

PROCEEDING

IC 2018 MS

**The 4th International Conference on Management Sciences
Universitas Muhammadiyah Yogyakarta, Indonesia**

“Disruptive Innovation in Modern Business Era”

held in UMY, Indonesia, on March 28, 2018

Department of Management

FACULTY OF ECONOMICS AND BUSINESS
Universitas Muhammadiyah Yogyakarta

in collaboration with:
Universiti Sains Islam, Malaysia
Tamkang University, Taiwan
Khon Kaen University, Thailand



**The 4rd International Conference on Management Sciences 2018
(ICoMS 2018)**

March 28 2018

Universitas Muhammadiyah Yogyakarta, Indonesia

Chair Person

Dr. Indah Fatmawati, S.E., M.Si

Keynote Speakers:

1. Prof. Shu Hsein Liao, Ph.D (Tamkang University, Taiwan)
2. Dr. Kawpong Polyorat (Khon Khaen University, Thailand)
3. Dr. Syadiyah Abdul Shukor (Universiti Sains Islam Malaysia)
4. Punang Amaripuja, S.E., S.T., M.IT. (Universitas Muhammadiyah Yogyakarta)

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4. Dr. Arni Surwanti, M.Si. (Universitas Muhammadiyah Yogyakarta)
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ROOM E : Dr. Arni Surwanti, M.Si.

Preface ICoMS 2018
The 4rd International Conference on Management Sciences 2018
(ICoMS 2018)
March 28 2018
Universitas Muhammadiyah Yogyakarta, Indonesia

Dear Presenters and Delegates,

Department of Management, Economics Faculty, University of Muhammadiyah Yogyakarta, in collaboration with the Tamkang University Taiwan, Khon Kaen University Thailand, USIM Malaysia, organized an International Conference which will be held on March 28 2018.

We are proud to know that there is a thick manuscript submissions came to our table for this conference. In detail, there are 42 international academic manuscripts which we received from Indonesia, Malaysia, Thailand. And in this conference we choose **Disruptive Innovation in Modern Business Era** as the main theme.

Our international conference is a manifestation of the Government of Indonesia through the Directorate General of Higher Education, which has encouraged the internationalization of research and teaching in order to foster high-caliber academic institutions globally and increase competitiveness in International Higher Education.

We are very confident that our presenters and delegates will get a lot of ideas together and experience of this conference. In addition, our participants will enjoy additional insight from our plenary session keynote speakers, namely, Prof.Dr.Shu-Hsien Liao from Tamkang University Taiwan, Dr. Kawpong Polyorat from Khon Kaen University Thailand, Prof. Dr. Syadiyah Abdul Shukor from USIM Malaysia, and Punang Amaripuja, S.E., S.T., M.IT. from Universitas Muhammadiyah Yogyakarta.

Through this conference, we are committed to promote and improve our mission and academic culture synthesize global progress with local knowledge. Therefore, it is my great honour to welcome you to ICoMS 2018 in great cultural city of Yogyakarta, Indonesia. I look forward to seeing you soon in the conference.

Best wishes,

Dr. Indah Fatmawati

Chair of ICoMS 2018

<http://icoms.umy.ac.id/call-for-papers>

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Financial literacy For Family Welfare Within Financial Planning: Study Demographic of community in Tanjung Balai City, North Sumatera

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ABSTRACT

The purpose of this research is to investigate the financial literacy for family welfare within the personal financial planning. An action plan has done on each evaluation strategy started by defining a set of the concept theory, the level of relevant analysis, and indicators that measured, also the resources available. This case also depends on the expected outcome for a sustainable program in the research period. Data analysis techniques using path Analysis with the statistical techniques that allow testing a series of relationships that are relatively complex partially and simultaneous. The complex relationships can be formulated between one or several dependent variables with one or several independent variables. The first hypothesis examinations evidence that the Financial Knowledge, Financial Behaviour, and Attitude simultaneously have an effect on personal financial planning. Partially, Financial Behaviour has a significant effect on Personal Financial Planning, while Financial Knowledge and Attitude have not a significant effect on personal financial planning. The second hypothesis examination demonstrates that simultaneously Financial Knowledge, Financial Behaviour, and Attitude have a significant effect on the welfare simultaneously. Partially, Financial Knowledge, Financial Behaviour and should have a significant effect on the welfare. The third hypothesis examination evidence that the personal financial planning has not a significant effect on the welfare. The fourth hypothesis testing evidence that the financial planning has not yet been able to mediate between the effect of Financial Knowledge on the welfare. Financial Planning able to mediate between the effect of Financial Behaviour on the welfare. Financial Planning has not been able to mediate Attitude on the welfare. The community is expected able to understand the financial knowledge, skill, and attitude of financial behavior, also social change and institutional level, for instance, welfare and income growth.

Keywords: Financial Literacy, Financial Planning, Family Welfare

1. Introduction

Global economic growth is now a strategic issue that must be faced by the Government of Indonesia. The ASEAN Economic Community (AEC) (Asean Economic Community) initiated in 2015 is a long-awaited project by all ASEAN members aimed at enhancing economic stability in the ASEAN region and establishing a strong ASEAN economic region. With the enactment of the MEA by the end of 2015, ASEAN member countries will experience a free flow of goods, services, investment, and educated labor from and to each country. In this case, what Indonesia

needs to do is how Indonesia as part of the ASEAN community strives to prepare for the quality of self and exploit the 2015 MEA opportunities, and must enhance the capability to compete with other ASEAN member countries so that fears of losing competitiveness in their own country due to its implementation MEA 2015 does not occur.

Responding to the issue the Financial Services Authority (OJK) continues to introduce financial literacy to the smallest group level, the family. The Financial Services Authority (OJK) facilitates and encourages the financial sector to increase its capacity to deal with the

ASEAN Economic Community (MEA). The introduction of financial literacy is intended to improve the economy of the community. The family that is not understood financially and do not have financial planning has a risk to difficult to achieve its financial goals. Literacy is increasingly important for household decisions about how to invest wealth and how much to borrow on financial markets. Understanding of financial literacy also has far-reaching consequences for the stability of the economy as a whole. On the asset side, financial literacy is important because financial products have become very complex. Even for simple products, such as savings and insurance, there are usually several options and several different contracts, which make the choice more difficult.

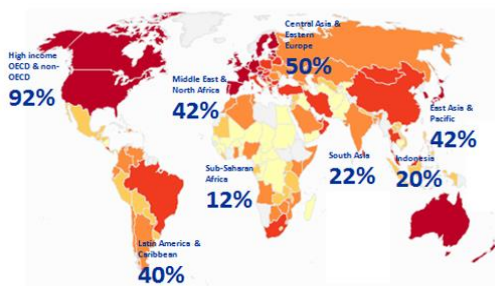


Fig. 1: Percentage of World Public Finance Literacy

Source: Findex-WorldBank-2015

The view above shows that Indonesia as a developing country still has a financial literacy rate under other Asian countries of only 20%. For this reason, the role of Bank Indonesia in the effort to increase the financial literacy that can support the welfare. In many countries, households are more exposed to financial risks as a consequence of larger economic shift policies. Families need economic integration to achieve the MEA's vision, including increased competitiveness and development, poverty reduction and social inequalities, and equity welfare. Increased financial literacy will narrow the gap in family financial capacity and improve family welfare. Here is the financial literacy data of Indonesian society.

Table 1: Level Literacy of Indonesian Society in 2015

Level Literacy	Banking	Insurance	Financing	Pension Fund	Capital Market	Pergadain
Well	21.80%	17.84%	9.80%	7.13%	3.79%	14.85%
Sufficient	75.44%	41.69%	17.89%	11.74%	2.40%	38.89%
Less	2.04%	0.68%	0.21%	0.11%	0.03%	0.83%
Not Literate	0.73%	39.80%	72.10%	81.03%	93.79%	45.44%

Source: OJK - Financial Literacy Survey on 20 Provinces, 2015

The data above shows that the level of literacy of Indonesian people is still low at below 30%. The lowest literacy in financing, pension funds, capital markets and pawnshops reaches above 50% is classified as literacy blindness. This condition is certainly a special highlight in rural areas that have not been touched by financial services such as banking and so forth. Bank access is still dominated by other financial aspects as seen in the following graph

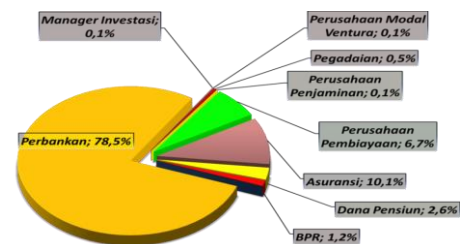


Fig. 2: Market Share Banking Service

Source: OJK in 2015

Growth in the banking sector in Indonesia continues to increase in the range of 78.5% higher than other financial sectors. This growth is still not supported by the financial literacy of Indonesian society which only amounted to 21.8 is considered to have good financial literacy. A person's financial literacy will have a significant impact on their financial well-being. It is therefore important to capture evidence of behavior in the size of financial literacy. The size of family income is not the only determinant of the adequacy of needs. Small income if managed carefully and well will be able to meet the needs that are considered important by the family. Conversely, large income may not be able to meet all the needs if wrong or less careful in managing it.

Family financial literacy is a must that must be owned by someone as the holder of family finance. Through good financial literacy and careful then the income obtained by the family is expected to be used appropriately, on time, right place, right price, and right quality. Hopefully through this counseling, we can take the wisdom that any God given if we are grateful and use rightly and accurately, it will bring favors in living life, at least a blessing of happiness, Welfare, and family harmony.

2. Literature Review and Hypothesis

2.1 Financial Literacy

Financial literacy becomes important for every individual community to improve the welfare of society. OJK defines financial literacy is a series of processes or activities to increase knowledge, beliefs and skills of consumers and the wider community so that they are able to manage finance well

Chen and Volpe (1998) define financial literacy ie knowledge to manage finances in financial decision-making. Lusardi and Mitchell (2007) define financial literacy as financial knowledge and ability to apply it. According Kiyosaki (2008), financial intelligence or financial literacy is part of a person's mental intelligence associated with how to find solutions to financial problems. In personal financial planning individuals are required to be smart in managing finances so that knowledge on finance is needed every individual.

Jappelli (2007) explains Financial literacy is increasingly important for household decisions about how to invest wealth and how much to borrow on financial markets. On the asset side, financial literacy is important because financial products have become very complex. Even for simple products, such as savings and insurance, there are usually several options and several different contracts, which make the choice more difficult.

Some definitions of financial literacy can then be concluded that financial literacy is the ability or understanding of a person in allocating financial resources for the purpose of financial freedom in the future. This financial literacy becomes important for every

individual where a good financial understanding will help overcome financial difficulties.

The Financial Services Authority divides the level of financial literacy of the Indonesian population, namely:

1. Well literate (21.84%), which has knowledge and belief about financial services institutions and financial services products, including features, benefits and risks, rights and obligations related to financial products and services, and have skills in using financial products and services .
2. Sufficient literate (75.69%), has knowledge and confidence about financial institutions and financial products and services, including features, benefits and risks, rights and obligations related to financial products and services.
3. Less literate (2.06%), only knowledgeable about financial services institutions, financial products and services.
4. Not literate (0.41%), lacks knowledge and confidence in financial services institutions and financial products and services, and lacks skills in using financial products and services.

2.2. Financial Literacy Factors

a. Financial knowledge

A person who has good financial literacy will have some basic knowledge of the key financial concepts. This knowledge can be seen from the understanding of financial products such as savings, deposits, insurance, bonds and so forth. According to the banking law No 10 of 1998 savings are deposits of the public whose withdrawal may be made by the saver at any time as required and under certain conditions established by the organizing bank. Along with the development of financial dynamics, savings into financial facilities that have great benefits for each individual. Savings not only as a place of storage, but has many advantages such as payment facilities various transactions ranging from formal and non-formal transactions. Banks are also competing to provide more efficient facilities

such as the enactment of Branchless Banking service is limited payment and banking system services activities that are not done through the physical office of the bank, but with the services of Bank Agents and technological facilities. With this service and the presence of Agent Bank, customers obtain the ease of conducting transactions as follows:

- Opening an account
- Make cash deposit into account
- Make cash withdrawal from the account
- And other transactions

Thus, considering all the arguments, following hypothesis has been generated:

H₁ : Financial knowledge has a significant effect to family financial planning in Tanjung Balai City.

H₂: Financial knowledge has a significant effect to family welfare in Tanjung Balai City

b. Financial behaviour

Behavior of each person in implementing financial literacy differs according to the objectives. This situation is shown from the cra in which a person behaves will have a significant impact on their financial well-being. It is therefore important to capture evidence of behavior in the size of financial literacy. To find out about behaviors such as thinking before making a purchase, paying bills on time and on budget, saving and lending to meet the needs. Behavior is the way in which a person acts or self-behavior. When planning personal finances the individual will consider the suitability of his needs from various banking products (demand deposits, savings, credit cards and consumer credit) or investment (stock market, bonds, mutual funds), insurance products (life insurance, health insurance) and pension plans. Behavior (behavior) is the action or real activities undertaken. In the theory of planned behavior, it is explained that a behavior is done because the individual has intention or desire to do it (behavior intention) and is supported by

the control of perceptive behavior (Jogiyanto, 2008). Heck (1999) examines that there are 9 financial literacy behaviors: (1) setting financial goals; (2) accurately estimate costs; (3) accurately estimating revenue; (4) planning and budgeting a person's spending; (5) consider several alternatives when making financial decisions; (6) adjust to meet the emergency financial situation; (7) meet deadlines or bills on time; (8) successfully fulfill the financial objectives; and (9) successfully implement the expenditure plan. Thus, considering all the arguments, following hypothesis has been generated:

H₃: Financial behaviour has a significant effect to family financial planning in Tanjung Balai City.

H₄: Financial behaviour has a significant effect to the families welfare in Tanjung Balai City

c. Attitudes

Attitudes and preferences are considered essential elements of financial literacy. If people have a somewhat negative attitude toward saving for their future, for example, he argues that they will be less inclined to do such behavior. Similarly, if they prefer to prioritize short-term wants then they are unlikely to provide themselves with emergency savings or to create long-term financial plans. Attitudes (attitude) is defined as feeling supportive or impartial or feelings not supportive or impartial to an object to be addressed. This feeling arises from an individual's evaluation of the belief in the results obtained from that particular behavior (Hidayat & Nugroho, 2010). The financial literacy survey included three attitudinal statements to measure respondents' attitudes toward money and planning. Attitude questions ask people about whether they agree or disagree with certain statements, to capture their dispositions or preferences. Thus, considering all the arguments, following hypothesis has been generated:

H₅: Attitudes has a significant effect to family financial planning in Tanjung Balai

City.

H6: Attitudes has a significant effect to the family welfare in Tanjung Balai City.

2.3. Financial Planning and Welfare

Zimmerere and Scarborough (2008) explains financial planning is the process of forecasting, collecting, issuing, investing and planning the cash required by companies or individuals to operate smoothly. Sutrisno (2001) put forward financial planning as all the activities of the company or individual that relate to the efforts to obtain funds at low cost and the effort to use and allocate the funds efficiently. According to Koh and Fong (2003) financial planning is very necessary standard of living, minimize the risk of financial disaster, can invest optimally and accumulate wealth in a certain period. A good financial plan should pay attention to the habit of recording expenditure budgets every month, determining and setting out the respective tasks and tasks of finance, conducting financial activities in accordance with the amount of income and separating the needs and wants. Law Number 10 Year 1998, Prosperous Family is a family formed based on legitimate marriage, able to fulfill the material and spiritual needs that are proper, devoted to God Almighty, has a harmonious, harmonious and balanced relationship between members and between families with society and the environment. The level of well-being is not only a visible measure (physical and health) but also invisible (spiritual).

1. Economical well-being: the economic Welfare; the indicator used is income (GNP, GDP, per capita income per month, asset value).
2. Social well-being, ie social welfare; the indicators used include the level of education (SD / MI-SMP / MTs-SMA / MA-PT, non-formal education Package A, B, C, literacy or illiteracy) and status and type of work (white collar = elite / professional , blue collar = proletarian / laborer, have a permanent job or unemployment).
3. Physical well-being, ie physical well-being; the indicators used are health status, health

status, mortality rate morbidity rate.

4. Psychological / spiritual mental, namely the welfare of psychology; the indicators used are mental illness, stress level, suicide rate, divorce rate, abortion rate, crime rate (rape, theft / robbery, torture / murder, drug / drug use, vandalism), sexual freedom rate. Ferguson, Horwood and Beutrais (referred to in Sumarwan & Tahira (1993) states that family welfare can be distinguished into family-economic well-being and family material well-being. The family's economic welfare, measured in the fulfillment of family inputs (income, wages, assets and expenditures), while material well-being is measured by various forms of goods and services that are acquired by the family, Maslow describes the formulation of hierarchical needs in triangular form, where the above needs are met once the underlying needs are met. The lowest level in the hierarchy of needs is the physical needs involved basic necessities such as i clothing, food and boards. Then in a row is the need for security, social needs and self-esteem needs. The link between the concept of welfare and the concept of need is with the fulfillment of these needs, then someone can already dinilaisejahtera. Because the level of need is indirectly in line with the welfare indicators.

Thus, considering all the arguments, following hypothesis has been generated:

H7: Financial knowledge has a significant effect on family welfare through financial planning in Tanjung Balai City.

H8: Financial behavior has a significant effect on family welfare through financial planning in Tanjung Balai City.

H9: Attitude has a significant effect on family welfare through financial planning in Tanjung Balai City.

3. Methodology

3.1. Data and estimation method

Data collection through questionnaires to the people of Tanjung Balai with Likert-scale

measurement. The previous questionnaires conducted pilot study analysis of validity and reliability on 30 respondents outside the sample. The operationalization variables and measurements are as follows:

Table 2: Operational Variable

No	Variable	Indicator
1.	Financial Literacy: Financial Knowledge Financial Behavior	<p>Knowledge of financial products such as: -Savings - Deposits - Insurance - Investment</p> <p>Financial behavior such as: - set financial goals - estimate costs accurately - Estimating earnings appropriately. - one's planning and budgeting. - consider several alternatives when making financial decisions. -adjust to meet the emergency financial situation. - meet deadlines or bills on time. - successfully meet the financial goals. - successfully executing the expenditure plan.</p> <p>Attitudes in managing finances such as: - Attitude in using funds - Attitude in determining the source of financial expenditure</p>

	Attitudes	-Attitudes in financial risk management - Attitude in the pension fund -
2.	Personal Financial Planning	-Family Expenditure Planning -Implementation of Family Financial Management Family Financial Assessment / Supervision
3	Welfare	-Welfare Clothing - Food Welfare - Educational Welfare - Wellbeing Facilities

3.2. Model specification

This study uses a simple path analysis model by calculating the values of direct and indirect correlation.

langsung dan tidak langsung.

$$Y = \alpha + \beta_1 X + \beta_2 Z + \epsilon$$

$$Y = a + \beta X + \epsilon$$

$$Z = a + \beta X + \epsilon$$

a. Direct effect:

$$X \rightarrow Z = PYX$$

$$X \rightarrow Y = PYX$$

$$Z \rightarrow Y = PYZ$$

b. Indirect effect:

$$X \rightarrow Z \rightarrow Y = (PYX)(PYZ)$$

c. Total effect:

$$X \rightarrow Z \rightarrow Y = (PYX) + (PYZ)$$

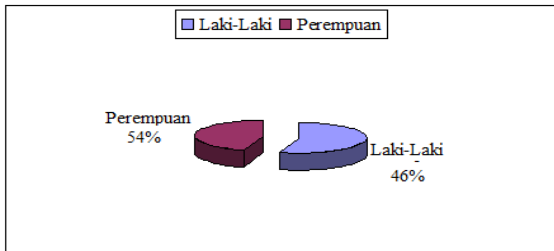
4. Results and discussions

Overview of Data Questionnaire

Prior to the discussion of data statistically must first consider the data of respondents who have been determined as a

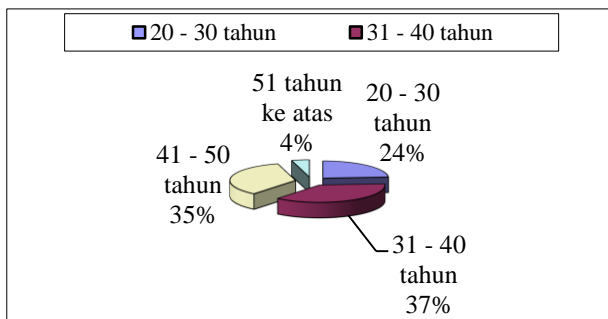
sample in this study or who became respondents.

Fig. 3: Characteristics of Respondents Based on Gender



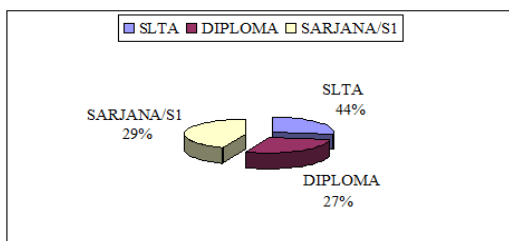
Source: primary data processed, 2017

Fig 4: Karakteristik Responden Berdasarkan Usia



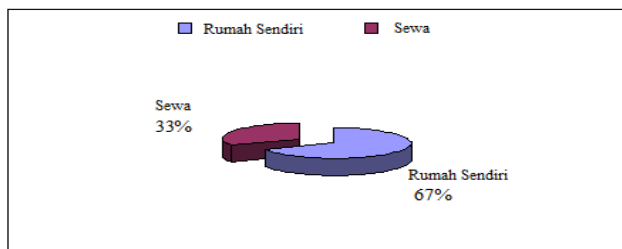
Source: primary data processed, 2017

Fig.5: Characteristics of Respondents by Level of Education



Source: primary data processed, 2017

Fig.6: Characteristics of Respondents by Residence



Source: primary data processed, 2017

Test Validity and Reliability

The results of this test will reflect whether or not it is believed to be a research instrument, based on the degree of accuracy and stability of a measuring instrument.

Table 3: Validity Test of Financial Knowledge

	Scale Mean if item Deleted	Scale Variance it Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
1	28.6034	6.910	.307	.742
2	28.6897	6.779	.503	.707
3	28.6379	6.481	.598	.689
4	28.3793	6.415	.482	.707
5	28.5517	6.497	.462	.711
6	28.7241	6.940	.313	.740
7	28.6724	6.680	.568	.697
8	28.2069	6.483	.367	.734

'Source: primary data processed, 2017

Output result value above that the whole item has a value of $r_{hitung} > r_{table}$ so that it can be concluded that the whole item questionnaire declared valid and reliable for the further analysis.

Table 4: Validity Test of Financial Behaviour

	Item- Total Statistics			
	Scale Mean if item Deleted	Scale Variance it Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
1	34.7241	12.063	.541	.799
2	34.6379	11.779	.565	.796
3	34.6897	12.709	.494	.805
4	34.6724	12.821	.494	.805
5	34.7069	12.351	.554	.798
6	34.7586	12.221	.603	.793
7	34.7586	12.397	.528	.801
8	34.7931	12.202	.441	.814
9	34.8103	12.402	.490	.805

Source: primary data processed, 2017

Output result value above that the whole item has a value $r_{hitung} > r_{table}$ so that it can be concluded that the whole item questionnaire declared valid and reliable for the further analysis

Table 5: Validity Test of Attitude

Item- Total Statistics

Scale Mean if item Deleted	Scale Variance it Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	4	5	6	7	8
29.3793	9.327	.661	.784	30.7931	30.7586	30.7931	30.8103	30.8448
29.3103	9.130	.636	.787	9.114	8.993	9.044	8.858	9.291
29.3103	9.270	.548	.801	.467	.531	.487	.547	.399
29.4138	9.054	.623	.789	.792	.783	.789	.781	.802
29.6897	10.358	.401	.820					
29.7759	10.633	.467	.811					
29.7241	10.659	.436	.814					
29.4655	9.762	.573	.797					

Source: primary data processed, 2017

Output result value above that the whole item has a value $r_{hitung} > r_{table}$ so that it can be concluded that the whole item questionnaire declared valid and reliable for the further analysis

Table 6: Validity Test of Financial Planning

Item- Total Statistics			
Scale Mean if item Deleted	Scale Variance it Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
22.2586	4.967	.556	.813
22.4138	4.738	.523	.824
22.3448	4.791	.597	.805
22.3103	4.920	.579	.808
22.2586	4.686	.742	.777
22.2931	4.772	.646	.795

Source: primary data processed, 2017

Output result value above that the whole item has a value $r_{hitung} > r_{tabl}$ so that it can be concluded that the whole item questionnaire declared valid and reliable for the further analysis

Table 7: Validity Test of Welfare

Item- Total Statistics			
Scale Mean if item Deleted	Scale Variance it Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
30.7931	8.658	.604	.772
30.8103	8.472	.564	.778
30.7241	8.344	.561	.778

Classical Assumption Testing

This test is conducted to determine whether the data distribution used in the study has been normal, as well as free from symptoms of multicollinearity and heteroscedasticity.

Normality test

Test of data normality is very important in parametric statistic analysis so that regression model is free from prediction error.

Table 8: One-Sample Kolmogorov-Smirnov

		Unstandardized Residual
N		115
Normal Parameters ^a	Mean	.0000000
	Std. Deviation	2.07643940
	Most Extreme Differences	
	Absolute	.083
	Positive	.083
	Negative	-.046
Kolmogorov-Smirnov Z		.634
Asymp. Sig. (2-tailed)		.817
a. Test distribution is Normal.		

Source: primary data processed, 2017

From the data processing in Table 4:10 above seen that the value Kolmogorov-Smirnov (K-S) is 0.634 and significance at 0.817 it can be concluded that the data is normally distributed because $p = 0.817 > 0.04$.

Multicollinearity Test

The results of multicollinearity test can be seen in the following table:

Table 9: Hasil Uji Multikolinearitas

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Financial Knowledge	.286	3.497
	Financial behaviour	.638	1.568
	Attitude	.295	3.387
	Financial Planning	.817	1.223

Source: primary data processed, 2017.

From the above test results, it can be seen that the tolerance of all independent variables > 0.10 and VIF it < 10. This indicates that there is no multicollinearity among independent variables in the regression model in this study.

Heteroscedasticity Test

Here is the result of heteroscedasticity after transformation test using statistical test

Table 10: Glejtsjer Test

Model		t	Sig.
1	(Constant)	4.537	.000
	Financial Knowledge	-.497	.623
	Financial behaviour	.502	.619
	Attitude	.301	.482
	Financial Planning	.224	.319

Source: primary data processed, 2017

Financial Knowledge, Financial behavior, Attitude and Personal Financial Planning has the significance value greater than 0.05. This proves that there is no heteroscedasticity in the research regression model.

Financial Knowledge has a significant effect on Welfare Through Personal Financial Planning

In order to prove that the Personal Financial Planning variable can be a variable mediating between the Financial Knowledge on Welfare, then a direct effect calculation will be

performed. If the indirect effect of Financial Knowledge on Welfare through Personal Financial Planning is greater than direct influence, then Personal Financial Planning can be an intervening variable. First calculated Indirect Effect (IE) value on the Financial Knowledge variable on Welfare through Personal Financial Planning as follows:

Table 11: Intervening Variable Correlation Coefficient

Model	Path Coefficient
PZX ₁	-1,287
PYX ₁	0,317
PyZ	0,136

The amount of Indirect Effect (IE) Financial Knowledge on Welfare through Personal Financial Planning namely:

$$\text{Indirect Effect (IE)} = (PZX_1) (PyZ)$$

$$= -1,287 \times 0.136 = -0.175$$

$$X_1 \rightarrow Z \rightarrow Y = (PYX_1) + (IE) = 0.317 - 0.175$$

$$= 0.142$$

Result of hypothesis testing influence of Financial Knowledge to Welfare through Personal Financial Planning less than direct influence hence Ha rejected and H0 accepted. This means that Financial Knowledge through Personal Financial Planning has no significant effect on the Welfare of People in TanjungBalai City.

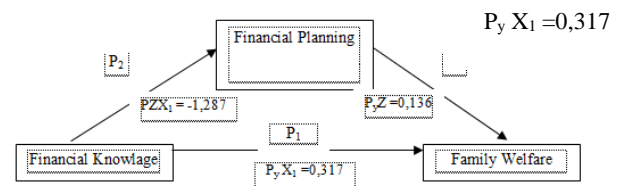


Fig.7: Path Analysis: Financial Knowledge on Welfare Through Personal Financial Planning

The results of path analysis show that Financial Knowledge can have an immediate effect on Welfare but Personal Financial Planning can not be an intervening variable on Welfare. The magnitude of direct influence is

0.317 while the large indirect effect is 0.142. Because of the value (X1ZY Z PX1) the Personal Financial Planning does not function as an intervening variable

Significance of Financial Behavior on Welfare Through Personal Financial Planning

Value of Indirect Effect (IE) on variable financial behavior towards Welfare through Personal Financial Planning:

Table 12: Intervening Variable Correlation Coefficient

Model	Path Coefficient
PZX ₂	0,470
PYX ₂	0,209
PyZ	0,136

The amount of Indirect Effect (IE) financial behavior towards Welfare through Personal Financial Planning namely:

$$\begin{aligned}
 \text{Indirect Effect (IE)} &= (PZX_2) (PyZ) \\
 &= 0.470 \times 0.136 = 0.064 \\
 X_1 \rightarrow Z \rightarrow Y &= (PYX_2) + (IE) = 0.209 + 0.064 \\
 &= 0.273
 \end{aligned}$$

The result of hypothesis testing shows that the influence of financial behavior toward Welfare through Personal Financial Planning is bigger than direct influence. This means that financial behavior has a significant effect on Welfare with Personal Financial Planning as an intervening variable for the Community of TanjungBalai City.

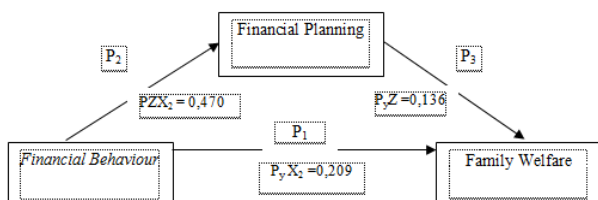


Fig.8: Path Analysis: Financial Behavior on Welfare Through Personal Financial Planning

The result of path analysis shows that the financial behavior can have a direct effect on Welfare and can also indirectly influence from Personal Financial Planning (as intervening variable) to Welfare. The magnitude of direct

influence is 0.212 while the large indirect effect is 0.272. Because of the value (X2ZY > PX2), the Personal Financial Planning functions as an intervening variable.

Significance of Attitude on Welfare Through Personal Financial Planning

Value of Indirect Effect (IE) on Attitude variable on Welfare through Personal Financial Planning:

Table 13: Intervening Variable Correlation Coefficient

Model	Path Coefficient
PZX ₃	-0,037
PYX ₃	0,375
PyZ	0,136

The amount of Indirect Effect (IE) Attitude to Welfare through Personal Financial Planning namely:

$$\begin{aligned}
 \text{Indirect Effect (IE)} &= (PZX_3) (PyZ) \\
 &= -0.231 \times -0.124 = 0.029 \\
 X_1 \rightarrow Z \rightarrow Y &= (PYX_3) + (IE) = 0.698 + 0.029 \\
 &= 0.727
 \end{aligned}$$

The result of hypothesis testing shows that the influence of Attitude on Welfare through Personal Financial Planning is greater than the direct influence of F-count value (396.750) greater than F-table (2.00) with 0.000 significance (Sig. <0.05) then Ho is rejected and Ha accepted. Meaning Attitude significantly influence to Welfare with Personal Financial Planning as intervening variable in TanjungBalai City community.

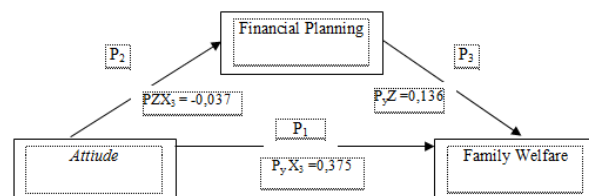


Fig.9: Path Analysis: Attitude to Welfare Through Personal Financial Planning

The result of path analysis shows that Attitude can influence directly to Welfare and can also have an indirect effect that is from Personal

Financial Planning (as intervening variable) to Welfare. The magnitude of direct influence is 0.698 while the large indirect effect is 0.727. Because of the value ($X_3ZY > PX_1$), the Personal Financial Planning functions as an intervening variable. The resulting structural equations are as follows:

$$Y = 2.404 + 0.101 X_1Z + 0.272X_2Z - 0.727X_3Z$$

Based on the equation of path analysis seen that:

- Constant value of 2.404 means if the variable Welfare is not influenced by the variable Financial Knowledge, financial behavior and Attitude then Welfare assessed as much as 2,404 times.
- Beta coefficient value for Financial Knowledge variable through Personal Financial Planning is equal to 0,101 meaning that each increase of variable of Personal Financial Planning is 1, the influence of Financial Knowledge to Welfare increases by 0,101 times with assumption other variable is considered constant.
- Beta coefficient value for financial behavior variable through Personal Financial Planning is 0.272 means that each increase of Personal Financial Planning variable is 1 then the influence of financial behavior toward Welfare increases by 0,272 times with assumption other variable is considered constant.
- Beta coefficient value for Attitude variable through Personal Financial Planning is equal to 0.727 means that each increase of Personal Financial Planning variable of 1 then the influence of Attitude to Welfare increased by 0.727 times assuming other variables are considered constant.

The effects of each variable can be explained in the following diagram of the pathway:

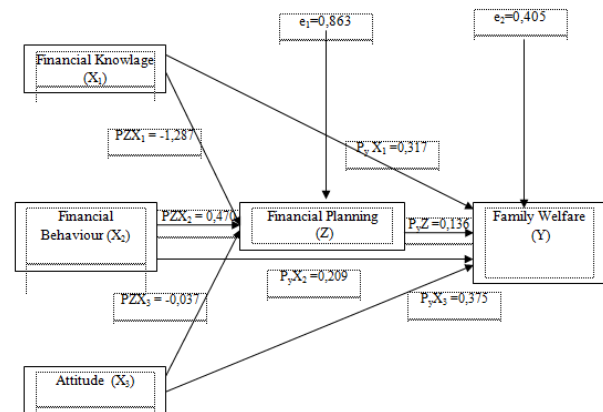


Fig.10: Path Analysis: Financial Knowledge, Financial Behavior and Attitude to Welfare Through Personal Financial Planning

5. Conclusion

The first model proves that simultaneously Financial Knowledge, Financial Behavior and Attitude significant to Personal Financial Planning. Partially Financial Behavior Significant to Personal Financial Planning, while Financial Knowledge and Attitude is not significant to Personal Financial Planning. Specifically, the research findings concluded that Financial Knowledge has not been able to improve the Personal Financial Planning of TanjungBalai city community. Financial Knowledge in the form of knowledge of financial products such as Savings, Deposits, Insurance and Investment is still very low so it has not been able to improve the Personal Financial Planning of People of TanjungBalai City. Financial Knowledge will directly affect Personal Financial Planning if supported by understanding and knowledge of finance. Financial Behavior in this case is financial behavior such as setting financial goals, estimating costs accurately, estimating revenue correctly, planning and budgeting a person, considering several alternatives when making financial decisions, adjusting to meet emergency financial circumstances, meeting deadlines or bills appropriately time, succeeded in fulfilling the financial objectives and successfully executing the overall expenditure plan into a positive behavior that can foster high personal financial plans. Attitude has not been fully run by the Community of TanjungBalai City in

understanding its finances cause Attitude not associated with financial literacy and Personal Financial Planning. From these findings are expected to TanjungBalai City Community still has a high Attitude in order to support good financial literacy.

The second model proves that simultaneously Financial Knowledge, Financial Behavior and Attitude significant effect on Welfare. Partially Financial Knowledge, Financial Behavior and Attitude has the significant effect on Welfare.

The third model proves that Personal Financial Planning has no significant effect on Welfare.

The fourth model proves that Financial Planning has not been able to bridge the influence of Financial on Welfare. Financial Planning can bridge the influence of Financial Behavior affecting Welfare. Financial Planning has not been able to bridge the influence of Attitude to welfare.

Personal Financial Planning has not been able to bridge the influence of Financial Knowledge on Welfare. This finding concludes that the low level of Financial Planning conducted by TanjungBalai city community has not been able to bridge the influence of financial knowledge on family welfare. Financial behavior can affect Welfare through personal financial planning. This indicates that Personal Financial Planning can bridge the influence of financial behavior towards Welfare. The better the Personal Financial Planning is, the stronger the influence of financial behavior on Welfare.

Attitude cannot affect Welfare through Personal Financial Planning. This indicates that Personal Financial Planning has not been able to bridge the influence of Attitude on Welfare. This condition is due to the low financial attitude which shows the financial literacy is still very low where the people of TanjungBalai city cannot plan financially well so it does not affect the family welfare.

Acknowledgement

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