

The Effect of Lifestyle, FoMO, and Self Control On Personal Financial Planning

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| Article Information | Abstract |
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| | <p>Research aim: The purpose of the study was to examine the effect of lifestyle, FoMO, and Self-Control on Personal Financial Planning.</p> <p>Design/Method/Approach: This research is a type of explanatory research using a quantitative approach. The study population is Kediri City Residents. Purposive sampling techniques were used in this study so 96 respondents were used as research samples. The data analysis method used the multiple linear regression test using SPSS</p> <p>Research Finding: The results showed that lifestyle and Self-control partially had a significant positive effect on Personal Financial Planning, while FoMO had an effect but not significant on Personal Financial Planning in Kediri City Residents.</p> <p>Research limitation: The variables of this study are only limited to lifestyle, FoMO, and Self-Control.</p> <p>Keywords: Lifestyle, FoMO, Self-Control, Personal Financial Planning</p> |

Introduction

Personal financial planning has an important role as a survival requirement that must be met by all individuals, including young people. This is because young people today have a high tendency to be consumptive in everyday life. So that young people become less accustomed to saving, investing, buying insurance to making an emergency fund just in case they meet sudden or unknown needs. This is what makes personal financial planning very important for young people [3] [5] [7].

In 2020, the largest population in Indonesia was young people born in 1997-2012. Based on survey data, Alvara Research Center shows that with very rapid technological advances, young people have a very high level of consumption of the Internet. With increasingly sophisticated technology, young people can very easily access information and sites that can be accessed very easily and quickly without direct physical contact, such as easily knowing the current trends, ordering food through applications, and shopping online [9].

The impact of technological advances not only has a positive impact but also provides new problems for young people who do not have good personal financial planning. Many young people are entangled in online loans just to fulfill their desires. It is not uncommon for young people today to make online loans only for consumptive needs. Personal financial planning aims to create a balance between income and expenditure, as well as maximize the use of financial

resources for the long term.

Lifestyle is a person's life habit of expressing themselves in frequent activities, interests, and opinions [8]. Lifestyle is the way a person manages his finances and time. Lifestyle is a change in trends from time to time, and almost everyone will slowly follow these changes [10].s

In addition to lifestyle, young people today have the nature of Fear of Missing Out (FoMO) or fear of being left behind. It also gives rise to the feeling of wanting to always be first in everything at any time. These include fear of being left behind in today's trending lifestyles, high levels of FoMO associated with greater consumer spending, and a lack of good personal financial planning [4].

Self-control is closely related to personal financial planning among young people. As a generation that already uses sophisticated technology, young people are vulnerable to impulsive spending and FoMO behavior that can affect their finances. Therefore, having good self-control skills can help young people control their spending and prioritize their future finances through personal financial planning. This is in line with research conducted [2] [6] which shows that high self-control is positively related to personal financial planning.

Based on this background, it illustrates the importance of personal financial planning for each individual and group as well as the results of previous research tests that provide different results that are influenced by various factors such as age, socioeconomic conditions, geographical conditions, and so on. To provide empirical evidence, researchers are interested in conducting this study to provide empirical evidence of the influence of lifestyle, FoMO, and self-control on personal financial planning in Kediri City residents.

1.1. Statement of Problem

Based on the introduction previously described, the problem formulation is as follows: Lifestyle, FoMO, and Self-Control affect partial Personal Financial Planning.

1.2. Research Objectives

This study aims to: Identify the effect of lifestyle, FoMO, and Self-control on Personal Financial Planning in Kediri City Residents.

2. Method

This research is a type of explanatory research using a quantitative approach. The study population is all residents of Kediri City. Purposive sampling techniques were used in this study by setting several criteria that must be met by the sample. The criteria used are; residents of Kediri City, aged 17-28 years. The sample used is a sample that fits the criteria and following the Ancient Rao formula:

$$n = \frac{Z^2}{4 (\text{moe})^2}$$

$$n = \frac{(1,96)^2}{4(0,1)^2}$$

$$n = \frac{3,8416}{4(0,01)}$$

$$n = 96,04$$

The data analysis method in this study uses multiple linear regression analysis with data processing through SPSS software. The regression equation is as follows:

$$\text{Info1 } Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Y : Personal Financial Planning

a : Konstanta

b1 : Koefisien Regresi X1

b2 : Koefisien Regresi X2

b3 : Koefisien Regresi X3

X₁ : Life Style

X₂ : FoMO

X₃ : Self-Control

e : Standart Error

3. Results and Discussion

From the results of the distribution of questionnaires, a sample of 96 respondents who met the criteria was obtained. It is known that the percentage of respondents by gender consists of 42% male and 58% female. Meanwhile, based on age, it is known that respondents aged between 17-20 years as much as 35%, ages between 21-24 years 41%, and ages 25-28 years 24%.

This research instrument is in the form of a questionnaire consisting of statements answered by respondents using a Likert scale of 1-5 given through a Google form that is disseminated through social media randomly to Kediri City residents. The results of the validity and reliability test on the research instrument, all questions in the questionnaire for all research variables consisting of lifestyle, FoMO, Self-Control, and personal financial planning were declared valid and reliable.

The classical assumption test performed has fulfilled the provisions in multiple linear regression analysis. The results of multiple linear regression analysis produced the following equation: $Y = 9,910 + 0,350 X_1 + 0,013 X_2 + 0,487 X_3$

The equation above shows that the lifestyle variable (X₁) has a positive effect on the personal financial planning variable and has a coefficient value of 0.350. The FoMO variable (X₂) has a positive effect on the personal financial planning variable and has a coefficient value of 0.013. The self-control variable (X₃) has a positive effect on the personal financial planning variable and has a coefficient value of 0.487.

Lifestyle variables can affect personal financial planning. The higher a person's lifestyle, the higher the consumptive behavior to be able to meet his needs and desires [1]. FoMO variables can affect personal financial planning but are not significant. Self-control variables can affect personal financial planning. The results of the study show that Kediri City residents have a high level of self-control, so even though they are influenced by lifestyle and FoMO, they can still apply personal financial planning well.

4. Conclusion

Lifestyle and self-control each have a significant positive effect on personal financial planning, while FoMO has an effect but is not significant on personal financial planning in Kediri City residents. Suggestions that can be given based on the results of this study for future researchers are expected to use other variables that we did not study and increase the sample size by increasing the periodization of the study so that a larger sample is obtained and provides a greater possibility of obtaining actual conditions.

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