# The Effect of Financial Literacy and Financial Attitudes on Personal Financial Management of Overseas Students

**Azkira Taradiva Fadya Putri[1], Baiq Anggun Hilendri Lestari[2], Lalu Andika Noviawan[3]**
[1]azkirataradiva@gmail.com, [2]hilendri@unram.ac.id, [3]andika.n@staff.unram.ac.id
[12] Faculty of Economics and Business, University of Mataram

**Abstract:** This study aims to identify and analyze the effect of financial literacy and financial attitudes on the personal financial management of overseas students in Mataram. The population in this study were students of the Faculty of Economics and Business, University of Mataram, with sampling using the Lemeshow formula which resulted in 100 overseas students as respondents. Data were collected through questionnaires distributed online, which allowed the distribution of data to be more easily distributed and reached respondents widely. The analysis method used in this research is multiple regression analysis. The results of this study indicate that financial literacy has a positive and significant effect on the financial management of overseas students, and financial attitudes also have a positive and significant effect on their financial management skills.

**Keywords:** Financial Literacy; Financial Attitudes; Financial Management; Overseas Students.

## Introduction

Overseas students often face challenges balancing academic needs and living costs in a city far from home. The costs of rent, transportation, food, and other daily necessities are often higher than anticipated. Many overseas students have to adjust to a new lifestyle that may be more expensive than their hometown. In this digital age, the temptation to spend money on entertainment, technology and lifestyle also increases. In addition, the rise of online gambling among students further adds to the financial risks they face, with many students tempted to try their luck through online betting, which often ends in significant financial losses. Easy access to online gambling sites and aggressive promotions over the internet make students vulnerable to gambling practices that can drain their savings and cause serious financial problems. According to data from the Financial Transaction Reports and Analysis Center, aka PPATK, from 2017-2022, as many as 2.8 million Indonesians play online or slot gambling. As many as 2.2 million of them are people or citizens with low-income groups, and one of them is a student (Maulandy Rizki Bayu Kencana, 2023). Lack of financial literacy and experience in managing personal finances makes many overseas students vulnerable to financial problems such as debt from gambling and lack of emergency savings.



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Good financial management is essential to achieving financial stability and well-being. There are several key reasons why. By managing finances effectively, one can ensure that they have enough funds to meet their daily needs and deal with emergency situations. In addition, good financial management helps avoid uncontrollable debt by planning expenses and income wisely. Thus, financial education is crucial in improving people's understanding of financial aspects. (Trifena Shintike Rebeca Repi et al., 2021).

Based on information from the Financial Services Authority (OJK), students in Indonesia face various difficulties in managing their personal finances. The financial literacy rate in 2023 among students was only 47.56%, which is lower than the national average of 49.68%. This shows that many students need an understanding of the basics of financial managemen (Kompas, 2023). Financial management behaviour has become an important factor in improving life welfare. Financial management behaviour is the ability of individuals to play financial roles (planning, controlling, searching, and saving) in the long and short term. (Al Kholilah Rr Iramani, 2013). The application of appropriate financial management patterns should be supported by a good understanding of financial science and be applied in everyday life, in this case, especially for overseas students.

Personal financial management is one of the implementations of the concept of financial management at the individual level. This financial management includes financial planning, management and control activities that are very important to achieve financial well-being (Laily, n.d.). Financial literacy encompasses the knowledge, skills, attitudes, and behaviours needed to make wise financial decisions, which in turn help individuals achieve financial well-being (Diskhamarzaweny et al., 2022). Financial literacy has a close relationship with financial management, where the higher a person's level of financial literacy, the better their financial management. Several previous studies have examined how the influence of financial literacy on student financial management. In the research conducted by Luh et al. (2017), they argued that proper financial management must be supported by good financial literacy. Good financial management and an adequate understanding of financial literacy can significantly improve the quality of life. Likewise, the results of research from Rizky Anugrah (2018) explain that the higher a person's financial literacy and ability to implement various financial aspects, including basic knowledge of income, expenses, assets, debt, and risk, the wiser financial behaviour and more effective financial management will be. Research conducted by Ade Gunawan et al. (2020) explained that financial literacy does not affect student financial management.

Icek Ajzen's Theory of Planned Behavior explains that individual behavior is influenced by the intention to do so, which is influenced by attitudes towards behaviour, subjective norms, and perceived behavioral control. In line with this theory, financial literacy includes individual knowledge and skills in finance, aiming to improve financial management capabilities and prevent financial problems that can affect welfare (Rosa & Listiadi, 2020). Students with good financial literacy are expected to easily make financial decisions and apply this knowledge in personal financial management to become wiser in managing their finances.

Financial attitude is the application of financial principles to create and maintain value through making the right decisions and managing resources. (Rizky Anugrah, 2018). Students who always apply financial attitude in their lives will make it easier to manage their finances. This is the same as what has been explained in research conducted by Pradiningtyas & Lukiastuti (2019), which explains that the better a person's attitude towards money, the better their personal financial management. The financial attitude will help students determine their actions and behaviours related to finance, including financial management, personal budget planning, and individual decision-making regarding long-term savings. In addition, Amelia (2022) suggests that the better a person's attitude towards money, the better his financial management will be. This indicates that financial attitudes have a significant effect on financial management behaviour. In research, Rizky Anugrah (2018) also explains that someone with a better financial attitude tends to be wiser in making decisions related to financial management. Conversely, if someone does not have a good financial attitude, they will also have poor financial management behaviour. Meanwhile, research by Agus Dwi Cahya et al. (2021) explained that financial attitudes do not significantly affect financial management behaviour.

Based on previous studies and analyzed literature, several factors significantly impact personal financial management. However, previous studies focus on student financial management in general and rarely distinguish the specific conditions overseas students face. The novelty of this research lies in the object of research that is specialized in overseas students. So, this study aims to identify the effect of financial literacy and attitudes on personal financial management, specifically for overseas students.

According to Amanita Novi Yushita (2017), financial literacy plays an important role in helping a person plan finances, optimize the value of money, and increase profits, which can improve quality of life. In research, Ni Luh Putu Kristina Dewi et al. (2021) also found that financial literacy positively and significantly affects student financial management. Research conducted by Sucihati (2021) shows that financial literacy partially affects financial management. Good financial management needs to be supported by adequate financial literacy. Financial literacy is also related to positive financial behaviour. Good financial management and strong financial literacy are expected to improve the quality of life. This principle applies to all income levels. With good financial management, financial security will be easier regardless of income.

H1: Financial Literacy Positively Affects Personal Financial Management.

The Theory of Planned Behavior (TPB) is a theory developed by Icek Ajzen in the late 1980s; this theory seeks to explain how a person's attitude towards a behaviour, subjective norms, and perceived control over the behaviour can affect the intention to perform a certain behaviour, which in turn affects the implementation of the behaviour itself. According to Setyawan and Wulandari (2020) in Rohmatin Khoirunnisa (2021), Financial attitudes are individual assessments, mindsets, and views regarding various aspects of finance, which include not only personal financial management but also aspects of money security and money philosophy. The significant role of financial attitudes in shaping one's financial behaviour must be addressed. A person's financial attitudes influence their decisions and actions in various aspects of finance, including financial management, personal budgeting, and determining the type of investment chosen (Ristati et al., 2022).

Financial attitudes can influence personal financial management behaviour because financial attitudes reflect a person's mindset, opinions, and judgments about their finances. A positive financial attitude can motivate a person to make good financial decisions, while a negative financial attitude can influence a person to make bad financial decisions. The research by Sonny Christian & Hendra Wiyanto (2020) shows that financial attitudes positively affect personal financial planning. In addition, Ameliawati & Setiyani (2018) research results explain that financial attitudes positively influence financial management/management behaviour. In research, Rizky Anugrah (2018) and Eni Puji Estuti et al. (2021) also explained that financial attitudes have a positive and significant effect on financial management behaviour.

H2: Financial Attitudes Positively Affect Personal Financial Management.

## Literature Review

### *Theory of Planned Behavior*

This study adopts the Theory of Planned Behavior (TPB) developed by Ajzen (1991), one of the attitude theories widely applied in various behaviours. Adding the perceived control variable aims to identify individual limitations in carrying out a particular behaviour. Three main factors influence a person's behavioural intention within this TPB framework (Sonny Christian & Hendra Wiyanto, 2020):

1. Attitude toward behaviour:
   This factor is related to the combination of behavioural beliefs and outcome evaluations. It helps form a positive or negative assessment of behaviour. How a person perceives and evaluates the outcome of an action will affect their attitude towards the behaviour.
2. Subjective norm:
   Related to normative beliefs related to social references. This factor includes social pressure a person feels to follow or not follow a behaviour based on the surrounding social norms.
3. Perceived control:
   Associated with individuals' self-belief in being able to carry out a behaviour, provided they feel they can do so. This factor explores the extent to which individuals can control or carry out an action and what limitations they may face.

### *Personal Finance Management*

Howell (1993) in (Zahroh & Fatimatus, 2014) stated that personal financial management is considered a fundamental competency indispensable in modern society. Every daily consumer choice has a direct impact on one's financial security and standard of living. Unfortunately, problems in personal financial management are often taken lightly, so many people tend to learn about personal finance through trial and error.

Personal finance management is the art and science applied to manage an individual unit's resources (money) (Widiawati, n.d.). Thus, personal financial management includes knowledge of finance and the art of managing. Why is the art of managing something also important? Managing requires discipline and prioritization, which comes from self-control. Self-control will help you stick to management principles, namely efficiency and effectiveness. Efficiency means using financial resources optimally to achieve personal financial management goals. Meanwhile, effectiveness refers to managing personal finances towards the right goals (Amanita Novi Yushita, n.d.).

Gunawan et al. (2020) argued that managing finances requires careful planning to achieve short- and long-term goals. These goals can be realized through various methods, such as saving, investing, or allocating funds. By carrying out effective financial management, a person can avoid the behaviour of wanting uncontrollable things.

***Financial Literacy***

Danes and Hira (1987) and Chen and Volpe (1998) define financial literacy as the knowledge to manage finances. Meanwhile, The Presidents Advisory Council on Financial Literacy (PACFL, 2008) defines financial literacy as the ability to use knowledge and skills to manage financial resources to achieve prosperity. Financial literacy is a foundation that must be understood and mastered by every individual because it affects their financial condition and significantly impacts making good and appropriate economic decisions (Anggraeni, 2015).

Someone who has good and responsible financial literacy skills and knowledge can see money from a different perspective. They have the skills to control their financial condition without just following consumptive desires or trends of the times. The individual will know how to manage the money they have and be able to utilize it wisely according to their needs. (Nurul Safura Azizah, 2020).

Trifena Shintike Rebeca Repi et al. (2021) explains that financial literacy is a person's ability to process economic information obtained and make financial plans, as well as financial accumulation, retirement, and debt. The financial services authority (OJK) explains that increasing the level of financial literacy will give consumers or the public the ability to determine financial products and services that are in accordance with the needs and abilities that will help improve living standards and financial conditions to be better (financially being).

Financial literacy is a basic need for every individual to avoid financial problems. Financial difficulties can arise if there are mistakes in financial management (mismanagement). Financial literacy is the most crucial aspect of a prosperous life. With proper financial management, supported by a good understanding of financial literacy, people's standard of living is expected to improve. It is important to remember that even if one's income level is high, financial security will only be achievable with proper management (Amanita Novi Yushita, 2017).

### *Financial Attitude*

Attitude refers to a person's mental state and level of readiness, which is formed through experience and provides a dynamic or directional influence on individual responses to related objects and situations. (Eni Puji Estuti et al., n.d.). Financial attitudes include a person's views, opinions and assessments of financial situations. Financial attitudes are particularly related to the financial challenges faced by young people. The perspective on financial attitudes can be seen from the aspects of self-confidence, self-development, and security. (Herdjiono & Damanik, n.d.).

Financial attitudes can be explained as psychological tendencies that arise when evaluating recommended financial management practices, with varying degrees of agreement or disagreement. By having a good financial attitude, individuals can effectively manage their finances. Adopting a positive attitude towards financial management is necessary for an individual to generate a surplus of money that can be allocated for future savings and sufficient capital to invest (Eni Puji Estuti et al., n.d.).

## Methods

### *Sampling*

The type of data from this study is primary data. The population in this study included students and female students of the Faculty of Economics and Business, University of Mataram, who were migrating. The sample in this study consisted of 100 students and female students of the Faculty of Economics and Business, University of Mataram who were migrating from all generations. The sample was chosen to represent a wider population and accurately describe their conditions and experiences while migrating and studying in the city of Mataram. Sampling was calculated using the Lemeshow formula:

$$n = \frac{Z^2 \times P(1-P)}{d^2}$$

$$= \frac{1{,}962 \times 0{,}5(1-0{,}5)}{0{,}1^2}$$

$$= \frac{3{,}8416 \times 0{,}25}{0{,}01}$$

$$= 96{,}04$$

### *Data Collection*

The method used to collect data and information in this study is stratified random sampling, which involves distributing questionnaires. Stratified random sampling considers levels (strata) in population elements, which are divided into several groups (strata) based on their characteristics (Mochammad Arfani et al., 2019)

***Measurement***

The data analysis procedure in this study uses the analysis tool Multiple Linear Regression. There are several steps in data processing:

1. Validity Test and Reliability Test
2. Classical Assumption Test
3. Multiple Linear Regression Analysis

According to Drs. Ating Somantri & Sambas Ali Muhidin (2006) Multiple linear regression analysis is a tool to predict the value of the effect of two or more independent variables on one dependent variable (to prove whether there is a functional relationship or causal relationship between two or more independent variables on a dependent variable).

## Findings

***Validity Test***

A statement item is valid from its significance value; if the significance value is less than 0.05, the statement can be valid. Vice versa, if the significance value is more than 0.05, then the statement is said to be invalid. The complete validity test can be seen in the following table:

Financial Literacy

Table 1 shows that all instruments are valid statements to measure the financial literacy variables studied by the Faculty of Economics and Business, University of Mataram students. The results of validity testing in Table 1 are as follows:

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Table 1. **Validity Testing Results Financial Literacy (X1)**

| No. | Statement | Significance | Description |
|---|---|---|---|
| **1** | X1.1 | 0,010 | Valid |
| **2** | X1.2 | 0,000 | Valid |
| **3** | X1.3 | 0,000 | Valid |
| **4** | X1.4 | 0,000 | Valid |
| **5** | X1.5 | 0,000 | Valid |
| **6** | X1.6 | 0,000 | Valid |
| **7** | X1.7 | 0,000 | Valid |
| **8** | X1.8 | 0,000 | Valid |

*Source: Primary data processed, 2024*

Financial Attitude

Table 2 shows that all instruments are valid statements to measure the financial attitude variables studied in the Faculty of Economics and Business, University of Mataram students. The results of validity testing in Table 2 are as follows:.

Table 2. **Validity Testing Results Financial Attitude (X2)**

| No. | Statement | Significance | Description |
|---|---|---|---|
| **1** | X2.1 | 0,000 | Valid |
| **2** | X2.2 | 0,000 | Valid |
| **3** | X2.3 | 0,000 | Valid |
| **4** | X2.4 | 0,000 | Valid |
| **5** | X2.5 | 0,000 | Valid |
| **6** | X2.6 | 0,000 | Valid |
| **7** | X2.7 | 0,008 | Valid |
| **8** | X2.8 | 0,030 | Valid |

Personal Finance Management

Table 3 shows that all instruments are valid statements to measure the personal financial management variables studied by the Faculty of Economics and Business, University of Mataram students. The results of validity testing in table 3 are as follows:

Table 3. Validity Testing Results Personal Management (Y)

| No. | Statement | Significance | Description |
|---|---|---|---|
| **1** | Y1 | 0,000 | Valid |
| **2** | Y2 | 0,000 | Valid |
| **3** | Y3 | 0,000 | Valid |
| **4** | Y4 | 0,000 | Valid |
| **5** | Y5 | 0,000 | Valid |
| **6** | Y6 | 0,000 | Valid |
| **7** | Y7 | 0,008 | Valid |
| **8** | Y8 | 0,026 | Valid |

*Source: Primary data processed, 2024*

Reliability Test

A reliability test is a method for measuring the stability and consistency of respondents' answers to statement items related to the dimensions of a variable arranged in the form of a questionnaire. The tool used to measure this reliability is Cronbach alpha. A variable is considered reliable if the Cronbach alpha value reaches 0.60 or more. The results of the reliability test for each variable are summarized in table 4 below:

Table 4. **Reliability Testing Results**

| Variables | Cronbach's Alpha | Description |
|---|---|---|
| **Financial Literacy** | 0,878 | Reliable |
| **Financial Attitude** | 0,770 | Reliable |
| **Personal Finance Management** | 0,863 | Reliable |

*Source: Primary data processed, 2024*

The reliability test results show that all variables have met the established reliability criteria. Thus, each item in each variable concept is declared valid and can be used as a measuring instrument in research.

***Classical Assumption Test***
Normality Test

Table 5. **Normality Test Results One-Sample Kolmogorov-Smirnov Test**

| | | Unstandardized Residual |
|---|---|---|
| **N** | | 100 |
| **Normal Parameters** | Mean | 0,000000 |
| | Std. Deviation | 3,34702544 |
| **Most Extreme Differences** | Absolute | 0,046 |
| | Positive | 0,026 |
| | Negative | -0,046 |
| **Asymp Sig. (2-tailed)** | | 0,200 |
| a. Test distribution is Normal. | | |
| b. Calculated from data. | | |

*Source: SPSS 2024 Output*

In the normality test using the One-Sample Kolmogorov-Smirnov method, certain criteria must be met to determine whether the data is normally distributed by looking at the significance value (Asymp. Sig 2-tailed). If the significance value obtained is greater than 0.05, then the data is considered to fulfil the normality assumption, which is normally distributed. In the context of this study, the analysis results show that the significance value obtained is 0.200. Since this value is greater than the 0.05 threshold, it can be concluded that the research data is normally distributed.

Multicollinearity Test

The Multicollinearity test aims to check whether there is a correlation between the independent variables in the regression model. An ideal regression model should not show any correlation between the independent variables. It can be seen from the tolerance value and Variance Inflation Factor (VIF) to determine whether there is multicollinearity in the regression model. If the tolerance value > 0.10 and VIF < 10, it can be concluded that there is no multicollinearity in the regression model. The results of the multicollinearity test in this study can be seen in the following table.

Table 6. **Multicollinearity Test Results**

Coefficients[a]

| **Model** | | **Collinearity Statistics** | |
|---|---|---|---|
| | | **Tolerance** | **VIF** |
| **1** | (Constant) | | |
| | X1 | 0,531 | 1,883 |
| | X2 | 0,531 | 1,883 |

*Source: SPSS 2024 Output*

Based on these results, the table shows that the financial literacy (X1) and financial attitudes (X2) variables have a tolerance value of 0.531 > 0.10 and a VIF value of 1.883 < 10. These results indicate that the two variables, financial literacy and financial attitudes, do not have multicollinearity problems.

Heteroscedasticity Test

Heteroscedasticity is a condition in which there are differences in the variance of residuals for each observation in the regression model. The test to detect heteroscedasticity is carried out using the Glejser Test method. This test is done by regressing the independent variables on the absolute value of the residuals. The regression model does not show heteroscedasticity if the significance level is more than 0.05. The results of the heteroscedasticity test in this study can be seen in the following table:

Table 7. **Heteroscedasticity Test Results Coefficients[a]**

| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig** |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| **1** | (Constant) | 2,81 | 1,246 | | 2,254 | 0,026 |
| | X1 | -0,07 | 0,061 | -0,158 | -1,144 | 0,256 |
| | X2 | 0,059 | 0,062 | 0,132 | 0,953 | 0,343 |

*Source: SPSS 2024 Output*

Based on the Glejser test results, the significance value of the financial literacy variable (X1) is 0.256, and the financial attitude variable (X2) is 0.343. Because both values are greater than 0.05, there is no heteroscedasticity.

**Multiple Linear Regression Analysis**

Determination Coefficient Test

Table 8. **Determination Coefficient Test Results Model Summary**

| **Model** | **R** | **R Square** | **Adjusted R Square** | **Std. Error of the Estimate** |
|---|---|---|---|---|
| 1 | 0,676[a] | 0,457 | 0,446 | 3,381 |

Predictors: (Constant), Financial Attitude (X2), Financial Literacy (X1)
*Source: SPSS 2024 Output*

Based on these results, the coefficient of determination expressed with Adjusted R'Square is 0.446, or 44.6%. This means that 44.6% of variations in personal financial management can be explained by financial literacy and attitudes. Other variables outside this research model explain the remaining 55.4%.

F Test (Simultaneous Test)

Table 9. **Simultaneous F Test Result**
**ANOVA[a]**

| **Model** | | **Sum of Square** | **df** | **Mean Square** | **F** | **Sig** |
|---|---|---|---|---|---|---|
| 1 | Regression | 932,905 | 2 | 466,452 | 40,797 | 0,000[b] |
| | Residual | 1109,055 | 97 | 11,434 | | |
| | Total | 2041,96 | 99 | | | |
| a. Dependent Variable: Personal Financial Management (Y) | | | | | | |
| b. Predictors: (Constant), Financial Attitude (X2), Financial Literacy (X1) | | | | | | |

Source: Output SPSS 2024

Based on these results, the significant value is 0.000 or less than 0.05, so it can be concluded that financial literacy and attitudes simultaneously (together) significantly affect personal financial management variables.

T-Test (Partial Test)

Table 10. **Partial T-Test Result**
**Coefficients[a]**

| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig** |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5,53 | 2,079 | | 2,66 | 0,009 |
| | Financial Literacy (X1) | 0,337 | 0,101 | 0,341 | 3,323 | 0,001 |
| | Financial Attitude (X2) | 0,396 | 0,103 | 0,395 | 3,846 | 0,000 |
| a. Dependent Variable: Personal Financial Management (Y) | | | | | | |

Source: SPSS 2024 Output

**The Effect of Financial Literacy on Personal Financial Management**

Based on the results of data processing presented in Table 10, the regression coefficient X1 is 0.337, which states that each addition of one level of financial literacy will increase the number of students' personal financial management levels by 0.34%. Moreover, the significance value is 0.001 at the α = 5% significance level. Then, the regression coefficient is declared significant because 0.001 <0.05. It can be concluded that the independent variable, namely financial literacy, significantly affects personal financial management as the dependent variable.

**The Effect of Financial Attitudes on Personal Financial Management**

Based on the data processing results presented in Table 10, the regression coefficient X2 is 0.396 with a positive value, which states that adding one level of financial attitude will increase the number of students' personal financial management levels by 0.40%. Moreover, the significance value is 0.000 at the α = 5% significance level. Then, the regression coefficient is declared significant because 0.000 <0.05. It can be concluded that the independent variable, namely financial attitudes, significantly affects personal financial management as the dependent variable.

**The Effect of Financial Literacy on Personal Financial Management of Overseas Students**

Based on the Coefficients output, the significance value is obtained as 0.001<0.05, and the regression coefficient is 0.337 and has a positive value, which means that Financial Literacy (X1) has a positive and significant effect on Personal Financial Management (Y). Hypothesis one in this study, Financial Literacy Affects Personal Financial Management, can be stated as H1 being accepted. This indicates that the higher the student's understanding of financial concepts, the more likely students are to be able to manage their finances wisely. Conversely, the lower one's basic knowledge of finance, the worse and less effective the behaviour in managing finances will be. With good financial literacy, students can understand the financial consequences of risky behaviour, such as online gambling, in managing their finances. This financial literacy will also increase awareness of distinguishing between useful and harmful expenses.

With good financial literacy, overseas students can manage their finances better and form a wise mindset in making financial decisions. Financial literacy not only serves as knowledge on managing a budget but also deepens the understanding of the long-term consequences of every financial decision. Students who understand financial literacy will be more sensitive to financial risks, such as consumptive debt or the temptation to engage in risky behaviours like online gambling. They can distinguish between essential needs and momentary desires, making them more prudent in spending money.

As overseas students who often live away from their families and have to manage their finances independently, financial literacy becomes even more important. They have to deal with challenges such as fluctuations in income, such as late deliveries from parents or unstable income from part-time jobs. In addition, a new environment with a more consumptive lifestyle can add pressure to follow spending habits that are not in line with financial capabilities. In this case, financial literacy helps overseas students manage their funds wisely and teaches self-control in the face of consumptive temptations.

Students with good financial literacy are also more aware of the risks of getting into debt. They understand the implications of using credit cards or loans, such as interest rates and possibly getting into long-term debt. They are more critical in considering financial decisions, budgeting and prioritizing long-term needs, such as education costs and daily necessities. The emotional stress or social isolation overseas students may experience, which often leads to impulsive behaviours such as shopping or gambling, can also be minimized through strong financial literacy. With this knowledge, they can manage these pressures rationally and avoid risky financial decisions.

In line with the Theory of Planned Behaviour, a person's actions are determined by intentions that are influenced by attitudes towards behaviour, social norms, and perceptions of control over behaviour. In the context of financial literacy, students' attitudes towards personal financial management are influenced by their knowledge and understanding of finance. The higher the financial literacy, the more positive their attitude towards the importance of good financial management, which in turn affects the intention to manage finances properly. In addition, students' perception of their ability to manage finances, which is influenced by financial literacy, also affects financial management behaviour. They will be more confident in effectively controlling and planning their finances if they have sufficient knowledge.

This aligns with research conducted (Amanita Novi Yushita, 2017) and (Ni Luh Putu Kristina Dewi et al., 2021) which concluded that financial literacy positively and significantly impacts student financial management. Financial literacy is important in helping individuals plan finances, maximize the value of money, and increase profits, ultimately improving quality of life. In addition, research (Dwi Putra et al., n.d.) also explained that financial literacy positively and significantly affects Financial Management in college students.

**The Effect of Financial Attitudes on Personal Financial Management of Overseas Students**

Based on the Coefficients output, the significance value is 0.000<0.05, and the regression coefficient is 0.396 and has a positive value, which means that Financial Attitude (X2) has a positive and significant effect on Personal Financial Management (Y). The second hypothesis in this study, namely, Financial Attitudes Have a Positive and Significant Effect on Personal Financial Management, so it can be stated that H2 is accepted. This shows that someone with a good financial attitude tends to be wiser in making decisions regarding their financial management. Conversely, if someone does not have a good financial attitude, their financial management behaviour tends to be less good.

A good financial attitude is not only related to effective financial management but also forms a consistent financial mindset and behaviour, especially for overseas students. Overseas students with a good financial attitude tend to have clear financial priorities, such as saving for living expenses and emergency needs. They are more disciplined in following the budget made. This attitude also makes them wiser in making financial decisions, considering the long-term impact of every financial choice, such as avoiding consumptive spending or risky activities such as online gambling.

In addition, a good financial attitude encourages overseas students to be disciplined in paying bills on time and setting aside money for the future, which helps create healthy financial habits. Students with a good financial attitude are also stronger in resisting the temptation for impulsive spending, especially in the face of social pressure in a new environment. This attitude creates a greater sense of financial responsibility, so they are more careful in managing their money, as they are fully aware of the consequences of every decision.

Good financial attitudes also positively impact psychological well-being, as students feel calmer and more confident in facing financial challenges. This, in turn, reduces the stress and anxiety that often arise from financial uncertainty. Conversely, poor financial attitudes can lead to disorderly financial behaviour, increase the risk of overspending, and ultimately compromise overseas students' financial and psychological well-being.

Financial attitudes are also in line with the theory of planned behaviour, which states that one's actions are determined by attitudes toward behaviour. Attitudes toward behaviour play an important role in shaping a person's intention to take action. Students with a positive attitude toward personal financial management, such as viewing the importance of planning and controlling spending, are more likely to manage their finances well. This attitude reflects their view of the long-term benefits that result from prudent financial management.

This research aligns with (Rizky Anugrah, 2018) and (Eni Puji Estuti et al., 2021), explaining that financial attitudes positively and significantly affect financial management behaviour. A positive financial attitude can encourage a person to make wise financial decisions, while a negative one can encourage individuals to make inappropriate financial decisions.. In addition, in research conducted by (Ameliawati & Setiyani, 2018), explains that there is a positive influence of financial attitudes on financial management behaviour.

## Conclusion

The study's results conclude that financial literacy and attitudes significantly influence students' personal financial management, especially for overseas students.

1. Good financial literacy allows students to be wiser in managing finances, avoid consumptive behaviour, and understand financial risks.
2. A positive financial attitude also encourages more responsible decision-making, with discipline in following a budget, avoiding consumptive temptations, and prioritizing essential spending.

These two variables are interconnected and important in helping students achieve financial stability and psychological well-being, especially in a challenging environment such as overseas life.

This study has several limitations. First, the data collected only came from one particular region, so the study's results may be generalizable to only some overseas students in various regions. Second, this study relies on self-reports from respondents who may be biased or inaccurate in describing their financial management conditions. Third, this study did not explore other factors affecting students' financial management, such as social environment, peer pressure, or local cultural influences.

Future research is recommended to expand the scope of respondents by involving overseas students from various regions and socio-economic backgrounds to get a more comprehensive picture. In addition, in-depth research on external factors that influence financial management, such as social pressure and media influence, is also needed to enrich the analysis. Future research can also explore special education or training programs on financial literacy and financial attitudes for overseas students to make them more skilled in managing their finances.

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