EFFECT OF PARENTAL FINANCIAL MANAGEMENT LEARNING AND FINANCIAL EDUCATION ON STUDENT LEARNING OUTCOMES

Delyana RahmawanyPulungan, Ade Gunawan & Muhammad IrfanNasution
Department of Management, Faculty of Economics and Business, University of Muhammadiyah Sumatera Utara, Medan 20238, Indonesia
delyanarahmawany@umsu.ac.id

Abstract

This study aims to determine how the influence of financial learning of parents and campus financial education to student results. Population study was all management students of the Faculty of Economics and Business at University of Muhammadiyah Sumatera Utara (UMSU). Samples taken as many as 100 students at an accidental sampling technique. Methods of data collection questionnaire and documentation. The analysis technique used is SEM with AMOS. The results showed that parental financial management learning has a significant effect on learning outcomes, financial education on campus having an insignificantly effect on learning outcomes. Parental financial management learning is a variable that most influence on student learning outcomes.

Keywords: Parental Financial Management Learning, Financial Education, Learning Outcomes

1. Introduction

The era of globalization is a time that brings many changes for Indonesia. One is the change in financial behavior of Indonesian society. Life and financial behavior of Indonesian society changed along with the change in demand for goods and services or changes in the pattern of human needs.

Globalization brings the development of information and technology affect behavior public finance in determining the choice of products and services based on their desired. Financial behavior that initially is primitive and simple turns into behavior that wasteful, consumerist and instant. This is reflected in the condition of Indonesia as the country ranks second after Singapore as a consumptive state, as seen from the data that credit card transactions reached 250 trillion people do in a year(Megasari, 2014)

Many people who use the money irrationally one of them to buy goods or services without using the basic principles of finance that purchase based on need not because of desire. This behavior occurs in all walks of life including students. Students as a group of teenagers are still not able to manage their money well. Students are the group that most fail in managing finances. Students use the money because it is more easily influenced by advertisements or others so it will not apply sparingly and not rational in the use of the money.(Megasari, 2014)

Students who fail a lot in managing finances so that more often bear the financial risk in the future than adults (Lusardi, 2010) This condition is a result of the financial behavior that is more free in making financial decision. Students will tend to act trial and error so that more risk is acceptable but still does not make them smarter in managing finances.(Widayati, 2014)

Students should have a financial intelligence is an intelligence in managing personal finances of both the goods or services purchased as well as in selecting appropriate form of investment needs for a secure future. The use money correctly is a testament to the financial intelligence is good or a good level of financial literacy. Financial intelligence is one of the financial learning
results obtained by students through education, both formal and non-formal. Results of student
financial study reflected the level of financial literacy held as an overview of the knowledge and
skills in managing personal finances. The knowledge and skills acquired either from the family
or from university. financial education gives a better knowledge and financial behavior more
positive on students. (Hathaway and Khatiwada, 2008),

Attitudes, knowledge and skills of a person will change after going through a learning process.
Behavior change is a result of the receipt of the learning process, both formal and non-formal.
The learning process is learning objectives to be achieved. Then Tahar and Enceng (2006) stated
that the purpose of learning is the result of learning to be achieved. The results obtained studying
the ability of students after obtaining a learning experience receives (Sudjana, 1995 in Tahar and
Enceng, 2006)

Informal financial education namely financial management education from his parents was
already acquired by students at home. Student results are visible from the behavior of financial
management is strongly influenced by the role of parents in teaching how to manage their
finances properly. But the role of parents is also very dependent on the socio-economic status
of parents, which means that parents with good economy would be able to teach you how to
manage a good financial future. While parents with low economic will not be maximized when
educating or caring for their children on how to manage their finances properly (Widayati, 2014).

Financial education of parents are not fully able to increase the knowledge and skills appropriate
for students to manage their personal finances. So mind that not all parents are able to teach and
discuss with their children about how to manage money well as the capital to get a secure future
and a prosperous(Sina, 2014) And so we need the support of other financial education in order
to obtain maximum learning results.

Other financial education is a formal financial education received in college. Students get
several courses on financial management, portfolio, capital market and other financial subjects.
Financial education provided during the lecture will greatly assist students in managing finances
because it supports a pattern of financial education given by parents in the home. Widayati
(2012), states that learning in higher education very important role in shaping the financial
literacy levels of students as a result of their study were drawn from their behavior to manage
their personal finances. Pinto, Parente and Mansfield (2005) in his study mentioned that the
information received from parents, media and schools are also able to decrease the use of credit
cards on college campuses.

Therefore, students received lessons in managing finances both parents and colleges have an
impact on their learning outcomes are drawn from knowledge and ordinances they manage their
personal finances. So this research submitted the title of "Effect of Parental Financial
Management Learning and Financial Education On Student Learning Outcomes".

2. Theory

Financial Management Learning Parent

Family financial education in the form of support teaching parents do to provide a simple
method to the children about the value system and a good attitude for financial management as
well as the example of the parents will be able to teach children in one view and certain habits
(Widayati, 2014). Jorgensen (2007) is also stated that some students learning how to manage
finances from their parents, have the financial knowledge, attitudes and behavior better than
that of students who did not obtain financial learning from their parents.
Financial Education

CEA Insurance of Europe (2011) states that financial education is able to make a person able to make the correct decision as the ability to ensure the appropriate level of insurance, credit control and preparing for retirement properly. Then financial education is an opportunity in micro and globally in providing the knowledge, skills, attitudes and behaviors that make a person able to make sound judgments based on the information and the right decisions about the utility and financial management. Financial education will help expand knowledge of various information options and principles in finance, the ability to use the product and financial tools, building attitudes and good behaviors of financial management (Global Financial Education Program (2006)).

Finance Learning Outcomes

Learning outcomes are the result of learning that received by a student (Muizzatul, 2013). The results of a financial study are in the form of a picture how the level of student’s understanding to the concepts of financial management in the university. The result of a good understanding and knowledge of finance are logically will impact on the good behavior of students in managing their personal finances. There are some internal factors and external factors that can affect a student learning outcomes. Parents are the first role of socialization that affects student results on personal financial management practices. Then there is the role of pocket money given by parents as well as financial education formally obtained from educational institutions such as schools or universities (Ayu, 2012; Wahyono, 2001).

Hypothesis

The hypotheses are:
H1: Parental financial management learning significant positive effect on student learning outcomes
H2: Financial education gained at the university significant positive effect on student learning outcomes

3. Research Purposes

The purpose of this study is:
1. To find out how the effects of parental financial management learning on student learning outcomes
2. To find out how the effects of financial education gained at university on student learning outcomes

4. Research Methods

The population of this study were students of management at the Faculty of Economics and Business UMSU. The research sample of 100 people selected by accidental sampling technique. Data were analyzed using structural equation models (SEM) with AMOS software. Data was collected through questionnaire method and documentation.

5. Data Analysis and Results

5.1 Characteristics of Respondents

survey results provide data that the participants are dominated by female students is as much as 70%, and male students is 30%. This situation shows that the management study programs have more female students than male students.
The survey results also showed the fact that there are 40% of students who received lessons on how to manage finances from parents. While the remaining 60% do not obtain teaching or guidance from parents about how to manage finances properly. The study also dominated by student respondents who do not save as much as 65%, while only 35% have savings. The survey respondents also majority argued that saving is not important because they are the dependents of the parents is as much as 70% and the remaining 30% stated that it was important savings.

Other data showed that the respondents are students who understand financial management as a theory and apply only as much as 45% while the remaining 35% is only enough to find out the theory but does not implement it, while 20% did not gain knowledge and not able to implement it. Then descriptive results also showed that only 30% of respondents are students who have an investment in addition to savings in preparation for the future, while the remaining 70% do not have an investment for the future preparation. And there 40% said that insurance is very important to prevent risks in the future and the remaining 60% consider a young age is not important to have insurance because it is expensive.

The conclusion can be drawn that the majority of student results have not achieved a good result because it seems that their knowledge and skills in managing personal finances is not good based on several criteria in this study.

5.2 Results

Test Results of Full Model
Here are the test results with analysis Full Model Structural Equation Modeling (SEM)

Figure 1. Full Model
Then we can test the feasibility of the model through Table Goodness of Fit (GoF), described in Table 1.

**Tabel 1. Indeks Pengujian Kelayakan Structural Equation Model (SEM)**

<table>
<thead>
<tr>
<th>Goodness of Fit Index</th>
<th>Cut-off Value</th>
<th>Hasil Analisis</th>
<th>Evaluasi Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \chi^2 ) - Chi-square</td>
<td>Diharapkan kecil (df=124)</td>
<td>159,899</td>
<td>Baik</td>
</tr>
<tr>
<td>Probability</td>
<td>( \geq 0,05 )</td>
<td>0,017</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>( \leq 0,08 )</td>
<td>0,027</td>
<td>Good fit</td>
</tr>
<tr>
<td>GFI</td>
<td>( \geq 0,90 )</td>
<td>0,959</td>
<td>Good fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>( \geq 0,90 )</td>
<td>0,938</td>
<td>Good fit</td>
</tr>
<tr>
<td>TLI</td>
<td>( \geq 0,90 )</td>
<td>0,975</td>
<td>Good fit</td>
</tr>
<tr>
<td>CFI</td>
<td>( \geq 0,90 )</td>
<td>0,982</td>
<td>Good fit</td>
</tr>
</tbody>
</table>

Source: Data Processing (2018)

The values listed in Table 1, generally indicates that the model was fit to the data as a whole is considered to have met the criteria and will be continued on the next data processing. Furthermore, the calculation of the coefficient of influence through regression weight that will be used as the basis for answering hypothetical at this study. The results of data processing can be seen in Table 2.

**Tabel 2. Regression Weight**

<table>
<thead>
<tr>
<th>Relationship between Variables</th>
<th>Estimate</th>
<th>P</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parental financial management learning ( \rightarrow ) Financial education</td>
<td>0,410</td>
<td>0,000</td>
<td>Significant</td>
</tr>
<tr>
<td>Financial education ( \rightarrow ) Learning outcomes</td>
<td>0,292</td>
<td>0,056</td>
<td>Not significant</td>
</tr>
<tr>
<td>Parental financial management learning ( \rightarrow ) Learning outcomes</td>
<td>0,666</td>
<td>0,000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

**Direct and Indirect Effects**

Here are the test results for direct effects and indirect effects on variables:

**Table 3. Standardized Direct Effect**

<table>
<thead>
<tr>
<th></th>
<th>Parental Financial Management learning</th>
<th>Financial education</th>
<th>Learning outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial education</td>
<td>0,553</td>
<td>0,000</td>
<td>0,000</td>
</tr>
<tr>
<td>Learning outcomes</td>
<td>0,812</td>
<td>0,264</td>
<td>0,000</td>
</tr>
</tbody>
</table>

Standardized Indirect Effects
Based on the data in Table 3 and Table 4 are used to see whether financial education serves as an intervening variable that mediates the relationship between a parental financial management learning to finance student learning outcomes. The results obtained showed that the direct effects between variables is much greater than the indirect effects. So it is known that financial education does not act as an intervening variable that mediates the relationship between a parent teaching financial management to finance student learning outcomes. Financial education does not contribute to define a relationship exists between a parent teaching financial management to finance student learning outcomes. Parental financial management learning is a variable that most influence on student learning outcomes.

6. Discussion

Effect of Parental Financial Management Learning and Financial Education on Student Learning Outcomes

The results showed that parental financial management learning positive and significant impact on learning outcomes of the management students at the Faculty of Economics and Business UMSU. Results seen significant at p <0.05 is p (0.000) with the influence of the estimate of 0.410. These results suggest that learning financial management of the parent to the student has a real and powerful influence to change the learning outcomes of students become better finances. Parents can give a guidance about how to manage personal finances properly and wisely it will give a very positive learning outcomes. Learning in a good financial management in the form of methods and example of a parent to a child as a student who performed consistently at home it will help students to more easily understand the financial knowledge of a given university. So that will help improve student knowledge and skills in managing personal finances properly.

Financial knowledge is given at universities is supporting theory to increase knowledge and skills of students in managing the finances that have been formed since the early, early parental obtained at home. That is the role of parents in educating and giving a good example to children in financial management will be success learn to manage finances properly. Of course the result is an increase in student financial literacy in a better level, which is knowledge and practical in managing and using money is correctly and wisely. The final result is the student able to make the right financial decisions. But based on the characteristics of respondents note that students stated that not all of them to learn from their parents about how to manage their finances properly. There are 60% said that they did not obtain the education of parents and the parents do not provide good role models in managing personal money. So they are wasteful and fail in financial decisions because it uses the money based on the desires and lifestyle, not for the needs or in preparation for a better future.

Therefore the majority of the management students do not have a productive saving and investing for the future. Even for those not insurance becomes essential for facing life's risks in the future because it was thought they were still at a young age so not need insurance. It is as a result of that they are not getting the information or learning from parents about the importance of getting used to save, invest and even parents do not educate that insurance is a preparation
for the future is very important because of the risk is never certain. Even their parents do not have insurance to maintain a life full of risks in the future.

Parental financial management learning have challenges that socioeconomic status of the parents. Parents with good socioeconomic status because it has a good income are better able to educate about how to manage their finances properly, especially for the preparation of a better future. While parents with lower socioeconomic status are more likely to fail to educate and teach how to manage their finances properly. Financial decision taken by students with socioeconomic status of parents whose height is much better compared to the financial decisions taken by students with a background of parental

The results of this study are supported by by Nidar and Bestari (2012), that knowledge and financial skills of students measured their financial literacy levels are affected by many factors and one of them is the socioeconomic status of parents and parents knowledge. Even known that 61.29% of the students acquire knowledge of finance come from homes that learning provided by their parents. Results of another study also states that the financial behavior of a child affected by parental influence, financial management skills of a child depends on the influence or practice examples given by their parents, while the financial literacy of children is not influenced by their parents (Jorgensen & Savla, 2010).

Research conducted by Megasari (2014), also supports the results of this study because it was mentioned that financial management learning given by parents in the home affect student learning outcomes on how to manage their finances properly. Student financial results is excellent known from the level of knowledge and skills to manage their finances to be good because there is the role of parents who educate at home. Students already have savings, invest some of the funds in the form of investment business selling pulses, but they still tend to use wasteful allowance for buy something depends on the desire and lifestyle not because of necessity. Cude et al., (2006), also stated that the role of parents is very important in the process of financial socialization to children. So that parents become an important source of information for children about how in managing personal finances, and parents as the best example in the management of personal financial management. (Nidar & Bestari, 2012; Widyatni, 2012)

Another opinion said that parents play a major role and powerful in influencing the level of credit card usage is problematic and debt of a student. There is a role parents who provide financing facilities easily via credit card debts in fulfill their needs and lifestyle. So that children become more wasteful in personal financial management (Norvilitis and MacLean, 2010)

The results also indicates that financial education do not play an important role in influencing student learning outcomes management Faculty of Economics and Business UMSU. Financial education acquired in college courses in the form of several financial management is not significant positive effect on student learning outcomes. Financial education is able to influence but not significantly and not strong on student results. Positive relationship indicates that if the financial education that is given is good, true and complete it will have an impact on learning outcomes in a good level that can be seen from the level of student knowledge and skills in managing finances for the better. Conversely, if the financial education received by students in college is not the maximum, information about the various types of financial products and incomplete manage personal finances will have an impact on student results are not a good level of knowledge and skills of students in managing finances do not optimal or still low. But the change caused by the financial education is not significant to the results of student learning as measured by their financial literacy level is the level of knowledge and skills in managing personal finances.

These results can be supported by the data of respondents are still lower student financial behavior or attitude for the majority 65% of them still do not have a productive savings, as much
as 70% do not have a form of investment as a way to manage the funds productive, even as many as 60% think insurance is not important at a young age. In fact only 45% of students apply the knowledge from college about how to manage personal finances in everyday life, while the remaining 55% did not practice money management knowledge and skills from university. Therefore, it is known that financial education from universities are not much of a help or give good results on the level of knowledge and ability of students in managing their personal finances.

The results of this research was supported by Nidar and Bestari (2012), noted that the majority of the level of knowledge and financial skills of children affected by their parents, influenced by the financial education gained at home and exemplified by his parents ie 61.29%, the rest is influenced by other factors one of which is the formal financial education obtained from institutions formal education such as schools, colleges and so on. This means that parents are a source of important information for children on how to manage personal finances. Parents play an important role to give examples of personal financial management. Cude et al., (2006) stated in his research that the management practices of financial management in college does not impact for students as seen from the survey results that they are still not able to manage its finances properly, because they can not absorb properly and thoroughly all the information and techniques taught on campus. So that other educational methods are needed to support their learning outcomes that enable them to manage personal finances properly.

But the results of this study different from the results of research conducted by Varcoe, Martin, Devitto, and Go (2005) and performed by Megasari (2014), that is financial education provided through the college significant effect on student learning outcomes. Financial education obtained by students on campus able to increase the knowledge and skills of students in managing their personal finances. So the impact on the financial behavior of the students better, depicted on the right financial decisions taken by the student.

The results of this study also proves that financial education does not play a role in determining the student results obtained from the financial management learning by parents at home. Students are able to gain knowledge and skill about managing personal finances properly and have a good impact on financial behavior directly from their parents. So that parents are better able to influence student results, affecting the financial behavior of students to be better than the role of financial education from university. Therefore, financial education in the university is not very important in delivering better results to the knowledge and skills of students in managing personal finances.

7. Conclusions and Suggestion

Conclusions
The conclusions that can be obtained from the results of this study are:

1. Parents have a role and a more powerful influence on student learning outcomes on financial management. So that parents are able to deliver better results in student financial behavior change, more able to make the students manage their finances properly.

2. Financial education at the university did not have a strong influence to change financial behavior and impacts on student learning results are not too good. Financial education at the university just an introduction formality obtained because it is being followed in a university education. While the theory and skill obtained on campus are not fully practiced by the students in managing their personal finances.

3. Parents are an important source of information and the best example to change financial behavior of students, because parents are more able to influence the behavior and mindset of students to participate in undertaking management of personal financial. If
both the attitude and behavior of parents in managing their money is good then students will follow the attitude and behavior in managing their personal finances.

4. Socioeconomic status of parents based on level of income is a challenge for the role of parents to provide appropriate examples and information to influence their children's behavior when managing personal finances properly.

**Suggestion**

The advice can be given through this research are:

1. Parents should be more concerned with their financial behavior patterns so that parents do not really give the funds easily to the needs and lifestyle of their children's choice.
2. Parents need to know their role in influencing their children when managing personal finances, so that should give the right information and techniques consistently to teach how to manage their finances properly.
3. Parents should continue to add information and skills in managing finances in educating their children properly.
4. The university must involve parents in educating or implement a financial education curriculum in order to successfully influence a better financial behavior for students.
5. The university must make education in practice and not monotonous to students so that students become saturated in learning about how to manage their finances properly.
6. The university needs to provide special courses for students to teach them about how to manage finances is good and true also of what the correct financial decisions.
7. The university needs to provide the media of information that is always updated with information and practices for financial products and services that can be adapted to the style of young people at now so that attract students to learn more about how to practice properly in managing their finances.

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