

## CHAPTER V

### CONCLUSION

#### 5.1 Conclusions

This study aims to determine the Personal Financial Management Behaviors with samples from two countries namely Indonesia and Vietnam. And researcher also want to compare the behavior of Financial Knowledge, Financial Attitude and Locus of Control with the University Students in the two countries. To find out which variables have a relationship or influence, the researcher used a probability value of 5% (0.05), so that the level of accuracy is better in the testing data obtained.

- Based on the result that conducted by the researcher, it can be seen that Financial Knowledge has a positive relationship to the Personal Financial Management Behaviors of University students both in IIB Darmajaya Indonesia and UEL Vietnam. Students were indicated having a good financial knowledge is when they can manage and set aside money for urgent needs by always comparing the prices when buying products or services, and saving in the bank for future needs. This financial knowledge is a basic factor in making financial decisions. To be able to have knowledge in financial matters, an individual can develop their financial skills. Financial skills are expertise in making financial decisions such as preparing financial budgets, placing funds for investments, and so on (Ida & Dwinta, 2010). The relationship between these two variables is conclusive, with all studies finding that having a financial knowledge does influence individuals to behave in more financially responsible ways (Robb & Woodyard, 2011); (Zakaria et al, 2012). The students who also have financial knowledge are more likely to behave in a financially responsible manner (Hilgert et al., 2003). Basically, an individual who has good financial knowledge will have adequate understanding and knowledge about various matters related to the financial. Thus, financial knowledge can be referred to as one of the necessities in the financial, especially considering that today's modernization era cannot be separated from money, which is money has become a central tool for transactions in order to meet needs and standard of

living. However, in the reality there are still many individuals who are stuck with consumptive behavior and not be able to manage their finances properly and correctly. With a financial knowledge, an individual will generally know how to manage and utilize the money they have, create and prepare budgets, plan for the future. Someone's financial knowledge will affect their personal financial management behavior and raise awareness on them to always manage money well. The better the level of financial knowledge possessed by an individual, the better the quality of financial decisions taken, so that in their life that individual will always reflect a good financial management behavior as well. And according to Amanah et al (2016), financial knowledge has a positive effect on financial management behavior. An individual who has a lack of financial knowledge is the result of their education. Education will be able to increase individual's financial knowledge which will facilitate their decision making. The more individuals know about financial knowledge, the better they will use their money wisely.

- Furthermore, the researcher found that Financial Attitude has a positive relationship to the Personal Financial Management Behaviors of University students both in IIB Darmajaya Indonesia and UEL Vietnam. Students were indicated having a good financial attitude is when they can manage and set aside money to be saved or invested, and know their goals, objectives and priorities in spending. When individuals are obsessed with money, then individuals will think about how to get money and how to use the money they have, thereby encouraging individuals to have a perception of their finances in the future, so it is likely that the better the individual's attitude towards their personal finances, the better the individual will be in conducting personal financial management (Rajna et al, 2011). Basically, an individual who has a good financial attitude will have a mindset on finances in the future, where they always try to manage finances well and they are able to determine their priorities in spending by do not spend the money on unnecessary or luxuries. The better a person's financial attitude, then person will be wiser in responding to various financial problems, which is indicated by how capable the person is in making the right financial decisions, goals and objectives, especially those related to personal financial

management. The decisions taken will be reflected in the person's financial management behavior, which can be seen from various aspects such as how they manage the income and expenses according to the personal budget, and develop a regular pattern of saving. This result is in line with the research conducted by Mien & Thao (2015) which shows that there is a positive relationship of financial attitude on the personal financial management behavior, which means that the better an individual's financial attitude, the the better their personal financial management behavior.

- Based on the result that conducted by the researcher, it can be concluded that Locus of Control only have a positive relationship to the Personal Financial Management Behaviors of University students in UEL Vietnam. When in Indonesia the opposite, there is no relationship to the Personal Financial Management Behaviors. Students were indicated having a good locus of control is when they provides financial management for themselves and believes that what happens in life depends on their own efforts and abilities. And based on the data obtained in this study, locus of control is divided into two, which is the internal locus of control and external locus of control. An individual's internal locus of control tends to think about their future, while the external locus of control is reflected in their lives are always dominated by unforeseen events. An individuals tend not to be careful about their self-control which can affect the level of confidence in controlling and improving their personal finances situation. This will affect students to be able to determine what behavior they should do to make a decision and students also do not know and understand the true importance of locus of control. This result is in line with the research conducted by Prihartono & Asandimitra (2018) which shows that locus of control has no relationship on the personal financial management behaviors. It means that an individual who has a good locus of control tends not to apply a good financial management behavior in life.

## **5.2 Limitation and Future Research**

Many obstacles can be classified as a limitation of the study. Firstly, the differences in both academic time. Secondly, this study only focuses on three variables that influence the two countries. In addition, the researchers only used a p-value of 0.05 (5%) so they could not enter variables that had values above 5%. Then, researchers only use personal financial management behaviors with university students as a respondents. Therefore, to conduct research in the future to be able to use a p-value of more than 5% so that the discussion becomes wider. Because the shortage of researchers here does not discuss the reasons university students are interested in personal financial management behaviors. Further researchers can also add other variables such as financial experience, income or educational level and so on. In addition, the use of samples is not only those university students who have higher education but to involve samples that are not highly educated so that they can compare financial literacy from both parties.