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Influence Literacy Finance And Management The Impact of Finance on Consumptive Behavior in Adolescents

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Abstract: This study examines the influence of financial literacy and financial management on consumer behavior in adolescents. This study uses a literature review method with a descriptive qualitative approach and library research methods. The results show that good financial literacy can help adolescents make wiser financial decisions, avoid impulsive purchases, and manage expenses carefully. Adolescents with low financial literacy are more likely to be trapped in consumer behavior influenced by advertising or pressure. Social. Teenagers who are trained in financial management can distinguish between needs and wants and avoid overspending. Although literacy and financial management finance play role main, factors external like media social And Advertisements also influence adolescents' consumption decisions. Therefore, effective financial literacy and management education in schools and families are essential to equip them. teenager with skills in management finance Which wise, as well as increase their awareness of external influences in financial decision-making. This study emphasizes the important role of education in reducing consumer behavior among teenagers.

Keyword: Literacy Finance, Management Finance, Behavior Consumptive, Teenager.

INTRODUCTION

The rapid development of digital technology over the past decade has had a significant impact on people's lifestyles, including those of the younger generation. Easy access to information, products, and digital financial services, such as digital wallets (e-wallets) and online shopping systems, has driven increased consumption among adolescents. This phenomenon raises concerns about the rise in consumer behavior, namely the tendency for individuals to consume goods and services excessively without considering long-term needs or benefits.

Consumptive behavior in adolescents is often triggered by various internal and external factors, such as social influences, peer pressure, social media trends, and a lack of understanding of wise financial management. In this context, financial literacy plays a crucial role as the primary foundation for developing rational financial attitudes and behaviors. Financial literacy encompasses the ability to understand basic financial concepts, such as saving, investing, and spending, as well as understanding the risks and rewards involved in financial decision-making.

Several studies have shown that financial literacy levels among Indonesian youth remain relatively low. A 2022 survey by the Financial Services Authority (OJK) showed that index financial literacy Indonesian society only reached 49.68%, and this figure is estimated to be even lower among teenagers. This lack of understanding makes teenagers vulnerable to impulsive shopping behavior, particularly through digital platforms that offer easy transactions and interest-free installment plans.

In addition to financial literacy, financial management also plays a crucial role in shaping adolescent consumer behavior. Financial management encompasses an individual's ability to effectively plan, organize, manage, and evaluate their finances. Teenagers which has good financial management skills tend to be better able to control their spending, allocate money for essential needs, and avoid consumer debt. Research shows that improving financial literacy in adolescents can reduce their tendency to consume (Anggraeni and Yuniati, 2023). A similar finding was found in Dewi and Widyastuti's (2023) research, which stated that self-control and financial understanding significantly determine the level of consumerism among college students who use e-money.

However, financial literacy alone does not always guarantee that consumer behavior can be reduced. The role of rationality and self-control as intermediary variables between financial literacy and consumer behavior is crucial (Rahayu and Hadiyanto, 2023). This study found that high financial literacy needs to be supported by a rational attitude in decision-making to effectively reduce consumer behavior.

On In adolescents, the process of developing financial attitudes and behaviors is strongly influenced by the family environment and education. Salsabila and Muflikhati (2024) studied high school students in Bekasi and found that family financial socialization and the practice of financial management at home influenced consumer behavior. This suggests that an educational approach from an early age is crucial for establishing a strong foundation of financial literacy and management.

Although numerous studies have addressed the topic of financial literacy or consumer behavior separately, studies that simultaneously examine the influence of financial literacy and financial management on adolescent consumer behavior are still limited, particularly at the high school level. Adolescence is a critical phase in character and habit formation, including financial decision-making. Therefore, this study aims to analyze the influence of financial literacy and financial management on adolescent consumer behavior. By understanding the relationship between these three variables, it is hoped that the results of this study can contribute to the development of more effective financial education strategies, both in schools and families.

METHOD

The method of writing this article is a Literature Review which uses a descriptive qualitative approach and library research study method, with data sources coming from various online academic platforms such as Google Scholar, Mendeley, and similar applications. other. In approach qualitative, use study library must in harmony with the principles methodological, which means done in a way inductive so that No limit The direction of the questions asked by the researcher. One of the main reasons for choosing a qualitative method is because of its exploratory nature (Ali & Limakrisna, 2013).

RESULTS AND DISCUSSION

Based on the review conducted literature, there are several findings related to the influence of financial literacy and financial management on consumer behavior in adolescents:

The Influence of Financial Literacy on Consumer Behavior

Financial literacy is the ability to read, interpret and analyze, manage money, and communicate about personal financial conditions that can affect well-being, self-calculation and development, evaluation and taking action. Which produced from process This For develop in world finance Which complex (Shaari et.al, 2013). Financial literacy is an important life skill for every individual to have in order to live a long-term life. Literacy also includes various abilities and knowledge about financial management that help a person in using money effectively to improve their quality of life (Baptista, 2021; Fauzia & Nurdin, 2019). The higher a person's level of financial literacy, the better their financial management (Ridhayani & Johan, 2020).

Financial literacy also refers to an individual's ability to understand and manage aspects finance personal, including management Money, planning budgeting, savings, and investment. Increasing financial literacy is believed to have a significant impact on financial decision-making, including controlling consumer behavior. Adolescents, who are in the transition to adulthood, often have more financial freedom, either through pocket money from parents or income from part-time work. This is in line with research by Pulungan & Febriaty (2018), which states that financial literacy has a negative effect on consumer behavior. This means that the higher a person's financial literacy, the lower their consumer behavior. Therefore, their level of financial literacy plays a significant role in maintaining their consumer behavior.

Research shows that teenagers with low levels of financial literacy tend to be more impulsive in their spending, spending money on items they don't need. This is due to their lack of understanding of basic concepts like budgeting, saving, and debt management. According to Lusardi and Mitchell (2014), individuals with literacy finance Which Better own a tendency to make wiser decisions regarding consumption and debt management. This also applies to teenagers, who, with a good understanding of finances, are better able to avoid excessive, consumptive spending.

One common phenomenon among teenagers is impulsive buying, influenced by advertising or social pressure. Teenagers who lack sufficient financial literacy often... times trapped in a consumption-driven trap by External factors, such as the desire to follow trends or gain social recognition. Research by Hidayat and Ahmad (2020) found that low financial literacy among adolescents can exacerbate their consumer behavior, as they do not fully understand the long-term consequences of overspending. Conversely, adolescents with good financial literacy are more likely to manage their spending carefully, choosing to save or invest rather than buy unnecessary items.

In addition, good financial literacy also enables teenagers to have financial planning. finance Which riper. With understanding draft budget, they will be better able to determine spending priorities and avoid impulsive spending. Syamsuddin (2023) in his research show that teenagers who have been trained to manage their finances from an early age tend to exhibit more controlled consumer behavior because they have a clear understanding of the importance of wise money management. In this context, financial literacy education in schools and families is key to developing healthy financial mindsets and habits in adolescents.

However, while financial literacy can play a significant role in reducing consumer behavior, external factors such as social pressure and advertising also play a significant role in influencing adolescents' consumption decisions and developing wise money management habits. Many teenagers today are easily influenced by trends, social media, and the urge to follow their peers' lifestyles, which often leads to unplanned spending. A lack of understanding of basic financial concepts such as saving, budgeting, and distinguishing between needs and wants makes adolescents vulnerable to overspending.

By increasing financial literacy, teenagers are expected to be able to make more rational financial decisions, control consumer impulses, and build healthy financial habits from an early age. Therefore, increasing financial literacy This needs to be accompanied by greater awareness of the influence of media and advertising, as well as the importance of developing personal values in financial management. In this regard, the role of parents, educators, and the social environment is crucial in strengthening adolescents' ability to make wiser financial decisions.

Influence Management Finance to Behavior Consumptive

Financial management is the ability to plan, manage, and monitor the use of money so that in accordance with long-term financial goals are short and long term. In the context of teenagers, good financial management can help them Avoiding consumer behavior, which is often driven by impulsive habits and external influences such as social media or advertising. Research shows that adolescents with good financial management skills tend to avoid overspending and focus more on wiser financial management, including saving and investing. Dube and Hitsch (2015) explain that good budget management can reduce reliance on consumption and lead to healthier money management.

Financial management has a significant impact on life and creates future financial well-being because it ensures well-organized finances, ensuring a well-directed flow of income and expenses. Those unfamiliar with financial management will struggle to control uncontrolled spending (Rosa & Listiadi, 2020). For adolescents, one of the biggest challenges is controlling spending. Teenagers often tend to buy things impulsively, influenced by the desire to follow trends or gain social recognition. In this regard, financial management skills are crucial for avoiding uncontrolled consumer behavior. Syamsuddin (2023) emphasized that adolescents who are taught to create a monthly budget and manage their pocket money wisely are less likely to engage in impulsive buying because they are already accustomed to a structured planning and allocation process. By understanding how to manage money, adolescents will be better able to prioritize their spending and avoid unnecessary purchases.

Effective financial management also relates to the ability to distinguish between needs and wants. Teenagers with good managerial skills can easily distinguish items they truly need for daily life from those simply based on whims or temporary trends. In this regard, financial management education in families and schools is crucial. Lusardi and Mitchell (2014) argue that teenagers who are trained to plan their finances carefully, such as creating a budget, are better able to avoid unnecessary purchases.

Overall, good financial management can have a positive impact on reducing consumer behavior in adolescents. With strong skills in budget planning and management, adolescents are better able to manage their spending and avoid detrimental impulsive habits. The importance of financial management education in schools and families is crucial to equip adolescents with skills that can help them manage money wisely throughout their lives.

Therefore, financial management for adolescents is a crucial aspect that needs to be addressed from an early age, considering that adolescence is a period of habit and character formation, including in terms of money management. Amidst technological advancements and consumerist lifestyles, many adolescents lack a good understanding of how to manage expenses, save, or distinguish between needs and wants. The lack of financial education in the family and school environment also contributes to adolescents' low awareness of the importance of financial planning. Therefore, a joint effort from various parties is needed to equip teenagers with basic knowledge and skills in financial management so that they can make wise and responsible financial decisions in the future.

CONCLUSION

Based on the results and discussion presented, it can be concluded that financial literacy and financial management have a significant influence on consumer behavior in adolescents. Financial literacy, which includes the ability to understand and manage aspects of personal finance, such as money management, budget planning, savings, and investment, plays a crucial role in helping adolescents make wise financial decisions. Adolescents with a high level of financial literacy high tend to be more careful in managing their expenses and are better able to avoid behavior consumptive Which impulsive. On the contrary, teenagers with literacy finance those with low incomes are more prone to overspending, especially those influenced by external factors such as advertising or social pressure.

Furthermore, sound financial management plays a crucial role in reducing consumer behavior in adolescents. Teenagers who are skilled at planning and managing their budgets are more likely to distinguish between needs and wants, allowing them to manage their spending more wisely. Effective financial management also helps adolescents avoid impulsive spending and raises their awareness of the importance of saving and investing.

However, while financial literacy and management can help reduce consumer behavior, external factors such as social pressure and media influence also need to be considered. Therefore, effective financial literacy and management education in schools and families, as well as awareness of the influence of media and advertising, are crucial to equip adolescents with the skills necessary to make wiser financial decisions. Therefore, a combination of financial literacy education, sound financial management, and social environmental influences can be key to reducing consumer behavior in adolescents. The conclusion should relate to the title and answer the research formulation or objectives. Do not make statements that are not adequately supported by your findings. List improvements made to the field of industrial engineering or science in general. Do not introduce further discussion, repeat the abstract, or simply list the research findings. Do not use bullet points; use paragraph sentences instead.

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