

ANALYSIS OF THE SAVING BEHAVIOR TOWARDS MANADO YOUNG GENERATION*ANALISIS PERILAKU MENABUNG TERHADAP GENERASI MUDA
MANADO*

By:

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Abstract: This study aims to identify the Behavior of Manado Young Generation when they do the saving in their formative days. The current study used a qualitative method to determine what elements motivate the Manado City Generation to save. The research study's sample consist of 18 participants of Manado's Young Generation, aged 19 to 26, who have been participating in saving activities for nearly a year. The finding of the research using the interview approach yielded four variables that influence the saving interest of Manado City's Young Generation. Family involvement, peer influence, self-control and financial literacy all have an impact on their desire to participates in activities. According to the findings, self-control had the greatest evident impact on the Manado City Young Generation's decision to engage in saving activities. These studies might be excellent references for those interested in growing personal savings, as well as a body of knowledge and practical implication

Keywords: *saving behavior, savings, family involvement, peer influence, self-control, financial literacy*

Abstrak: Penelitian ini bertujuan untuk mengidentifikasi perilaku generasi muda Manado saat mereka menabung di masa-masa pembentukannya. Penelitian kali ini menggunakan metode kualitatif untuk mengetahui elemen apa saja yang memotivasi generasi muda Kota Manado untuk menabung. Sampel penelitian ini terdiri dari 18 peserta generasi muda Manado berusia 19-26 tahun yang telah melakukan kegiatan menabung selama hampir satu tahun. Temuan penelitian dengan pendekatan wawancara menghasilkan empat variabel yang mempengaruhi minat menabung generasi muda Kota Manado. Keterlibatan keluarga, pengaruh teman sebaya, pengendalian diri, dan literasi keuangan semuanya berdampak pada keinginan mereka untuk berpartisipasi dalam kegiatan ini. Berdasarkan temuan tersebut, pengendalian diri memiliki dampak paling nyata terhadap keputusan generasi muda Kota Manado untuk melakukan kegiatan menabung. Studi-studi ini mungkin menjadi referensi yang sangat baik bagi mereka yang tertarik untuk menumbuhkan tabungan pribadi, serta kumpulan pengetahuan dan implikasi praktis

Kata kunci: *perilaku menabung, menabung, pengaruh keluarga, pengaruh teman sebaya, kontrol diri, melek finansial*

INTRODUCTION**Research Background**

One of the indicators used to measure success and development in a country is the economic growth of that country. Economic growth is an important factor in the growth and development of a country to achieve a define goal. It can even be said that the economic growth of a country can shows the level of welfare and prosperity of a country

Developing countries finance investment by intensifying savings mobilization efforts from various sources, both domestic and foreign. According to Sutarno (2006), Domestic sources are in fact less vulnerable to

global economic fluctuation than foreign sources. Indonesia as a developing country, has a goal for national development to have not just and prosperous society that is evenly distributed both materially and spiritually based on Pancasila and Undang-Undang 1945 that focuses on economic development without neglecting other fields.

Based on data from the economic report of North Sulawesi Province February 2022 by bank Indonesia, the economic and banking indicators in the saving sectors experienced a significant increase with the increase in the number of people asking for or starting their intention to carry out activities to save stated that the interest in saving for the people of North Sulawesi had begun to increase from previous time. The influence of the younger generation on several process activities carried out by bank Indonesia is large. Because of the role of generation 4.0, which play a significant role its long-term viability, interest and traditions that have existed for a long time must continue to be carried out. Sirine and Utami (2016) analyze that financial literacy and parental socialization had a positive and significant effect on saving behavior and peers had no significant effect on student saving behavior. With regards to saving behavior, the need for saving for each individual's is different due to different mindsets in financial knowledge, behavior, social community, saving motivates, and income.

In order to represent the gap between individual behavior, financial knowledge, social environment, saving motivates, and income, it is necessary to understand how the Manado city generation actually tries to achieve their savings goals. Based on this context, this study was carried out to discover Manado's young generation's saving behavior.

Research Objective

The purpose of this research is to analyze the saving behavior of young generation in Manado.

THEORITICAL FRAMEWORK

Financial Management

According to Musthafa (2017:3), Financial Management explain several decision that must be made, namely investment decision, funding decisions or decisions to fulfill funding needs and dividend policy decisions.

Saving Behavior

Kasmir (2019) defined that savings is all behavior intentionally based on desire that are generated when someone consciously choose one of the alternative action available. Saving behavior is a positive attitude that includes self-restraint and honesty

Financial Literacy

Financial literacy, according to OJK, is knowledge, expertise and belief that influence human behavior as a form of improving the quality of financial management and decision making so as to achieve a prosperous life. Financial literacy is important for educating individuals about money. Understanding finance include being able to manage money, pay off debt, comprehend interest rates, insurance, retirement savings, taxes, and financial goods such as credit and loans.

Self-Control

Baumeister (2002) defined self-control as the ability to identify and regulate one's emotions and desires. It is characterized by the exertion of will, self-discipline, and ability to delay gratification.

Family Involvement

Webly and Nyhus (2006) states that economic socialization (discussing financial matters with parents) would have an impact on children's future orientation.

Peer Influence

Duflo and Saez (2001) indicate that people with similar preferences tend to belong to the same group, thus creating a correlation between group and individual behavior. They conclude that peer effect play an important role in retirement savings decision of university employees in the United States.

Bank

Abdurrachman (2014:6) states that Bank is a type of financial institution that performs various kind of services, such providing loans, circulating currency, supervising currency, acting as a place for storing valuable object, financing the business of companies.

Previous Research

Ismail et al. (2019) investigates about the determinants of saving behavior among government servants. The study focused on financial knowledge, financial self-efficacy, financial attitude and financial management practice in relation of saving behavior. The respondent were government servant in Kuala Lumpur, Malaysia. Convenience sampling was used for this study 150 questionnaire was design in two sections, one consisting of demographic information and the second relating to the selection determinants of saving behavior. Result indicates that financial self-efficacy becomes the important factors that influences the saving behavior. Financial self-efficacy is the best predictor as most of government servant are managed to make progress towards financial goals. These findings could be useful references for related organization as well as body of knowledge and practical implication that are interested in developing personal saving in a context of avoiding from bankruptcy.

Laksito (2021) The purpose of this community service is to help SD Baiturrahman Tasikmalaya City, in implementing a frugal lifestyle and likes to save. The socialization of the love of saving is a form of community service, with the aim of helping elementary school students to increase their understanding of the importance of saving from an early age to SD Baiturrahman Tasikmalaya city. Saving in various prespectives is highly recommended because the habit of living extravagantly will only leave difficulties in the future, in accordance with the motto of saving money on a rich base. This method of community service activity begins with the preparation stages and field survey. The result of this study are to provide knowledge of participants who are SD Baiturrahman Tasikmalaya city, where previously they were less enthusiastic in saving and getting used to living extravagantly. After participating in the socialization activity for liking to save, students are able to distinguish between necessities and wants, learn how to treat two items and can apply saving behavior from an early age.

Cheung et al. (2021) The purpose of this research is to rationally understand how a student spends his/her money without proper budgeting. There are countless ways on how to budget money; it is basically depends on the person. For instance, most students usually rely on their parents since they cannot provide their own needs. Therefore, the researchers want to know the most effective way on how to budget money and know the hindrances that they usually encounter in saving. The design is a case study of qualitative research with narrative analysis. In particular, the researchers had an in-depth interview with 15 students from the College of Business and Accountancy. As a result, the researchers found that students who are in a romantic relationship tend to spend their money to buy unnecessary things for their partner. Moreover, economic inflation affects students' budgeting because of the rising cost of living, foods, and transportation. Furthermore, the students tend to spend their allowances only for necessities and set aside the things they want in which is important for their financial stability. The students spend their money with their own methods of saving. Some of them indicated that to spend their money effectively, they should learn how to prioritize their needs than on their wants as a student. In addition to that, the students are spending less on their foods to budget their expenses because other than spending their money on foods, they also spend on transportation and educational fees. To sum up, the participants have proper knowledge about budgeting.

Conceptual Framework



Figure 1. Conceptual Framework

Data Processed (2022)

RESEARCH METHOD**Research Approach**

This research used a Qualitative Method approach. Cresswell, (1994, 1-2) defines Qualitative research as an inquiry process of understanding a social or human problem based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.

Population and Sample

The population that are used in this research are the Manado young generation who doing the saving activity. The Purposive and Snowball sampling have used in this research. According to Margono (2004:126), Sampling technique is a way to determine the number of samples in accordance with the sample size that will be used as the actual data sources, taking into account the characteristics and distribution of the population in order to obtain a representative sample.

Data Collection Method

Sources of data used in this study are Primary data and Secondary data.

Operational Definition and Indicator of Research Variable

Table1. Operational definition and indicator of Research variable.

Variable	Definition	Indicators
Saving Behavior	Saving behavior is defined as an understanding on how people save in a country in order to realize the economic condition of that country. It is normal facts that if people are saving more, the levels of their personal disposable income are increasing as well.	<ul style="list-style-type: none"> - Peer Influence - Family Involvement - Self-Control - Financial Literacy

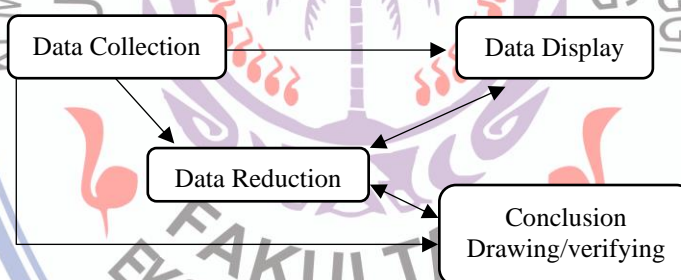
Data Analysis Method

Figure 2. Data Analysis Method
Sources: Miles and Huberman (1992)

RESULT AND DISCUSSION**Result**

In this study, there were 18 respondents with different educational and educational backgrounds. The respondent in question is the Young Generation of Manado City, which has been carrying out activities for approximately 1 year.

Table 2. Coding Categorization

Indicators	Description	Informants
Peer Influence	There is Peer Influence in the decision of Young Generation when they do save activity.	I1, I14, I15
	There is no Peer Influence in the decision of Young Generation when they do save activity.	I2, I3, I4, I5, I6, I7, I8, I9, I10, I11, I12, I13, I16, I17, I18

Family Involvement	There is a family influence in the decision to save Young Generation Manado City.	I4, I5, I7, I8, I11, I14, I15, I16, I17, I18
	There is no a family influence in the decision to save Young Generation Manado City.	I1, I2, I3, I6, I9, I10, I12, I13
Self-Control	The decision to save by the Manado Young Generation is influenced by self-control.	I1, I2, I3, I4, I5, I6, I9, I10, I11, I13, I14, I15, I16, I17, I18
	The decision to save by the Manado Young Generation is not influenced by self-control.	I7, I8, I12
Financial Literacy	The Manado Young Generation's financial literacy (financial management) raises their desire to save.	I1, I3, I5, I6, I11, I13, I14, I16, I17, I18
	The Manado Young Generation's understanding of Financial Literacy (financial control) has had little impact on their desire to save.	I2, I4, I7, I8, I9, I10, I12, I15

Discussion

Based on the results of the interviews that have been carried out, it shows that 3 of the 4 indicators which is Family Involvement, Self-Control and Financial Literacy were used in this study have a stronger impact on the decision of a young generation in Manado City to do saving activities. The four indicators used in this study have their respective meanings and meanings. Each respondent gave his/her own reason why up to the 4 indicators that were asked of them had an influence or not on their decision to save as a young generation at this time. From the results that can be captured, the motivation of the younger generation to save is to meet the needs of those who are classified as quite high spenders. Their needs, such as things they want or social needs to be able to socialize with peers at their young age, one of the statements that the informant shows when doing the Interview that social media platform also give an impact to their decision doing savings. One of the reasons could be that they want to emulate the lifestyles of these celebrities.

Peer Influence and Saving behavior

Dangol and Maharjan (2018) analyze that the Parental and Peer Influence on the Saving Behavior of the Youth reveals that there is significant relationship between peer influence and saving behavior. Similarly, there is significant relationship between parental financial teaching and saving behavior. Independence, control, habit formation, encouraging saving are mechanisms that influences saving behavior. Through the responses given by informants 1, 14, and 15, it shows that in fact, peers can also influence the decision of a younger generation to save, although 78% of interviewees of the Manado City Young Generation said that their friends did not have an impact on their decision to save. but it turns out that there is 22% of data showing that a friend also influences the saving decisions of a younger generation in Manado City. So it can be said that the role of friends is not only as a friend when it is difficult and happy, a friend can also have an influence on someone's decision to save, because there are several characteristics of friends that can be the basis for us to do something.

Family Involvement and Saving behavior

Dangol and Maharjan (2018) indicate that parent's encouragement to save highly affects the saving behavior. Therefore, receiving financial teaching from parents ensures sound saving behavior. Based on the data and answers from the informants about whether there is a family influence in their decision as Manado Young Generation to carry out saving activities, it can be concluded that the influence of people does exist or is detected for their decision to save activities, plus very rational reasons given by the informants to support the answers agreed or yes to the questions given to them.

Self-control and Saving behavior

According to Khoirunnissa and Johan (2020:5), Self-control was associated positively with financial behavior. The answers accompanied by the reasons given by the informants showed that the level of self-control of the younger generation in Manado City was included in the high group for reasonable reasons as well. Their personal sensitivity will determine which one is needed and which one is the desire to become their benchmark for carrying out saving activities, which can be said to be very difficult to do when juxtaposed or accompanied by self-control. So, through the results of interview discussions conducted with several people from the younger

generation of Manado City, it shows that self-control can have an influence on the decision of a young generation in Manado, North Sulawesi, to carry out saving activities in their bright youth.

Financial Literacy and Saving Behavior

Piris (2021) Indicates that the knowledge of the financial system leads to good saving behavior. In the results of interviews that have been conducted, as many as 61% of the younger generation of Manado City agree that financial literacy also influences their decisions to save. They can better manage their finances because they understand how to control their finances and control their expenses. Moreover, as one of the techniques conveyed by informant number 13, "Is the amount of money that will be spent per day sufficient or insufficient? The expenditure must be in line with the available funds." By sharing finances like this, informant number 13 makes it easier for informant number 13 to carry out saving activities. But in it there are still 8 informants who find it difficult to understand the application of financial literacy in their lives, which makes it difficult for them to control themselves, control their finances, and also the expenses they incur in their lives.

CONCLUSION AND RECCOMENDATION

Conclusion

The current study is attempting to determine what variables influence a Young Generation in the city of Manado to engage in saving activities. The following are the findings reached based on the interview data and the results of the discussion:

1. Based on the findings, it is clear that three elements play a significant impact when the Manado Young Generation engages in saving activities. Factors such as family involvement, self-control, and financial literacy impact the decision of a young generation in Manado city to begin saving activities.
2. According to the findings of the conversations, the Manado Young Generation is interested in saving activities not only in piggy banks or banks, but also in Mutual Fund Applications such as the Bibit Application.
3. Based on the results of the interviews and discussions, it can be concluded that Self-Control plays the most prominent role because the Manado City Young Generation has the behavior of wanting to buy goods that become their desires, so it can be concluded that Self-Control has a large influence on a Manado City Young Generation to save.
4. It turns out that through the use of social media, the soul of a younger generation in Manado City is willing to do savings activities.

Recommendations

1. Based on the results obtained, the younger generation of Manado City should be able to control their finances by expanding their knowledge of financial literacy. Solid knowledge of financial literacy can help in sustaining interest in saving for the younger generation of Manado City.
2. Researchers hope to do further research on saving behavior towards the younger generation in Manado city. Because there must be additional factors that can cause their interest in saving even higher. It is also possible to conduct the research with different sample criteria, through both qualitative and quantitative approach

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