordance with the life-span development theory Baltes (1987). Life-span development theory offers behavioral development that benefit and well-being during the period of human life. In this study, representing the financial behavior behavioral development that can provide financial well-being of individual students. The results are consistent with research Starobin et al. (2013) which proves that the financial behavior has a significant influence on the financial well-being of students. Another study conducted Gutter & Copur (2011) prove financial behavior has a positive and significant impact on the financial well-being of 0.500.

### 4.2.6. The effect of financial literacy on financial behavior

The results showed that financial literacy positive and significant impact on the financial behavior of students. Financial literacy can be seen from the general knowledge of finance to assist students in making effective financial decisions. Financial literacy can also be seen from knowledge about insurance, investment, and savings and loans. If the student has the knowledge of insurance, investments, savings and loan properly, then the student is trying to be able to manage your finances well in order to have protection in its success, and trying to have a future investment, and not be stuck in the loan both personal loans and loans on financial institutions.

The results of this study are relevant to the research conducted by Akben-Selcuk (2015) which proves that financial literacy positive and significant impact on the financial behavior. Another study conducted Arifin et al. (2017), Susilowati et al. (2017) also proves that financial literacy has a direct influence on the financial behavior of students.

### 4.2.7. The effect of financial socialization on financial behavior

The results showed that the financial socialization positive and significant effect on the financial behavior of students. Financial socialization visits from agents of socialization, such as parents, school, friends, and media. Parents and friends can provide role models for financial management, so that a person will be motivated behavior, according to the person who exemplified. Education and media can also provide knowledge and financial information that will encourage students to be able to implement positive behavior of finance obtained through education or media that students see.

The results are consistent with the theory of planned behavior raised Ajzen (1991). According to TPB, a behavior performed by a person because they have the subjective norm. In this study, financial socialization that can affect student financial behavior. Having a good financial socialization through parents, school, friends, and the media would lead one to perform good financial behavior. In addition, research Akben-Selcuk (2015) also proves that the financial socialization positive and significant impact on the financial behavior. Mohamed (2017) financial proved socialization through interaction with parents and peers have a direct relation to financial student behavior.

### 4.2.8. The effect of financial attitude on financial behavior

Financial attitude results showed a positive and significant effect on the financial behavior of students. Financial attitudes seen in this study of attitudes toward daily financial behavior, attitudes toward austerity plan, attitudes toward financial management, and attitude toward the future financial capabilities. Someone who has a good financial stance will be careful in the use of money, and concerned with the current financial situation. In addition, it will also use the money carefully by planning in advance. Students who have a good attitude toward money tend to arrange finance through restrictions on the money every day, delay of gratification, frugality, and perform useful consumption.

The results are consistent with the theory of planned behavior. According to TPB, a behavior is done because it has attitude toward behavior. In this study, financial attitude can influence financial behavior. The results of this study are relevant to the research Akben-Selcuk (2015) which proves that financial attitude positive and significant impact on the financial behavior. Shim et al. (2009), Herdjiono et al. (2016), Setiawati & Nurkhin (2017) also proves that financial attitude has a positive and significant impact on the financial behavior of students.

### 4.2.9. The effect of financial confidence on financial behavior

The results showed that financial confidence in a positive and significant effect on the financial behavior of students. Someone who has a good faith would be careful in using the money. Students who have a financial confidence tend to arrange finance for their confidence in the ability of self can manage your finances well, have confidence that the various financial decisions made at the present time will have an impact on future changes, and the prosperity in the future if henceforth commit with good financial planning.

The results are consistent with the theory of planned behavior. According to TPB, a behavior performed by a person because they have perceived behavioral control. In this study, the confidence of financial confidence that can affect student financial behavior. Results of this study are also relevant to the study Braun Santos et al. (2016) which proves that financial self-confidence positive and significant impact on financial behavior in the use of credit cards. Susilowati et al. (2017) also proves that the financial confidence of financial behavior directly affects the student.

#### 4.2.10. The effect of financial literacy on financial well-being through financial behavior

Hypothesis test results indicate that there is a positive effect of financial literacy on the financial well-being through the financial behavior of the students, it means a financial literacy directly affects the financial well-being or indirectly through financial behavior. The magnitude of the indirect effect is lower than the direct effect. This indicates the low influence of partial form of the role of financial mediation behavior as an intervening variable, which means that financial behavior is not perfectly capable of mediating influence between financial literacy to financial well-being of students. This is because students assess financial literacy is important,

The results are consistent with the life-span development are closely related to the theory of cognitive development that can be habit-forming behavior and will benefit the welfare of individuals. Welfare of individuals in this study is the financial well-being that are formed because of behavioral habits, which habits of behavior in this research is financial behavior. Such behavior is formed as a person's cognitive development in this research is financial literacy.

Previous studies conducted by Akben-Selcuk (2015), Arifin et al. (2017), Susilowati et al. (2017) prove that financial literacy positive effect on financial behavior, then research Gutter & Copur (2011), Starobin et al. (2013) which proves that the effect on the financial behavior of financial well-being.

#### 4.2.11. The effect of financial socialization on financial well-being through financial behavior

Hypothesis test results indicate that there is a positive effect of financial socialization of the financial well-being through the finance student behavior. The results showed that directly or indirectly affect the financial socialization of financial well-being through the financial behavior.

The magnitude of the indirect effect is lower than the direct effect. This indicates the low influence of partial form of the role of financial mediation behavior as an intervening variable, which means that financial behavior is not perfectly capable of mediating between financial socialization influence on financial well-being of students. This is because the students assess the financial socialization is important, because a good socialization to make students capable of achieving personal financial prosperity. So that students assume the financial socialization of parents, education, friends, and the media have been able to assist students in achieving a healthy financial without too much attention to a good financial behavior.

Results of research in line with the theory of planned behavior associated with the subjective norm, which in this research is financial socialization that gives effect to the financial behavior. The results also in line with the life-span development theory relating to social demands in shaping the behavioral habits, and benefit the welfare of individuals. Social demands in this research is to establish financial socialization of financial behavior, and then shaping the welfare of individuals in this study was the achievement of financial well-being.

Previous studies conducted by Akben-Selcuk (2015), Mohamed (2017) which proves that the financial socialization positive effect on financial behavior. later studies Gutter & Copur (2011), Starobin et al. (2013) which proves that the positive effect on the financial behavior of financial well-being.

#### 4.2.12. The effect of financial attitude on financial well-being through financial behavior

Hypothesis test results show that there is positive attitude toward financial well-being through the finance student behavior. The results showed that directly or indirectly affect the financial attitude of financial well-being through the financial behavior.

The magnitude of the indirect effect is lower than the direct effect. This indicates the low influence of partial form of the role of financial mediation behavior as an intervening variable, which means that financial behavior is not perfectly capable of mediating influence between financial attitude toward financial well-being of students. This is because student financial assess critical attitude, because with a good financial stance can make students achieve financial prosperity, so that students assume that a good financial stance has been able to assist students in achieving a healthy financial without too much attention to a good financial behavior.

Results of research in line with the theory of planned behavior related to the attitude toward behavior. Attitudes toward the behavior in this research is financial attitude toward financial influence student behavior. Furthermore, the results also in line with the life-span development theory relating to the formation of habits of behavior and provides benefits for welfare. In this study the behavior of financial well-being of individuals in the form of this study was the achievement of financial well-being.

Previous studies conducted by Shim et al. (2009), Akben-Selcuk (2015), Herdjiono et al. (2016), Setiawati & Nurkhin (2017) which proves that financial attitude positively affects financial behavior. Gutter & Copur (2011), Starobin et al. (2013) prove that the positive effect on the financial behavior of financial well-being.

### 4.2.13. The effect of financial confidence on financial well-being through financial behavior

Hypothesis test results indicate that there is a positive effect of financial confidence to the financial well-being through the financial behavior. The results showed that directly or indirectly affect the financial confidence of financial well-being through the financial behavior.

The magnitude of the indirect effect is lower than the direct effect. This indicates the low influence of partial form of the role of financial mediation behavior as an intervening variable, which means that financial behavior is not perfectly capable of mediating influence between financial confidence to the financial well-being of students. This is because students assess this important financial confidence. Their belief that good finance to make students able to achieve financial prosperity. So that students consider their financial confidence has been able to assist students in achieving a healthy financial without too much attention to a good financial behavior.

Results of research in line with the theory of planned behavior related to perceived behavioral control, indicating easy or difficult to take action. Perceived behavioral control represents financial giving confidence to financial influence student behavior. The results also in line with the life-span development theory relating to the effect of the events of life as non-normative, but no influence in shaping behavior, and provide welfare. Effect of non-normative life in this research is financial confidence, which results from the development of these behaviors shaping the welfare of individuals in this study was the achievement of financial well-being.

Previous studies conducted by Braun Santos et al. (2016), Arifin et al. (2017), Susilowati et al. (2017) prove that financial confidence positive effect on financial behavior. later studies Gutter & Copur (2011), Starobin et al. (2013) prove that the positive effect on the financial behavior of financial well-being.

# 5. Conclusion

Based on the results of research and discussion be concluded that financial literacy, financial socialization, financial attitude, financial confidence, and financial behavior has a direct influence on the financial well-being. Financial literacy, financial socialization, financial attitude, and financial confidence directly influence financial behavior. In addition, there is the indirect effect of a financial literacy, financial socialization, financial attitude, and financial confidence to the financial well-being through the finance student behavior.

# References

[1] Addin, M. M., Nayebzadeh, S., Taft, M. K., et al. (2013). Financial strategies and investigating the relationship among financial literacy. Financial Well-being, and Financial Worry, vol. 2, no. 3, pp. 1279–1289.

[2] Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, vol. 50, no. 2, pp. 179–211.

[3] Ajzen, I. and Fishbein, M. (2005). The influence of attitudes on behavior, in D. Albarracín, B. T. Johnson, and M. P. Zanna (eds.) The Handbook of Attitudes, pp. 173–221.

[4] Akben-Selcuk, E. (2015). Factors influencing college students' financial behaviors in Turkey: Evidence from a National Survey. International Journal of Economics and Finance, vol. 7, no. 6, pp. 87–94. Retrieved from: https://doi.org/10.5539/ijef.v7n6p87

[5] Albeerdy, M. I. and Gharleghi, B. (2015). Determinants of the financial literacy among college students in Malaysia. International Journal of Business Administration, vol. 6, no. 3, pp. 15–24. Retrieved from: https://doi.org/10.5430/ijba.v6n3p15

[6] Anthony, R. A. (2011). Knowledge, attitude, practice and satisfaction on personal financial management among the medical practitioners in the public and private medical services in Malaysia. Thesis, Universiti Kebangsaan Malaysia.

[7] Atkinson, A. and Messy, F. (2012). Measuring Financial literacy: Results of the OECD/International Network on Financial Education (INFE) pilot study (OECD Working Papers on Finance, Insurance and Private Pensions, No. 15). OECD Publishing. Retrieved from: http://dx.doi.org/10.1787/5k9csfs90fr4-en

[8] Baltes, P. B. (1987). Theoretical propositions of life-span developmental psychology. On the Dynamics Between Growth and Decline, vol. 2, no. 5, pp. 611–626.

[9] Braun Santos, D., Mendes-Da-Silva, W., Flores, E., et al. (2016). Predictors of credit card use and perceived financial well-being in female college students: A Brazil-United States comparative study. International Journal of Consumer Studies, vol. 40, no. 2, pp. 133–142. Retrieved from: https://doi.org/10.1111/ijcs.12234

[10] Chandra, J. W. and Memarista, G. (2015). Faktor-Faktor yang Mempengaruhi Financial Satisfaction pada Mahasiswa Universitas Kristen Petra. FINESTA, vol. 3, no. 2, pp. 1–6.

[11] Fazli Sabri, M., Cook, C. C., and Gudmunson, C. G. (2012). Financial well-being of Malaysian college students. Asian Education and Development Studies, vol. 1, no. 2, pp. 153–170. Retrieved from: https://doi.org/10.1108/20463161211240124

[12] Gunardi, A., Ridwan, M., and Sudarjah, G. M. (2017). The use of financial literacy for growing personal finance. Jurnal Keuangan Dan Perbankan, vol. 21, no. 3, pp. 446–458. Retrieved from: http://jurnal.unmer.ac.id/index.php/jkdp

[13] Gutter, M. and Copur, Z. (2011). Financial behaviors and financial well-being of college students: Evidence from a National Survey. Journal of Family and Economic Issues, vol. 32, no. 4, pp. 699–714. Retrieved from: https://doi.org/10.1007/s10834-011-9255-2

[14] Herdjiono, I., Damanik, L. A., and Musamus, U. (2016). Pengaruh financial attitude, financial knowledge, parental income terhadap financial management behavior. Jurnal Manajemen Teori dan Terapan, vol. 9, no. 3, pp. 226–241.

[15] Kempson, E., Finney, A., and Poppe, C. (2017). Financial Well-being a Conceptual Model and Preliminary Analysis. Retrieved from: http://www.bristol.ac.uk/media-library/sites/geography/pfrc/pfrc1705-financial-well-being-conceptual-model.pdf

[16] Leila, F. and Laily, P. (2011). Gender differences in financial well-being among college students. Australian Journal of Basic and Applies Sciences, vol. 5, no. 9, pp. 1765–1776.

[17] Mohamed, N. A. (2017). Financial socialization: A cornerstone for young employees ' financial well-being. Reports on Economics and Finance, vol. 3, no. 1, pp. 15–35.

[18] OJK. (2017). Siaran Pers: Revisit Strategi Nasional Literasi Keuangan Indonesia (SNLKI) sebagai Upaya Akselerasi Pencapaian Indeks Literasi dan Inklusi Keuangan. Retrieved from: www.ojk.go.id. (accessed on January 15, 2018).

[19] Prawitz, A. D., Garman, E. T., Sorhaindo, B., et al. (2006). Incharge financial distress/financial well-being scale: Development, administration, and score interpretation. Financial Counseling and Planning, vol. 17, no. 1, pp. 34–50. Retrieved from: https://doi.org/10.1037/t60365-000

[20] Remund, D. L. (2010). Financial literacy explicated: The case for a clearer definition in an increasingly complex economy. Journal of Consumer Affairs, vol. 44, no. 2, pp. 276–295. Retrieved from: https://doi.org/10.1111/j.1745-6606.2010.01169.x

[21] Ronald, P. and Chen, H. (1998). An analysis of personal financial literacy among college students. Financial Services Review, vol. 7, no. 2, pp. 107–128. Retrieved from: https://doi.org/10.1016/S1057-0810(99)80006-7

[22] Sabri, M. and Falahati, L. (2012). Estimating a model of subjective financial well-being among college students. International Journal of Humanities and Social Science, vol. 2, no. 18, pp. 191–199.

[23] Setiawati and Nurkhin, A. (2017). Pengujian Dimensi Konstruk Literasi Keuangan Mahasiswa. Economic Education Analysis Journal, vol. 3, no. 1, pp. 727–736.

[24] Shim, S., Xiao, J. J., Barber, B. L., et al. (2009). Pathways to life success: A conceptual model of financial well-being for young adults. Journal of Applied Developmental Psychology, vol. 30, no. 6, pp. 708–723. Retrieved from: https://doi.org/10.1016/j.appdev.2009.02.003

[25] Sina, P. G. (2013). Financial Efficacy dan financial satisfaction ditinjau dari perbedaan gender. Jurnal Manajemen, vol. 12, no. 2, pp. 173–184.

[26] Starobin, S. S., Hagedorn, L. S., Purnamasari, A., et al. (2013). Examining financial literacy among transfer and nontransfer students: Predicting financial well-being and academic success at a four-year university. Community College Journal of Research and Practice, vol. 37, no. 3, pp. 216–225. Retrieved from: https://doi.org/10.1080/10668926.2013.740388

[27] Sundarasen, S. D. D., Rahman, M. S., Othman, N. S., et al. (2016). Impact of financial literacy, financial socialization agents, and parental norms on money management. Journal of Business Studies Quarterly, vol. 8, no. 1, pp. 140–156.

[28] Susilowati, N., Latifah, L., and Jariyah. (2017). College student financial behavior: An empirical study on the mediating effect of attitude toward money. Advanced Science Letters, vol. 23, no. 8, pp. 7468–7472.

[29] Theodora, B. D. and Marti'ah, S. (2016). The effect of family economic education towards lifestyle mediated by financial literacy. Dinamika Pendidikan, vol. 11, no. 1, pp. 18–25. Retrieved from: https://doi.org/10.15294/dp.v11i1.8697

[30] Thi, N., Mien, N., and Thao, T. P. (2015). Factors affecting personal financial management behaviors: Evidence from Vietnam. Economics, Finance and Social Sciences, pp. 978–971.

[31] Vyvyan, V., Blue, L., and Brimble, M. (2014). Factors that influence financial capability and effectiveness: Exploring financial counsellors' perspectives. Australasian Accounting, Business and Finance Journal, vol. 8, no. 4, pp. 3–22. Retrieved from: https://doi.org/10.14453/aabfj.v8i4.2