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The Influence Of Financial Literacy And Lifestyle On Decisions To Take Credit At PT. BPR Hasamitra Makassar

Claudio Julio Mongan [✉], Amika Sapan ², Normiani Monda ³

Department of Management, Universitas Kristen Indonesia Paulus ^{1,3}

Department of Accounting, Universitas Kristen Indonesia Paulus ²

Email : dhiowmongan@gmail.com

Abstract

This research was conducted with the aim of knowing whether the effect of financial literacy and lifestyle on credit-taking decisions and whether financial literacy and lifestyle simultaneously influence PT. BPR Hasamitra Makassar by using a quantitative research model. The sample used in this study was 50 respondents using the data analysis method. The r-square test is the coefficient of determination in endogenous constructs, F-square in statistics is a statistical testing method used to compare several population averages simultaneously (simultaneous, Path coefficient The Path Coefficient is used to show how strong the effect or influence of the independent variable is on the dependent variable and the T test One of the statistical tests used to test the truth or falsity of the hypothesis which states that between two mean samples taken randomly from the same population, there is no difference which is significant. From the results of the research conducted on the effect of financial literacy and lifestyle on credit decision making at PT. BPR Hasamitra Makassar, the results obtained from the analysis carried out are the results of the hypothesis test showing that financial literacy and lifestyle have an influence on the decision to take credit. Financial Literacy has an influence on debtor's borrowing decisions, Lifestyle has an influence on debtor's borrowing decisions. Financial literacy and lifestyle have a simultaneous influence on the decision to take credit.

Keywords: Literacy, finance, lifestyle, decisions, taking credit.

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✉Corresponding author : Claudio Julio Mongan

Email Address : dhiowmongan@gmail.com (correspondent address)



INTRODUCTION

Money is a medium of exchange that cannot be separated from human life. It can be said that money is a medium of exchange that is needed in modern life from children to adults, money is needed to fulfill their needs and desires. Therefore, financial intelligence is something that needs attention in modern decisions like today. Financial intelligence is a person's ability to manage their financial resources with the ultimate goal of financial well-being (Widayati & Herman, 2019). And humans in their lives cannot be separated from economic activities to meet various needs and requirements. Humans cannot use all the goods and services they want, due to an imbalance between the number of human desires and the amount of available resources so that they must behave rationally in economic activities. Everyone has their own needs in life and they try to fulfill these needs in different ways (Halik, Anggraece, et al., 2023). Money is an object that is used as an official form of payment in various transactions and applies in a certain place. Used with the aim of expediting the activity of buying and selling of goods and services (Halik et al., 2022).

According to (Ginting et al., 2016) financial literacy is a set of skills and knowledge that enables a person to make effective decisions with all their financial resources. (Safura Azizah, 2020) explains that financial problems often occur due to an individual's lack of understanding of financial knowledge and bad financial management habits (Amika Sapan & Yohanis Tasik Allo, 2022). This happens because of a lifestyle that is not controlled by desire so that sometimes a person does anything to fulfill his lifestyle pattern. As a result of lifestyle influences or demands, it is not uncommon for people to choose to borrow/credit to meet lifestyle demands or other needs without thinking about the scale of their needs, whether they have to take credit at a bank or not. One of the reasons the author chose the object of 'Customers/Debtors' who take credit in order to meet their needs or lifestyle is because there are some people who pay less attention to how to manage finances properly so that they are stuck with a lifestyle that doesn't need to take credit but has done credit without thinking about long-term risks in taking credit and will experience difficulties in the future in determining priorities for what needs and wants. So it is necessary for debtor customers to understand financial management in managing money by understanding the needs that must be met first.

An overview of the amount of loans (receivables) at PT. BPR HASAMITRA MAKASSAR from 2020 to 2022 can be seen in the following table:

**Table 1: Amount of Loans (Receivables) at PT. BPR HASAMITRA MAKASSAR
2020 to 2022**

| Year | TOTAL RECEIVABLES (Rp) |
|------|---------------------------|
| 2020 | 2.004.287.869 |
| 2021 | 2.046.260.490 |
| 2022 | 2.221.800.974 |

Source: BPR Hasamitra Financial Report, 2023

Based on the research background above, the authors formulate the problem in this study as follows:

1. Does financial literacy affect the decision to take credit for debtor customers of PT. BPR HASAMITRA MAKASSAR?
2. Does lifestyle affect the decision to take credit from debtor customers at PT. BPR HASAMITRA MAKASSAR?
3. Do financial literacy and lifestyle simultaneously influence the decision to take credit from PT. BPR Hasamitra Makassar customers?

Based on the description of the problem formulation above, the objectives of the research to be achieved are:

1. To determine the effect of financial literacy on the decision to take credit for PT. BPR Hasamitra Makassar debtor customers
2. To determine the effect of lifestyle on the decision to take credit from PT.BPR Hasamitra Makassar Debtor Customers
3. To determine the influence of financial literacy and lifestyle simultaneously affect the customers of PT. BPR Hasamitra Makassar.

METHODOLOGY

Based on the background explanation, the author tries to develop a framework in which financial literacy (X1) and lifestyle (X2) are independent variables and the debtor's decision to borrow (Y) is dependent. The framework of this research can be seen in the following figure:

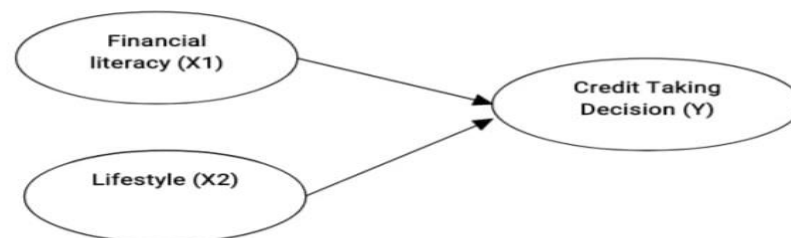


Figure 1: Research Concept Framework

This research was conducted at PT. BPR Hasamitra Makassar which is located at Jl. Perintis Kemerdekaan No. 26, Daya, Kec. Biringkanaya, Makassar City, South Sulawesi. The time of this research lasted for three months from March to May 2023. The data source used in this study comes from primary data obtained from questionnaires distributed to customers who take credit at BPR.Hasamitra Makassar.

According to (Ghozali & Latan, 2015) population is a group or collection of objects or those that will be generalized from research results. The population used in this study is all customers who make loans and take credit at PT. BPR Hasamitra Makassar. The sample is part of the number of properties owned by the population. The technique used in selecting the sample is convenience sampling, which is a collection of information from members of the population who agree to provide this information to the researcher.

METHOD OF COLLECTING DATA

Data collection techniques in research use primary data which is described as follows:

1. Questionnaire, which is a technique for collecting data by giving questions or statements related to the problem raised by the researcher so that accurate data is obtained.
2. Observation, namely data collection by monitoring to collect the truth of a research in real terms.

Filling out a questionnaire regarding the effect of financial literacy and lifestyle on borrowing debtors is measured using a Likert scale. (Arikunto Suharsimi, 2006) states that the Likert scale is used to measure attitudes, opinions, and perceptions of individuals or groups of

people about social phenomena. The criteria used in the form of a Likert scale instrument are as follows:

Table 2: Rating scale (likert)

| Answer Choices | Score |
|--------------------|-------|
| Strongly agree | 5 |
| Agree | 4 |
| Not Totally Agreed | 3 |
| Disagree | 2 |
| Strongly Disagree | 1 |

DATA ANALYSIS METHOD

Hypothesis Testing

- F-Square test, used to compare population averages together. Simply put, the F test is a technique for testing whether there is an influence between the independent variables on the dependent simultaneously.
- Path Test / Path Coefficient, used to show how strong the influence of the independent variables on the dependent variable.
- T test for hypothesis testing, taking the results from the Path test as well or smartPLS T test results.

GENERAL DESCRIPTION OF THE RESEARCH LOCATION

PT. People's Credit Bank (BPR) Hasamitra was established in Makassar on November 15, 2005 based on the deed of establishment of a limited liability company No. 12 dated March 24, 2004 made by Notary Lieke Tunggal, SH in Makassar and has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number C-29168 HT.01.TH.2004 dated 2 December 2004. Initial capital of Rp. 2 billion and now after its 15th year, BPR Hasamitra still shows a pretty good record of performance. In terms of assets, in December 2020 it was recorded that it had reached Rp. 2,441,861,745. In 2020, BPR Hasamitra received a "Golden Award" for its financial performance achievements.

Hasamitra People's Credit Bank is engaged in the banking business serving savings, deposits and credit. Good service is a top priority at PT. BPR Hasamitra with the intention that every customer feels part of the big BPR family. Hasamitra to facilitate service to customers and reach other areas in South Sulawesi more broadly. BPR Hasamitra really cares about and supports every government program, in this case Bank Indonesia, in disseminating the benefits of saving and insight into the world of banking itself, especially regarding People's Credit.

BPR HASAMITRA COMPANY'S VISION AND MISSION

Vision: To become a local bank with a healthy, strong and trusted national reputation

Mission: Empower and prosper the community through social entrepreneurship (social business entrepreneurship) with digital-based services and local wisdom.

RESULTS AND DISCUSSION

Table 3: Characteristics of respondents based on gender

| Gender | Amount | Percentage |
|--------|--------|------------|
| Male | 16 | 32 % |
| Female | 34 | 68 % |
| Total | 50 | 100% |

Source: Self-processed data, 2023

From a total of 50 respondents who were given a questionnaire, it was found that the number of male respondents was 16 people while the female respondents were 34 people with a male percentage of 32% and 68% female.

Table 4: Characteristics of respondents based on age

| Age | Amount | Percentage |
|-----------------|--------|------------|
| 25-30 years old | 6 | 12% |
| 31-40 years old | 29 | 58% |
| Above 40 y.o | 15 | 30% |

Source: Self-processed data, 2023

Characteristics of respondents based on age, it is known that the number of respondents aged 25-30 years was 6 people, those aged between 31-40 years were 29 people, and those aged 40 years and over were 15 people with a percentage of 25-30 years of 12%, 30- 40 years as much as 58%, and over 40 years as much as 30%.

Table 5: Characteristics of respondents based on education

| Education | Amount | Percentage |
|--------------------|--------|------------|
| Elementary school | 4 | 8% |
| Junior High School | 5 | 10% |
| Senior High School | 15 | 30% |
| Bachelor | 20 | 40% |
| Above Bachelor | 6 | 12% |

Source: Self-processed data, 2023

Based on education, it can be seen from the number of respondents with elementary school education of 4 respondents, 5 respondents with junior high school education, 15 respondents with high school education, 20 respondents with undergraduate education, and 6 respondents with education above bachelor degree. With the percentage of elementary school educated 8%, junior high school 10%, senior high school 30%, 20% undergraduate and above undergraduate as much as 12%.

SmartPLS Analysis Method

Smart PLS or Smart Partial Least Square is statistical software whose purpose is to test the relationship between variables partially. The smartPLS approach is considered powerful because it is not based on various assumptions. The number of samples required in the analysis is relatively small. The use of Smart PLS is highly recommended when we have a limited number of samples while the model being built is complex.

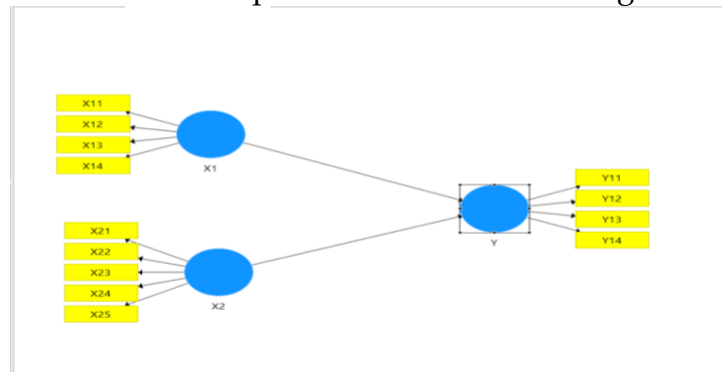
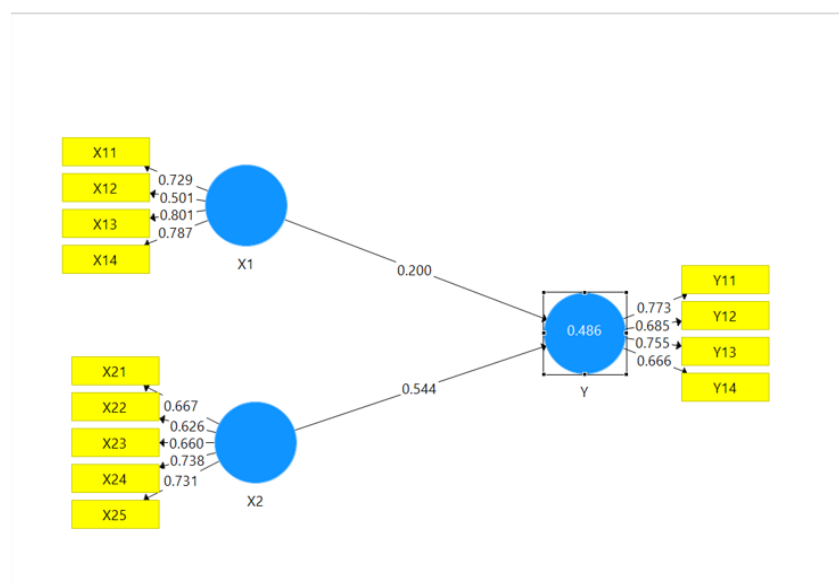


Figure 2: SmartPLS Initial Construct

The data that has been entered into the model construct in SmartPLS is then validated to determine the Outer Loading value. This process can be done repeatedly until the value in Outer Loading is valid. The following are the steps for conducting the test. Below is the initial view of the validation.



Source: Primary data processed by smartPLS, 2023

Figure 3: Initial validation model on SmartPLS

Test of The Instrument Validity

Table 6: Results of the instrument validity test of the Financial Literacy Variable (X1)

| X1 | Questionnaire | Score | Information |
|-----|---|-------|-------------|
| X11 | You know about the products at PT. BPR Hasamitra Makassar | 0,729 | VALID |
| X12 | You have a savings and loan product at PT. BPR Hasamitra Makassar | 0,501 | INVALID |
| X13 | You know about the insurance products of PT. | 0,801 | VALID |

| | | | |
|-----|--|-------|-------|
| | BPR Hasamitra Makassar | | |
| X14 | You understand the investment risks and interest rates at PT. BPR Hasamitra Makassar | 0,787 | VALID |

Source: Results of SmartPLS Data Processing, 2023

After being validated using the PLS algorithm, it can be seen in the picture and table above explaining that there is one indicator in Variable X1 (Financial Literacy) whose value does not meet the criteria and to find out the outer loading value, find the variable in X1.2 with the contents of the statement "You have a stored product loan from PT.BPR Hasamitra Makassar" has an INVALID value of (0.501).

Table 7: Results of the validity test of the Lifestyle variable instrument (X2)

| X2 | Questionnaire | Score | Information |
|------|--|-------|-------------|
| X2.1 | My experience was good during transactions at PT. BPR Hasamitra Makassar | 0,667 | INVALID |
| X2.2 | My consumption and income influenced me to take out a loan at PT. BPR Hasamitra Makassar | 0,626 | INVALID |
| X2.3 | My view of the attractive offers (interest rates, terms) offered at PT. BPR Hasamitra Makassar | 0,660 | INVALID |
| X2.4 | I know about loan products at PT. BPR Hasamitra from acquaintances, relatives and advertisements | 0,738 | VALID |
| X2.5 | There are families who have taken loans from PT. BPR Hasamitra Makassar | 0,731 | VALID |

Source: Results of SmartPLS Data Processing, 2023

Based on the results of the validation, it can be seen in the table above that the indicators (X21), (X22), and (X23) are invalid because they do not meet the values and criteria for outer loading, which is a minimum of 0.70 (Ghozali & Latan, 2015).

Table 8: Results of the validity test of the Credit Taking Decision instrument (Y)

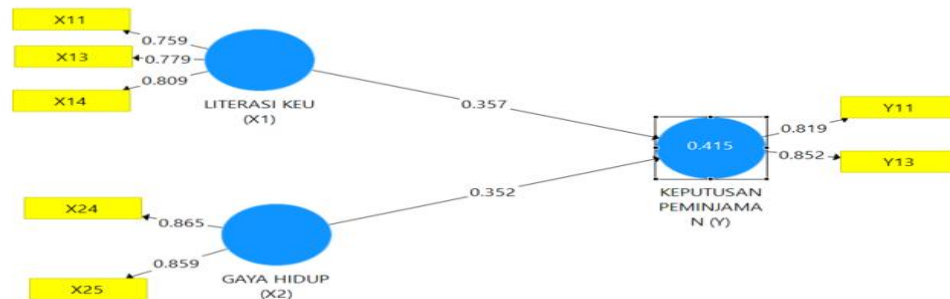
| Y | Questionnaire | Score | Information |
|------|--|-------|-------------|
| Y1.1 | The stability of borrowing after knowing credit information | 0,773 | VALID |
| Y1.2 | Decided to making loan because of the most preferred brand | 0,685 | INVALID |
| Y1.3 | Taking loan because it suits your wants and needs | 0,755 | VALID |
| Y1.4 | Taking loan because I got a recommendation from someone else | 0,666 | INVALID |

Source: Results of SmartPLS Data Processing, 2023

Based on the results of the validation, it can be seen in the table above that the indicators (Y12) and (Y14) are invalid because they do not meet the outer loading value and criteria, which is equal to 0.70 (Ghozali & Latan, 2015).

In the test results above, it can be seen that there are 4 indicators of financial literacy (X1), 5 indicators of lifestyle (X2) and 4 indicators of decision to take credit (Y1). Some have outer loading values below 0.7, namely variables X1.2 (0.501), X2.1 (0.667), X2.2 (0.626), X2.3 (0.660), Y1.2 (0.685), Y1.4 (0.666) which has a value smaller than 0.70 so it needs to be deleted (Ghozali & Latan, 2015), after Validity so as to produce the image below (Figure 4).

After deleting the Financial Literacy indicators (X1.2), Lifestyle indicators (X2.1), (X2.2), (X2.3) and on the decision to take credit indicators (Y1.2) and (Y1.4) Then the Outer Loading value of all variables meets the Criteria because the value is greater than 0.70 (Ghozali & Latan, 2015).



Source: Data processed by smartPLS, 2023

Figure 4: After indicator removal

Outer Loadings

| Matrix | X1 | X2 | Y |
|--------|-------|-------|-------|
| X11 | 0.758 | | |
| X13 | 0.777 | | |
| X14 | 0.811 | | |
| X21 | | 0.722 | |
| X24 | | 0.780 | |
| X25 | | 0.763 | |
| Y11 | | | 0.832 |
| Y13 | | | 0.839 |

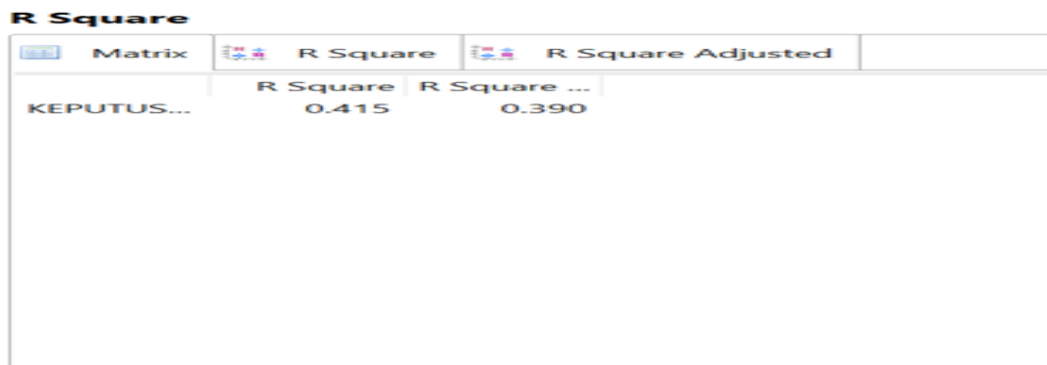
Source: Data processed by smartPLS, 2023

Figure 5: The final result of outer loading

After repeatedly testing the validity of the data processing results, it can be seen that the values of the above instruments have met the criteria, namely > 0.7, so it can be said to be valid. Based on the picture on the Financial Literacy variable, the largest outer loading value is found in indicator X1.4 which is equal to 0.811, and in the Lifestyle variable in indicator X2.4 which is equal to 0.780. Then the credit decision variable (Y), the largest outer loading value is found in the Y1.3 indicator which is equal to 0.839.

R TEST

R-Square test, R-Square value is the coefficient of determination in endogenous constructs. According to Chin (1998) in (Ghozali & Latan, 2015), that the R2 values are 0.67, 0.33 and 0.19 it can be concluded that the models are strong, moderate, and weak with this it can be said that the effect is moderate.



| Matrix | R Square | R Square Adjusted |
|------------|----------|-------------------|
| KEPUTUS... | 0.415 | 0.390 |

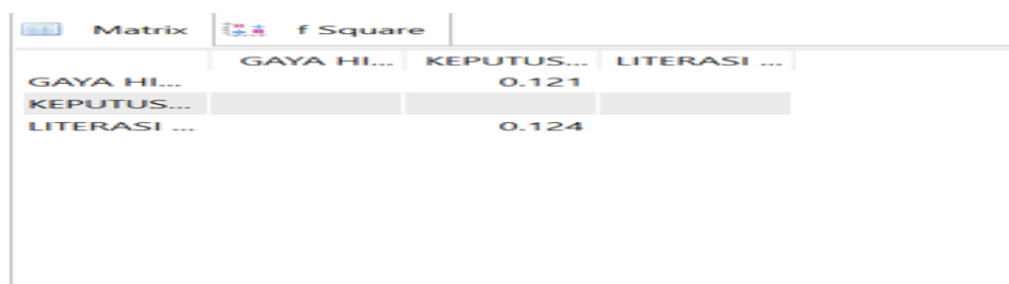
Source: Data processed by smartPLS, 2023

Figure 6: R-Square

From the picture above, it explains that the value has a significant influence on the financial literacy variable (X1) and Lifestyle (X2) with the indicator variable Credit Taking Decision (Y) of 0.415 (41%) while the adjusted R-Square is 0.390. This means that the financial literacy and lifestyle variables only affect the credit decision variable by 41%. The remaining 59% is influenced by other factors outside those studied.

F-SQUARE TEST

The definition of the F test in statistics is a statistical testing method used to compare several population averages simultaneously (simultaneously). Simply put, the F test is a technique for testing whether or not there is an influence between the independent variables on the dependent variable simultaneously. (Ghozali & Latan, 2015)



| Matrix | f Square |
|--------------|----------|
| GAYA HI... | 0.121 |
| LITERASI ... | 0.124 |

Source: Data processed by smartPLS, 2023

Figure 7: F-Square Test

The picture above explains that the F-Square values for Financial Literacy and Lifestyle are 0.121 and 0.124. This value illustrates that the two variables (X1) and (X2) have an influence on the credit decision variable (Y) of (X1) 0.124 and (X2) 0.121.

PATH COEFFICIENT TEST

Path Coefficient is used to show how strong the effect or influence of the independent variable is on the dependent variable. The results of the path coefficient in more detail can be seen in the image below.

Testing the proposed hypothesis is done by looking at the path coefficient which shows the parameter coefficient and the significant value of the t statistic. The significance of the estimated parameters can provide information about the relationship between research variables. The limit for rejecting and accepting the proposed hypothesis is using a profitability of 0.05. (Halik, Halik, et al., 2023)

Path Coefficients

| | Original ... | Sample ... | Standard ... | T Statistic... | P Values |
|--------------|--------------|------------|--------------|----------------|----------|
| GAYA HI... | 0.352 | 0.332 | 0.164 | 2.148 | 0.032 |
| LITERASI ... | 0.357 | 0.383 | 0.142 | 2.510 | 0.012 |

Source: Data processed by smartPLS, 2023

Figure 8: Path Coefficients

The picture above shows that the financial literacy variable (X1) and lifestyle variable (X2) have an effect on the debtor's loan decision variable. The X1 value is known to be 0.357 and the X2 value is 0.352, the T-statistics for the X1 variable is 2.510 and the X2 variable is 2.148 > T-table 1.676. So it is known that **the Financial Literacy variable (X1) and Lifestyle variable (X2) have an effect on the decision to take credit variable (Y).**

CONCLUSION

Based on the research results, it can be seen that the Financial Literacy Variable (X1) and Lifestyle Variable (X2) have an influence on the decision to take credit variable (Y). Which has a calculated T test value $X1 = 2.510$, and $X2 = 2.148 > t$ table 1.676 and a significance value $X1 = 0.012$ and $X2 = 0.32 > 0.05$. then the results of this study succeeded in proving that **"Financial Literacy Variables and Lifestyle variables have a positive effect on debtors' lending decisions"**

In this discussion it can be interpreted that financial literacy and lifestyle influence the decision to borrow debtors at PT. BPR Hasamitra Makassar. However, it can also be influenced by other factors. But in general, a person's lifestyle can be a major factor in making borrowing/ debtor decisions to meet needs or the economy.

Based on the research results, the following conclusions can be obtained:

1. The results of the hypothesis test show that financial literacy (X1) and lifestyle (X2) have an influence on the decision to take credit (Y) because the T value $X1 = 2.510$ and $X2 = 2.148 > t$ table 1.676.
2. Financial Literacy has an influence on debtors' lending decisions
3. Lifestyle has an influence on the debtor's lending decisions
4. Financial literacy and lifestyle have a simultaneous influence on the decision to take credit.

SUGGESTION

After doing research and doing calculations from the data collected, the authors suggest a number of things:

1. For debtors it is proven that financial literacy and lifestyle can influence borrowing (credit). Therefore, for debtors to pay more attention to how to manage finances wisely and pay more attention to what needs and what wants.
2. For PT. BPR Hasamitra Makassar to provide a clearer understanding of lending and ensure that customers or prospective debtors know what matters or policies before making a debtor. In addition, banks can also offer features to make it easier for customers to fulfill their lifestyle. For example, offering discounts to support consumer spending.

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