

Female Entrepreneurs in Bandung City's Ciroyom Market: Financial Capability and Savings Attitudes

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Abstract

By using lifestyle as a moderating variable, the researcher is attempting to determine whether financial literacy can affect saving behavior in Pasar Ciroyom, Bandung City. The researcher employed the quantitative approach. The primary type of data was used. 117 female business actors who operated a booth at Bandung's Pasar Ciroyom made up the study's sample. Utilizing 54 respondents in various samples from the target population. A straightforward random sampling technique was used to collect data through the distribution of online and offline questionnaires. The WarpPls 7.0 program was combined with path analysis. According to the test results, lifestyle variables have a positive impact on financial literacy variables, and vice versa. Financial literacy variables also have a positive impact on saving behavior, and lifestyle has the power to mediate this relationship

Keywords: *Lifestyle, Financial Literacy, Saving Behavior.*

INTRODUCTION

Savings help people become more stable financially and can be used as an emergency fund to cover unforeseen expenses. Saving behavior therefore benefits everyone, but especially Indonesian business actors. Because business actors can generate jobs that lessen poverty and boost the nation's economy, according to (Ahmadi & Sulistyowati, 2018). Despite the value of saving, survey data reveals that spending with the goal of saving is still relatively low and has decreased.



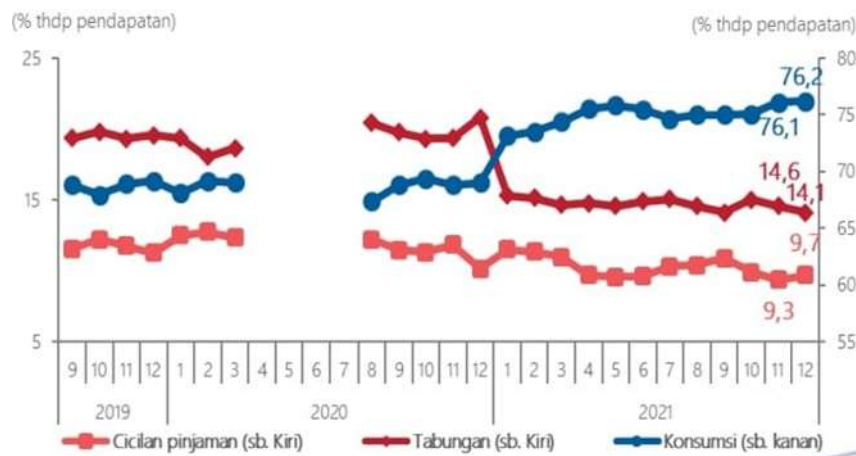
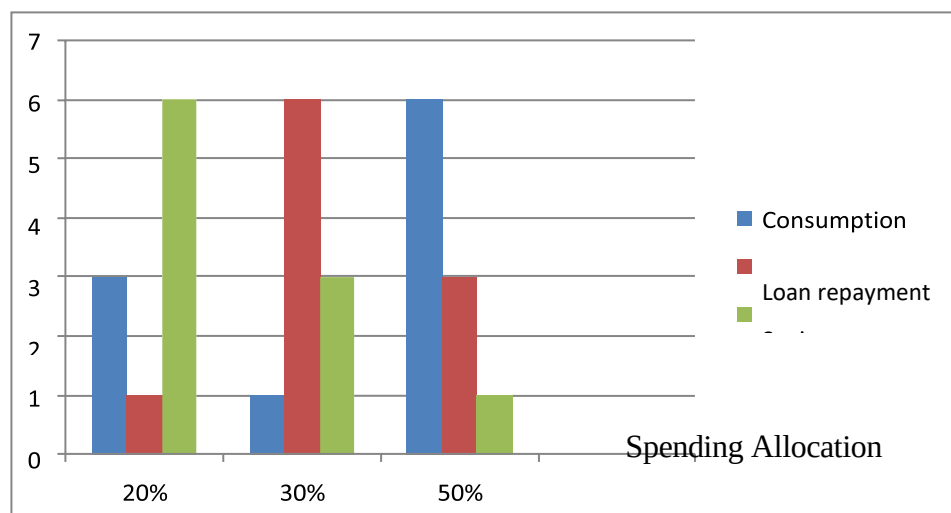


Figure 1. Use of household income

Source: Bank Indonesia Consumer Survey Report 2021

The survey results above are consistent with the costs incurred to save the Bandung residents. According to a previous pre-survey on female business actors with kiosks at Pasar Panjang Bandung, saving is relatively uncommon in this area. Results from the pre-survey show that respondents would rather spend more on consumption than on saving. Thus, consumption accounts for 50% of the budget while saving accounts for 20%. Preliminary survey results on female vendors with stalls in Bandung:

Figure 2. Use of Income ExpenditureSource: Pre-survey Data



Saving behavior is essential, especially for business actors, in order to keep business funds and continue to support the economic growth of the nation. But the

pre-survey indicates that the percentage of savings is quite low. The lack of financial literacy among business actors is thought to be the cause of this. To make matters worse, Ahmadi and Sulistyowati (2018) found that despite the fact that men have higher financial literacy than women, there are more female business actors in Indonesia. It is feared that women's low financial literacy will have an effect on their consumerist lifestyle because business actors are unable to manage their finances effectively. Savings-based financial management will be impacted by this.

THEORY INVESTIGATION AND HYPOTHESIS DEVELOPMENT

Theory of Planned Behavior (TPB)

A branch of the Theory of Reasoned Action is Theory of Planned Behavior (TPB) (TRA). The two components of reasoned theory (TRA) are attitudes toward behavior and subjective norms. According to this theory, a person's intentions determine whether or not they engage in a behavior because the intention directly affects how the behavior behaves. Then Icek Ajzen strengthened and expanded TRA to become a planning theory (TPB). Including a section on perceived behavior control as a way to support the earlier theory. Given that TPB also holds that most behavior is not entirely within an individual's control, a section on perceptual behavior control is necessary (Jogiyanto, 2007). TPB has a connection to the study's variables. Attitude toward behavior, which is reflected in financial literacy, is a component of TPB theory.

Financial Literacy Affects Lifestyle

Financial literacy is defined as "skills and competencies that will be useful for the welfare of individuals and empowering community groups in an effort to protect consumers through improved financial products and services" by the Financial Services Authority (2021). The TPB theory component, attitudes toward behavior, which posits that a person must give an action careful thought before taking it in order to control each of his behaviors, includes financial literacy (perceived behavioral control). Good readers will have good intentions and be able to carry out behaviors like controlling their consumption in every situation. The explanation (Wulandari et al., 2016) claims that financial literacy can be used to identify a person's consumption habits. The run lifestyle will therefore lead to a good lifestyle. It can be inferred as a result.

Lifestyle Affects Saving Behavior

According to (Mowen & Minor, 2002), a person's lifestyle is "the way they live." How do you spend your time and money? A person's lifestyle, in the opinion of (Suharto & Suryoko, 2017), can be identified and characterised by how he spends his



time and money (activities), what he values (interests), and what other people think of him and nature. Environment (opinion) (opinion). The reference group is one element that affects the formation of a lifestyle. When a group has the power to directly or indirectly affect a person's attitudes and behavior. Lifestyle thus serves as a reflection of arbitrary standards relating to behavioral attitudes. Where in TPB theory these elements are included. It can be assumed that lifestyle has an effect because it is claimed that lifestyle influences the development of saving behavior. Bad lifestyle choices waste both time and money. People who spend their money on unnecessary things will not benefit from doing so; instead, they will waste it. On the other hand, people who lead healthy lifestyles frequently save money. The person makes the decision to save his money for later use (saving). Research (Setiawan & Amri, 2017) has demonstrated that personal factors, such as lifestyle indicators, have a positive and significant impact on saving behavior.

Financial Literacy Affects Saving Behavior

A thorough understanding of investments, savings, and insurance is referred to as financial literacy. People with sound financial knowledge can manage their attitudes when engaging in consumption-related activities. Financial literacy is important in influencing one's consumption behavior, claim (Wulandari et al., 2016). Lack of financial literacy is one of the primary imbalances in saving interest and behavior, according to research (Robin & Djanuarko, 2021). TPB theory concepts like attitudes toward behavior, perceived behavioral control, and financial literacy are a few examples. Therefore, it makes sense to assume that financial literacy affects how saving behavior is formed.

According to research, one of the elements that can affect saving behavior is financial literacy (Raszad & Purwanto, 2021). (Marwati, 2018) asserts that financial literacy affects saving habits. Factors related to financial literacy are crucial in creating a community that is informed and educated. Savings is one of the sound financial management techniques that people with high financial literacy can comprehend and put into practice.

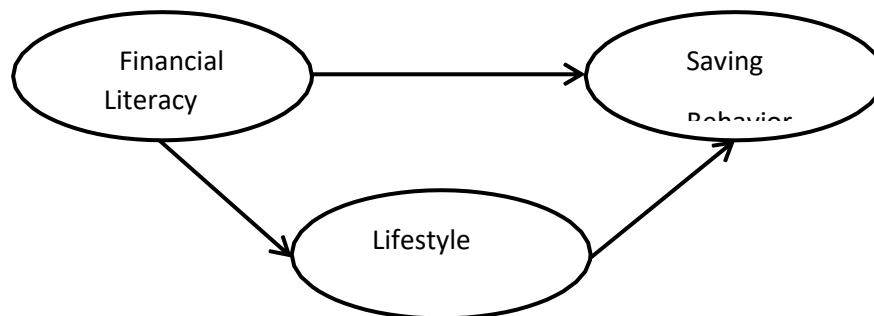
Financial Literacy Affects Savings Behavior through Lifestyle

Savings behavior may be indirectly impacted by financial literacy. It is common knowledge that a person's lifestyle can be impacted by their level of financial literacy. Studies show that financial literacy significantly affects lifestyle (Isnawati & Kurniawan, 2021). A well-read person will exercise greater caution when it comes to their consumption habits. Thus, a consumerist lifestyle can be diminished (Astuti, 2016). Thus, a person's financial management decisions will be influenced by his level of financial literacy. Be responsible with your money so you can use it now and in the



future. Good money management, of course, entails saving one of them. A person's saving behavior may be encouraged by regular savings activities. Research has shown that individual factors, such as identified lifestyle indicators, play a role (Setiawan 2017).

Framework



Framework.3

Source: 2022

Hyphotesis

H1: Financial literacy has a positive effect on the lifestyle of women entrepreneurs in the Ciroyom Market, Bandung

H2: Lifestyle has a positive effect on saving behavior in female entrepreneurs in Ciroyom Market, Bandung.

H3: Financial literacy has a positive effect on saving behavior in female entrepreneurs in Ciroyom Market, Bandung.

H4: The effect of financial literacy on saving behavior among female entrepreneurs in Pasar Ciroyom Bandung is moderated by lifestyle.

RESEARCH METHOD

With indicators based on personal finance knowledge, credit and debt knowledge, savings and investment knowledge, and insurance knowledge, financial literacy is used as the independent variable (Firlianda, 2019). The dependent variable in this study is saving behavior, which is assessed using indicators like expectations of future needs, saving provisions, and saving activities (Firlianda, 2019). According to indicators like activities, interests, and opinions, the lifestyle variable acting as an intervening or mediating factor in this study is lifestyle (Puranda & Madiawati, 2017).

In the study, primary data types are employed. The study's sample consisted of 115 female business actors who run kiosks in different Bandung markets. 53

members of the target population made up the sample size. Data were collected through the distribution of both offline and online questionnaires using a straightforward random sampling technique. Path analysis was then carried out using the WarpPLs 7.0 program. To determine whether a relationship is direct or indirect, path analysis is used. The stage starts with a look at the outer model, which measures each indicator used in the latent variable, and is then followed by a look at the inner model, which measures the relationship between the latent variables.

RESULT AND DISCUSSION

The distribution of the questionnaire obtained the data below:

Table 1. Characteristic Result

Charateristic	Amount (Respondent)	Percentage (%)
Age		
22 – 31 Years	21	36,5%
32 – 41 Years	14	25,7%
42 – 51 Years	14	23,3%
Age > 50 Years	8	14,5%
Type of business		
Groceries	8	16%
Food	12	25,7%
Clothes	19	36,5%
Shoes	8	14,2%
Home Equipment	5	8,6%
Long effort		
1 – 10 Years	40	72,9%
11 – 20 Years	11	19,6%
> 20 Years	5	8,5%

Sales Result		
1.000.000 – 5.000.000	13	21,6%
6.000.000 – 10.000.000	5	12,3%
> 10.000.000	3	4,8%
Unknown	33	61,3%
Amount Employee		
1 – 2 Employee	12	23,5%

3 – 5 Employee	6	8,5%
Have no Employees	34	67%

Source: Respondent Data

The majority of respondents, who are between the ages of 21 and 30, own a clothing business, which is followed by a food business, as shown in table 1. This is because the needs for food and clothing are met by this kind of business. Where these needs are fundamental requirements that the community constantly seeks out and needs. The business has been in business for one to ten years. Whose monthly sales figures are unknown because business actors conceal their monthly income. As long as the majority of market players do not employ staff to manage their businesses.

Table.2 Outer Loading, AVE, Composite Reliability, dan R-Square

Indikator	Outer Loading	P-Value	Keterangan	AVE	Composite Reliability	R-Square
X. 1	0.721	<0.001	Valid			
X. 2	0.771	<0.001	Valid	0.710	0.770	
X. 3	0.721	<0.001	Valid			
Y.1	0.740	<0.001	Valid			
Y.2	0.733	<0.001	Valid	0.767	0.773	0.548
Y.3	0.721	<0.001	Valid			
Z.1	0.712	<0.001	Valid			
Z.3	0.718	<0.001	Valid			

Source: 2022

The measurement model testing in each variable indicator has an outer loading value of > 0.5 overall, according to the table above, with the exception of the X4 and Z2 indicators, which have an outer loading value of 0.5. As a result, these indicators are disregarded, and in this study, the variables of financial literacy (X),

saving behavior (Y), and lifestyle (Z) are only measured by indicators that satisfy the outer loading criteria and are recognized as valid. Each variable's AVE test results have a value greater than 0.5, proving its validity. It is determined how reliable a construct is overall. A composite reliability value of 0.7 indicates that the variables used in this study are reliable for each of the following variables: financial literacy (X), saving behavior (Y), and lifestyle (Z).

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According to the table above, the measurement model testing in each variable indicator as a whole has an outer loading value of > 0.5 , with the exception of the X4 and Z2 indicators, which have an outer loading value of 0.5. As a result, these indicators are eliminated, and only indicators that meet the outer loading criteria and are declared valid are used to measure the variables of financial literacy (X), saving behavior (Y), and lifestyle (Z) in this study. The AVE test results for each variable show a value greater than 0.5, indicating that it is valid. A construct's composite reliability is measured. Each variable of financial literacy (X), saving behavior (Y), and lifestyle (Z) as a whole has a composite reliability value of 0.7, indicating that the variables used in this study are reliable.

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Mediation Effect Test

In this study, partially meditating in this study involves examining how financial literacy and saving behavior are affected by lifestyle meditating. The p-value for each direct or indirect relationship is less than 0.05, according to the VAF calculation, which produces a mediation value of 0.593 (59.3%). This implies that the relationship between financial literacy and saving behavior can be indirectly influenced by one's way of life.

The Effect of Financial Literacy on Lifestyle

The data analysis of the first hypothesis indicates that financial literacy (X) has a favorable and significant impact on lifestyle (Z). It implies that women business owners who are more financially literate will live better lives. Future decisions should be carefully thought out in light of financial plans (Anwar et al., 2017).

Business actors take into account all financial activities thanks to their financial literacy. In particular for business actors, this is done to maintain financial security for business funds. What sort of a task is it? Will encourage a way of living that will produce positive outcomes in the future. (Isnawati & Kurniawan, 2021) assert that financial literacy has a big influence on way of life. While it was found that financial literacy has no impact on lifestyle (Oktafikasari & Mahmud, 2017).

The Effect of Lifestyle on Saving Behavior

According to the data in the second hypothesis, lifestyle (Z) has a favorable and significant impact on saving behavior (Y). In other words, if one's lifestyle improves, their saving habits will too. Having a good lifestyle allows businesspeople to manage their money well, refraining from extravagant behavior and opting to save. However, saving is reflected in the act of setting money aside for future use. Financial literacy affects saving behavior, according to studies (Farikhah, 2016). (Setiawan & Amri, 2017) Personal factors like lifestyle indicators have a favorable and significant impact on saving behavior. However, the test results debunk the assertion made by Muntnah et al. (2021) that financial literacy has no bearing.

The Effect of Financial Literacy on Saving Behavior

The third hypothesis' data processing indicates that financial literacy (X) significantly and favorably affects saving behavior (Y). Research (Ubaidillah & Asandimitra, 2019) indicates that financial literacy affects saving habits. (Rikayanti & Listiadi, 2020) assert that financial literacy has an impact on saving behaviors. According to (Raszad & Purwanto, 2021), financial literacy has a significant favorable effect on saving behavior. That is, there will be a greater desire to save as financial



literacy among business actors increases. Because of this, business actors can implement sound financial management and appreciate the value of saving thanks to their financial literacy. Where saving can guarantee the safety of business funds in the future.

Financial Literacy and Saving Behavior: A Lifestyle Approach

Most respondents who indicated they strongly agreed said they had a basic understanding of personal finances and financial literacy. This is in line with the claim (Anwar et al., 2017) that business actors in MSMEs have generally implemented financial management, even if it merely involves revenue and spending. By conducting simple planning and recording, business actors can regulate transactions in carrying out each of their financial activities, such as preventing unproductive actions. Better living conditions will result from saving money.

The indirect relationship effect of lifestyle (Z) can mediate the association between financial literacy (X) and saving behavior, according to data processing in the fourth hypothesis (Y). This means that businesswomen who are more financially literate can teach them about money management and prevent their way of life from encouraging wasteful consumerism. Women entrepreneurs' saving habits will improve if they understand the value of saving and lead healthy lifestyles.

CONCLUSION

The following can be deduced from the theory that financial literacy influences female business actors' saving behavior through lifestyle:

- 1) Financial literacy has a positive and significant impact on lifestyle.
 - 2) A person's lifestyle can have a good and noteworthy influence on their saving habits.
 - 3) Savings behavior can be significantly and favorably impacted by financial literacy.
 - 4) The impact of financial literacy on saving habits might be moderated by lifestyle.
- As a result, adopting that lifestyle can benefit female entrepreneurs.

Suggestion

It might be suggested to female business owners based on the justification given in the hopes that they will be able to continue and enhance their saving habits beyond what has been done in the past. Because business owners must save to guarantee the efficient use of company funds in the future. Business actors, for instance, can use the money they have saved to pay future expenditures or losses if they arise.



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