Journal of Applied Sciences in Accounting, Finance and Tax
Volume 7 Issue 1 (April 2024), p. 15—22
e-issn 2655-2590 © Politeknik Negeri Bali
https://ojs2.pnb.ac.id/index.php/JASAFINT

Financial behavior of the millenial generation: financial literacy, financial intelligence, financial inclusion

Harun Alrasyid[1]✉, Sultan[2]

[1] Universitas Hasanuddin
[2] Universitas Muhammadiyah Palopo

✉ Address correspondence: alrasyidharun801@gmail.com
E-mail: alrasyidharun801@gmail.com sultan@umpalopo.ac.id

ABSTRACT
The millennial generation has become a hot discussion issue in society and is currently the main focus, because it shows substantial influence in the era of globalization. In financial management, the millennial generation faces very difficult challenges caused by lifestyle and a lack of in-depth understanding of financial aspects. This research aims to determine the influence of financial literacy, financial intelligence and financial inclusion on the financial behavior of the millennial generation. This research is quantitative research using primary data. The population in this study is the millennial generation of Palopo city aged 24 to 39 years. Those who filled out the research questionnaire were used as a sample of 70 people. The data collection technique uses a questionnaire distributed online from October to December 2023. The data collection method uses a saturated sampling method. The analysis method used is multiple linear analysis with the help of SPSS version 26 software. The research results show that partially using the t test it is concluded that financial literacy, financial intelligence and financial inclusion have a positive and significant effect on financial behavior. Simultaneously there is an influence of financial literacy, financial intelligence and financial inclusion on the financial behavior of the millennial generation in Palopo City.

Keywords: financial behavior, financial inclusion, financial intelligence, financial literacy

1. Introduction

Generation millennial become focus main moment this is because showing substantial influence in scope of the era of globalization. Generation millennial become issue heated discussion in public therefore that every generation own the differences show characteristics unique that differentiates in all context. Generation millennial become the group that was the first to know the internet and computers as well get easy access related with financial institutions. This thing, became facility to understanding fast them to sector finance as well as its implementation in life daily. In management finance, generation millennial face very challenging difficult caused by style life as well as lack of understanding deep about aspects finance. No only that's general Millennials are also increasing difficulty dala prioritize and manage finance with Correct [1].

Generation millennials are identified with style consumer life as well as tend no think long and hard management owned finances and even in part generation millennial Still experience difficulty in management finance so that income earned no managed with Good. Lifestyle millennials do n't in accordance with ability finance cause individual do all method in fulfil style his life by because that, society moment This tend see generation millennial become inclined generation extravagant and very difficult control expenditure them, which resulted generation millennial error in finance [2], [3]. Error finance happen Because behavior finance as well as aspects other finances. Financial behavior interpreted as form behavior relevant humans with management finance. behavior finance is ability somebody in planning, budgeting, managing, checking, controlling as well as save funds for need daily. Behavior finance individual relate with multiliteracy individual. Behavior finance own significant impact in pattern consumption society and even individual with sufficient opinion often face problem finance consequence not enough wise in decision expenditure. One of possible example seen that is Still Lots public behave consumptive than invest for the future. Behavior finance influenced by several aspect including financial literacy, financial inclusion and financial intelligence [4].

Financial literacy is form understanding and knowledge about concepts and risks finances, skills as well as motivation and belief self for make effective decisions about context finance [5]. Financial literacy increase well-being finance individual as well as society and makes it possible participate in life economy. Financial literacy finance give contribution positive in growth economy and improvement quality service finance and development a country. Existence finance literacy become crucial in manage aspect finance personal as well as literacy finances also become essential for individual to be able to make smart financial decisions. Misunderstanding in financial knowledge, yes result individual no ready face impact inflation, decline economy, waste and expenditure consumptive, use Debit and credit cards are not wise, and financing that is not accurate. Misunderstanding in finance become difficult investing and accessing financial markets. Therefore that the more Good literacy finance somebody so the more Good in management finance as well as decision or invest and choose product service finance [6]. Literacy high finances be marked with exists understanding related with financial intelligence.

Financial intelligence interpreted as ability somebody manage owned finances with Good. Failure somebody in manage his finances No only caused by low opinion, but somebody That No capable manage finance and allocate finance more good. Financial intelligence includes four aspect that is method earn money, save money, use money and manage money. But in society, fourth aspect This Not yet fulfilled and only focus in aspect method earn money for example can seen in the artist, in his heyday overflow his property while in old age lack treasures and even difficulty pay debt for need life daily. When that's it, it appears awareness about financial intelligence needed for fulfil fourth aspect this [6]. Financial intelligence also emphasizes ability for understand draft base from knowledge economics and finance as well as application in life daily. Apart from aspects financial intelligence, financial inclusion also become aspect in financial behavior generation millennial.

Financial inclusion is availability access provided to public to products, institutions as well service service appropriate finances with needs and capacity with objective increase well-being public [7], [8]. Phenomena inclusion finance moment This become object ongoing discussion become focus conversation, fine in national nor scale international. In an attempt support growth economy as well as reduce poverty, financial programs are needed purposeful inclusiveness create system finances are possible accessed everyone. Draft inclusion finance refers to the spread area and use service finance in a way effective by all public [9]. Draft This covers access to service finance like account banking, insurance policies, facilities loan, opportunity investment and innovation service finance. existence inclusion finance considered important because own capacity for create opportunity economy in a way even, stimulating growth economy as well as reduce financial disparities. With exists access comprehensive to service finance, individual can more efficient in manage financial risk and participation in investment long term as well increase quality life public [1]. Therefore that, for maximizing behavior good finances so needed inclusion good finances too.

2. Method

This research is quantitative research using primary data. The population in this study is the millennial generation of Palopo city aged 24 to 39 years. Those who filled out the research questionnaire were used as a sample of 70 people. The data collection technique uses a questionnaire distributed online from October to December 2023. The data collection method uses a saturated sampling method, where all members of the population are sampled.

There are 2 variables in this research, namely independent and dependent. The independent variable is financial literacy with scale indicators of knowledge about budgeting, level of success in achieving financial goals, level of comfort with investment risk, level of portfolio diversification and ability to manage finances. variable X2 financial intelligence with indicators of financial knowledge, financial planning, financial management, financial decision making and debt management. Variable X3 financial inclusion with indicators of financial access, availability of financial services, affordability, financial technology and customer satisfaction. while the dependent variable is financial behavior with indicators of spending, savings, financial risk management, emotional awareness and financial decision making. financial knowledge, financial planning, financial management, financial decision making and debt management. The analysis method used is multiple linear analysis with the help of SPSS version 26 software.

3. Results and Discussion

Questionnaires distributed direct through social media to generation millennial city Palopo as many as 70 respondents. The results of the validity and reliability tests variable research can seen as following.

Table 1. Validity and Reliability Test

Items	Significance	Valid/Invalid	*Alpha Cronbach's*	Information
LK. 1	0.839	Valid	0.779	Reliable
LK. 2	0.594			
LK. 3	0.781			
LK. 4	0.698			
LK. 5	0.628			
KK.1	0.872	Valid	0.816	Reliable
KK.2	0.813			
KK.3	0.878			
KK.4	0.879			
KK.5	0.791			

Items	Significance	Valid/Invalid	*Alpha Cronbach's*	Information
IK.1	0.727	Valid	0.725	Reliable
IK.2	0.647			
IK.3	0.654			
IK.4	0.506			
IK.5	0.737			
Y.1	0.744	Valid	0.774	Reliable
Y.2	0.736			
Y.3	0.694			
Y.4	0.740			
Y.5	0.543			

Source: SPSS Output (2023)

Calculated results of 5 statements from all variable study stated all valid because r count more big from r table. As for the reliability test results declared valid because mark cronbach's alpha variable financial literacy, financial intelligence, financial inclusion and financial behavior more big from 0.60.

Table 2. Statistical Test

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,653472222	0,252777778		2,72	0.008
	Financial Literacy	0,30625	0,08125	0,323611111	3,752	0.010
	Financial Intelligence	0.027	0,069444444	0.031	0,188194444	0.007
	Financial Inclusion	0,136805556	0,085416667	0,153472222	1,603	0.040
a. Dependent Variable: Y						

Source: SPSS Output (2023)

a. Hypothesis firstly (H1), it is known that literacy finance t count = 3.752 > t table = 0.184 with mark significant 0.010 < 0.05 meaning that there is influence positive and significant to financial behavior generation millennial. This means that with good financial literacy, a person will be better able to understand basic financial concepts, such as budget management, investment, debt, savings and financial planning. Apart from that, people with high financial literacy will also be more careful in making financial decisions, able to manage financial risks, and be better prepared to face financial challenges that may occur in the future. Thus, having good financial literacy can help a person to manage their personal finances more effectively, reduce unnecessary financial risks, and better achieve their long-term financial goals.
b. Hypothesis secondly (H2), it is known that intelligence finance t count = 0.271 > t table = 0.184 with mark significant 0.007 < 0.05 meaning that there is influence positive and significant to financial behavior generation millennial. This means that financial intelligence involves a deep understanding of financial concepts, the ability to analyze financial situations rationally, and the ability to make appropriate financial decisions. Someone who has good financial intelligence tends to be more effective in managing their finances, planning their financial future, and facing financial challenges more wisely. Thus, having good financial intelligence can help a person to make better

financial decisions, manage financial risks more effectively, and achieve their financial goals more successfully. As financial intelligence increases, a person is more likely to achieve long-term financial stability and build wealth sustainably.

c. Hypothesis third (H3), it is known that inclusion finance t count = 1.603 > t table = 0.184 with mark significant 0.040 < 0.05 meaning that there is influence positive and significant to financial behavior generation millennial. This means that with good financial inclusion, a person can utilize various financial instruments to manage risk, develop savings and investments, and access financial services that support their financial needs. This can help increase an individual's financial stability, reduce financial uncertainty, and enable broader access to economic opportunities. Thus, good financial inclusion can help improve a person's financial behavior by opening access to various financial services needed to achieve long-term financial success.

Table 3. Coefficient Test Determination

Model Summary [b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.889 [a]	0,548611111	0,542361111	1,77
a. Predictors: (Constant), Financial Literacy, Financial Intelligence, Financial Inclusion				
b. Dependent Variable: Financial Behavior				

Source: SPSS Output (2023)

Based on thickness 3 above, is known that the R Square value is 0.790, which means that financial literacy, financial intelligence and financial inclusion own influence by 79% against financial behavior while 21% is influenced by variables other.

Tabel 4. Uji Statistik F

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.141	3	10.380	15.637	.000[b]
	Residual	43.149	65	0,461111111		
	Total	74.290	68			
a. Dependent Variable: behavior finance						
b. Predictors: (Constant), Literacy Finance, Intelligence Finance, Inclusion Finance						

Source: SPSS Output (2023)

Based on table 4 above, the results of the F statistical test are known that mark significant 0.00 < 0.00 and the calculated F value is 15.637 < F table 2.47 meaning that all independent variable, namely literacy finances, intelligence finance and inclusion finance in a way simultaneous influential to behavior finance.

Table 5. Analysis Multiple Linear Regression

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,653472222	0,252777778		2,72	0.008
	Financial Literacy	0,30625	0,08125	0,323611111	3,752	0.010
	Financial Intelligence	0.027	0,069444444	0.031	0,188194444	0.007

Financial Inclusion	0,136805556	0,085416667	0,153472222	1,603	0.040
a. Dependent Variable: Y					

Source: SPSS Output (2023)

Analysis test results multiple linear regression obtained mark constant of 0.941 and value coefficient for variable financial literacy of 0.441, financial intelligence of 0.027 and financial inclusion of 0.197, then equality regression obtained is as following:

$$Y = a + b1X1 + b2X2 + b3X3 + e$$

$$Y = 0.941 + 0.441 + 0.027 + 0.197 + e$$

Financial literacy influential to financial behavior

Hypothesis first (H1) for variable financial literacy there is significant influence to financial behavior. Literacy finance is very important generation millennial Because For prevent problem finances often arise. Generation millennial often confronted with trade-off situation, where somebody must take decision between various competing interests one with others. Therefore that, generation millennial need to understand how importance financial literacy in management smart finances and capabilities in take wise decision. This study in line with research conducted by [4] conclude that literacy finance influential to financial behavior

Financial Intelligence influential to financial behavior

Hypothesis second (H2) for variable financial intelligence there is significant influence to financial behavior. Financial intelligence is ability somebody understand importance something planning and implementing good financial governance and will bring somebody in realize his wish. Ability finance will help in face challenge finance as well as become supporter in life stable economy. Financial intelligence are also deep invest give support as well as plan the future more finances Good. This study in line with research conducted by [10] conclude that financial intelligence nfluential to financial behavior.

Financial inclusion influential to financial behavior

Hypothesis third (H3) for variable financial inclusion there is significant influence to behavior finance. Financial inclusion interpreted as something which conditions everyone gets access to service quality finance as well as with comfortable and satisfying facilities. Financial Inclusion aim for remove all obstacle to access public in utilise service service finance. Financial inclusion very need developed over generations millennial Because with it's easy granted access can help in access products finance. This study in line with research conducted by [3] conclude that financial inclusion influential to financial behavior.

4. Conclusion

Based on results analysis research and discussion influence financial literacy, financial intelligence and financial inclusion to behavior memories. So you can concluded that variable financial literacy, financial intelligence and financial inclusion influential positive and significant to financial behavior. Generation millennial own potency big in push financial behavior. Because Skills in manage finance and knowledge about finance tend look for solution efficient finances for ensure effectiveness finance for generation millennials, then need understand modality interaction with service finance in take decision.

This research is expected to use interviews because this research only used an online questionnaire. Apart from that, for researchers next, it is hoped that other variables will be added to the research, so that other variables can be identified that influence the financial behavior of the millennial generation

Acknowledgment

The author would like to thank the various parties who have helped and guided the preparation of this article. The author realizes that without help and guidance from various parties it would be difficult to complete this research.

References

[1] S. M. L. &. L. R. P. Abel, " A Review of Determinants of Financial Inclusion. International," International Journal of Economics and Financial Issues, vol. 8, no. 3, p. 1–8. , 2018.

[2] R. S. P. Alifa Salsabila Hidayat, " The Analysis of Financial Literacy, Financial Attitude and Locus of Control Toward Financial Behavior on UNESA's," Economic and Business Students. Accounting and Finance Studies,, vol. 2, no. 3, p. 157–176. http, 2022. Baskoro, R. A., & Aulia, R. (2019). The Effect of Financial Literacy and Financial Inclusion on Retirement Planning. *International Journal of Business Economics (IJBE)*, *1*(1), 49–58. https://doi.org/10.30596/ijbe.v1i1.3442

[3] T. S. L. &. S. W. Beck, "Financial Inclusion and Innovation in Africa: An Overview.," Journal of African Economies. https://doi.org/10.1093/jae/eju031, vol. 2, no. 6, pp. 3-11, 2015.

[4] Benhayoun, N., Chairi, I., Gonnouni, A. El, & Lyhyaoui, A. (2013). Financial Intelligence in Prediction of Firm's Creditworthiness Risk: Evidence from Support Vector Machine Approach. Procedia Economics and Finance, 5(13), 103–112. https://doi.org/10.1016/s2212-5671(13)00015-4

[5] Dewi, V. I., Febrian, E., Effendi, N., & Anwar, M. (2020). Financial literacy among the millennial generation: Relationships between knowledge, skills, attitude, and behavior. Australasian Accounting, Business and Finance Journal, 14(4), 24–37. https://doi.org/10.14453/aabfj.v14i4.3

[6] Elviani, R. A., & Iramani, R. (2023). Pengaruh Literasi, Sikap Dan Toleransi Risiko Keuangan, Kepribadian Terhadap Pengelolaan Keuangan Pada Masyarakat Pengguna Paylater. Management Studies and Entrepreneurship Journal, 4(5), 4713-4723.

[7] Firmansyah, D., & Susetyo, D. P. (2022). Financial Behavior in the Digital Economy Era: Financial Literacy and Digital Literacy. Jurnal Ekonomi Dan Bisnis Digital, 1(4), 367–390. https://doi.org/10.55927/ministal.v1i4.2368

[8] Grohmann, A. (2018). Financial literacy and financial behavior: Evidence from the emerging Asian middle class. Pacific Basin Finance Journal, 48(1702), 129–143. https://doi.org/10.1016/j.pacfin.2018.01.007

[9] Ikbal, M., Irwansyah, I., Paminto, A., Ulfah, Y., & Darma, D. C. (2020). Financial intelligence: Financial statement fraud in Indonesia. Journal of Intelligence Studies in Business, 10(3), 80–95. https://doi.org/10.37380/JISIB.V10I3.640

[10] Jurnal, J., & Dan, B. (2018). Moderasi Inklusi Keuangan Terhadap Hubungan Literasi Keuangan dan Keputusan Struktur Modal UKM. JBIMA (Jurnal Bisnis Dan Manajemen), 6(2), 92–114. https://journal.peradaban.ac.id/index.php/jbm/article/view/295

[11] Kamil, N. S. S. N., Musa, R., & Sahak, S. Z. (2014). Examining the Role of Financial Intelligence Quotient (FiQ) in Explaining Credit Card Usage Behavior: A Conceptual Framework. Procedia - Social and Behavioral Sciences, 130, 568–576. https://doi.org/10.1016/j.sbspro.2014.04.066

[12] Kim, K. T., Anderson, S. G., & Seay, M. C. (2019). Financial Knowledge and Short-Term and Long-Term Financial Behaviors of Millennials in the United States. Journal of Family and Economic Issues, 40(2), 194–208. https://doi.org/10.1007/s10834-018-9595-2

[13] Magnuson, W. (2020). Artificial Financial Intelligence (Vol. 337). Texas A&M Law Scholarship.

[14] Mniwasa, E. E. (2019). The financial intelligence unit and money laundering control in Tanzania: The law, potential and challenges. Journal of Money Laundering Control, 22(3), 543–562. https://doi.org/10.1108/JMLC-07-2018-0043

[15] Ozili, P. K. (2020). Financial Inclusion Research Around the World: A Review. SSRN Electronic Journal, 101809. https://doi.org/10.2139/ssrn.3515515

[16] Ozili, P. K. (2020). Theories of Financial Inclusion. Uncertainty and Challenges in Contemporary Economic Behaviour, 104257, 89–115. https://doi.org/10.1108/978-1-80043-095-220201008

[17] Pratiwi, Y. E. (2023). Pengaruh Literasi Keuangan dan Financial Technology terhadap Inklusi Keuangan pada Generasi Milenial. Jurnal Ekonomi, Manajemen Dan Akuntansi Sekolah Tinggi Ilmu Ekonomi Enam-Enam Kendari, 1(2), 401–407. https://doi.org/10.572349/neraca.v1i2.163%0Ahttps://jurnal.kolibi.org/index.php/neraca/article/view/163

[18] Sandria, W., Siswoyo, S., & Basri, H. (2021). Financial Literacy and Personal Financial Management of Students: A Descriptive Analysis. Jurnal Ilmu Manajemen, 10(2), 155. https://doi.org/10.32502/jimn.v10i2.3436

[19] Stolper, O. A., & Walter, A. (2017). Financial literacy, financial advice, and financial behavior. Journal of Business Economics, 87(5), 581–643. https://doi.org/10.1007/s11573-017-0853-9

[20] Strömbäck, C., Lind, T., Skagerlund, K., Västfjäll, D., & Tinghög, G. (2017). Does self-control predict financial behavior and financial well-being? Journal of Behavioral and Experimental Finance, 14, 30–38. https://doi.org/10.1016/j.jbef.2017.04.002

[21] Sufyati HS, & Alvi Lestari. (2022). Pengaruh Literasi Keuangan, Inklusi Keuangan dan Gaya Hidup Terhadap Perilaku Keuangan Pada Generasi Milenial. Jurnal Multidisiplin Madani, 2(5), 2415–2430. https://doi.org/10.55927/mudima.v2i5.396