

Analysis of Factors Influencing Saving Behavior among the Millennial Generation in Surabaya with Saving Intention as a Mediating Variable

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Abstract

This study was conducted on the phenomenon of low saving behavior among Indonesian society, particularly among the millennial generation. Given the importance of saving for personal financial management and its contribution to the country's economic growth, improving saving behavior is crucial. The aim of this research was to comprehensively analyze the factors influencing saving behavior with the presence of saving intention among millennial communities in Surabaya. Using purposive sampling, data was collected from 230 respondents aged 26 to 41 in the millennial population in Surabaya, through online questionnaires. The study employed a conclusive causal approach and the Structural Equation Modeling (SEM) analysis technique using AMOS software version 24. The findings revealed that peer influence, attitude, financial literacy, and subjective norms significantly positively influence saving behavior. However, the self-control variable showed no significant impact on saving behavior. The research also demonstrated that several variables influence saving behavior through saving intention. Peer influence showed no significant impact on saving intention, while self-control, attitude, financial literacy, and subjective norms reinforced individuals' intention to save. This study provides insights for the millennial generation, the government through financial authorities, and financial institutions to understand the determinants of saving behavior in society.

Keyword: Saving Behavior, Saving Intention, Peers Influence, Self Control, Attitude, Financial Literacy, Subjective Norms.

Introduction

Saving is one of the many ways to manage finances, with the definition of saving highlighted as an effort to meet future needs (Hapidah, 2017). Furthermore, the significance

of savings in determining a nation's level of prosperity and economic well-being is emphasized, referencing Rustow (1970) concept that high savings levels contribute to strong economic growth through investments. Promoting a good saving behavior and attitude towards money from home and early childhood is the heart of a success of any monetary policy to be carried out by relevant authoritative bodies (Ilyana et al., 2023). Data from the Financial Inclusion Index (Findex) released by the World Bank reveals the low ownership of bank accounts in Indonesia, with the Financial Services Authority indicating a low savings culture. The savings-to-gross domestic product (GDP) ratio in Indonesia is also noted to be lower compared to neighboring countries like Singapore, the Philippines, and China (HP Sekuritas, 2019).

Saving behavior is rooted in individual desires, requiring goals and planning to achieve financial objectives (Hapidah, 2017). The importance of saving behavior for Indonesia's economic development is emphasized, underscoring the role of millennials as a key component of the demographic dividend. Census data shows the significant contribution of millennials to the growth of the Creative Economy sector's Gross Domestic Product (GDP). Although Indonesian millennials set aside around 10.7% of their regular income as savings, HSBC research indicates a trend of starting to save for retirement (IDN TIMES, 2019).

The level of financial literacy in Indonesia, especially in East Java, is highlighted through the results of the National Survey on Financial Literacy and Inclusion (SNLIK), indicating an increase in financial literacy (Otoritas Jasa Keuangan, 2022; Kominfo Jatim, 2022). In this context, Surabaya City also records an increase in the Regional Gross Domestic Product (PDRB) and financial literacy, which can have a positive impact on economic growth (BPS Kota Surabaya, 2020; Ferdi et al., 2022). The percentage of millennials in Surabaya City's total population reaches 25.04%, reflecting the dominance of a generation actively participating in the economy (Jawa Pos, 2021).

The behavior of saving needs to be instilled in every individual. Previous research has examined saving behavior and associated it with various factors and specific variables that can influence the saving behavior of the Surabaya City community. These factors are used as independent variables in this study, including self-control, financial literacy, peer influence, attitude, and subjective norms, with saving intention as a mediating variable.

Saving behavior is often linked to peer influence, where a group of individuals with similar preferences or from similar groups influence each other's saving behavior (Jamal et al., 2016). This is related to research indicating that peer influence plays a crucial role in the decision-making process of retirement savings among students in Malaysia. However, this statement contradicts a study suggesting that individuals with high financial literacy are less influenced by peer influence in saving behavior (Cuandra & Desianti, 2022).

Another variable is self-control, which pertains to an individual's ability to control spending behavior. It depends on the balance between needs and wants. Good self-control, including budget planning and economic assessment, increases the likelihood of engaging in saving behavior (Ariffin et al., 2017). Cuandra & Desianti (2022) found that self-control influences student saving behavior in Batam. Conversely, Qaiser et al. (2020) discovered that self-control doesn't directly affect saving behavior.

Attitude, another variable, is influenced by norms taught by figures such as teachers, parents, and friends (Ajzen, 1991). These interactions shape an individual's personality and diverse perspectives on financial management. This is supported by studies like Satsios & Hadjidakis (2018), but it contradicts Qaiser et al. (2020), who found no direct influence of attitude on saving behavior in the service sector in Pakistan.

Financial literacy has been found to impact saving behavior among high school students in Semarang (Chalimah et al., 2019). However, Saber (2022) discovered that financial literacy doesn't influence saving behavior among SME employees in Saudi Arabia.

Subjective norms, derived from the environment, also play a strong role in an individual's attitude toward saving behavior (Azlan et al., 2015). Subjective norms from influences like teachers, parents, friends, and family can shape an individual's perspective on financial management. This aligns with Satsios & Hadjidakis (2018), but differs from Widjaja et al. (2020).

Lastly, saving intention reflects an individual's readiness to engage in saving behavior (Cucinelli et al., 2016). Studies like Magendans et al. (2017) found that stronger saving intentions increase the likelihood of influencing saving behavior. This study uses saving intention as a mediating variable to observe its mediating effects on peer influence, self-control, attitude, financial literacy, and subjective norms on saving behavior.

In conclusion, this study focuses on understanding the relationships between various factors, such as peer influence, self-control, attitude, financial literacy, and subjective norms, and their impact on saving behavior. The role of saving intention as a mediating variable is also explored to better comprehend the mechanisms underlying individuals' saving behavior in Surabaya City.

Literature Review

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is an extension of the Theory of Reasoned Action (TRA) that provides scientific evidence of intention in performing actions. TPB consists of three main concepts: attitude toward behavior, subjective norm, and perceived behavioral control. Attitude toward behavior reflects an individual's positive or negative evaluation of that behavior. Subjective norm encompasses the perceived social pressure to perform or not perform a behavior, originating from parents, partners, friends, and colleagues. Perceived behavioral control is related to an individual's perception of their ability to perform the behavior, considering past experiences and anticipated obstacles. This perception is used to predict an individual's intention to engage in a specific action. Ajzen (1991) also added perceived behavior control as a third factor in TPB, which transforms TRA into TPB. The use of the Theory of Planned Behavior (TPB) in this study is based on its influence on the attitude and subjective norms variables, which are variables of interest in this research.

Saving Behavior

Saving behavior in an economic context has diverse meanings and is influenced by numerous factors. Research indicates that saving behavior is influenced by understanding of temptations or enticements, as well as the impact of current investments on future opportunities. There are two factors that influence individuals in saving behavior: internal factors (perceptions, learning, motivation, attitudes, etc.) and external factors (culture, demographics, reference groups, etc.). The seriousness of saving behavior also varies, ranging from saving only when there is surplus money to consistently and actively setting aside funds. Saving behavior is crucial for long-term economic growth, both for individual households and for national infrastructure development and investment. Indicators of the saving behavior variable encompass perceptions of future needs, saving decisions, and frugal actions (Wärneryd, 1999).

Peer Influence

Peer influence is the effect that arises in individuals, compelling them to alter their attitudes, values, or behaviors to align with the group or individual that is exerting influence. This influence can be either positive or negative, and it directly impacts an individual's savings and financial decisions. Peer influence can occur when individuals share similar choices or preferences with their group and are inclined to be influenced in their saving behavior. Indicators of the peer influence variable encompass regular saving habits, financial management, income and expenditure comparisons, leisure time availability, and routine expenditures (Amilia et al., 2018).

Self-Control

Self-control, also known as self-regulation, is an individual's ability to manage behavior and emotions in a way that leads to positive outcomes (Marwati, 2018). Self-control is influenced by the conflicting forces of desire and willpower. An individual's capability to manage budgets and assess economic costs contributes to a higher likelihood of saving (Ariffin et al., 2017). In financial management, self-control encourages individuals to engage in saving and reduce impulsive spending (Otto et al., 2007). Indicators of the self-control variable, as identified in Marwati's (2018) study, encompass the ability to control behavior, stimulus control, anticipation of events or occurrences, interpretation of events or occurrences, and decision-making abilities.

Attitude

Attitude toward saving is influenced by norms taught by various subjects such as parents, friends, and teachers (Ajzen, 1991). According to Brandstätter (2005), an individual's personality affects their attitude toward saving. Someone who lacks proper retirement planning tends to spend their money on consumptive desires. Ability of self-restraint against money in each individual to be the beginning of the formation of attitudes to be more careful and not shuffling before making financial expenditure decisions (Prihartono & Asandimitra, 2018). Attitude indicators include favorable attitude and unfavorable attitude. Widyastuti et al. (2016).

Financial Literacy

Financial literacy is the ability of individuals to manage financial resources such as investments, insurance, budgets, and savings. This skill assists individuals in making effective financial decisions. The level of financial literacy an individual possesses impacts how they manage and approach saving behavior. Individuals with low financial literacy tend to lack the intention to save, which can eventually lead to financial problems in the future. However, according to (Asandimitra et al., 2021) financial literacy encourages the weak effect of perceived behavioral control on saving intentions because perceived behavioral control is more related to perceived ease of saving. Indicators of the financial literacy variable include general knowledge of personal finance, savings and borrowing, insurance, and investments (Chen & Volpe, 2019).

Subjective Norms

In the Theory of Planned Behavior by Ajzen (1991) and Widyastuti et al. (2016), subjective norms play a role in predicting behavioral intentions. Subjective norms are formed by normative beliefs and the motivation to comply. Normative beliefs are an individual's

perception of how important others expect them to behave in a given situation. In the context of saving, subjective norms involve social pressures that influence an individual's intention to save. Another study by Widyastuti et al. (2016) demonstrates that subjective norms have a positive and significant impact on the intention to save. Indicators of the subjective norms variable, according to Ajzen (1991), consist of normative beliefs and motivation to comply.

Saving Intention

Saving intention, reflecting an individual's readiness to save (Cucinelli et al., 2016), has been shown in studies such as Magendans et al. (2017) to have a substantial impact on saving behavior—the stronger the intention to save, the greater its influence on actual saving behavior. Individuals' clear understanding of the benefits and methods of saving tends to encourage them to plan their savings (Ru et al., 2018). Individuals with a strong saving intention are expected to encounter fewer obstacles in saving and enhance their saving behavior (Magendans et al., 2017). Research by Qaiser et al. (2020) reveals a connection between financial literacy and high saving intention and behavior. Saving intention indicators, as per Widyastuti et al. (2016), encompass three dimensions: saving for specific goals, saving to manage risks, and barriers to saving.

Research Hypotheses

Based on the theory and previous research findings, the following hypotheses are proposed:

- H1. It is hypothesized that peer influence significantly affects the saving behavior of millennials in Surabaya.
- H2. It is hypothesized that self-control significantly affects the saving behavior of millennials in Surabaya.
- H3. It is hypothesized that attitude significantly affects the saving behavior of millennials in Surabaya.
- H4. It is hypothesized that financial literacy significantly affects the saving behavior of millennials in Surabaya.
- H5. It is hypothesized that subjective norms significantly affect the saving behavior of millennials in Surabaya.
- H6. Through saving intention as a mediating variable, it is hypothesized that peer influence significantly affects the saving behavior of millennials in Surabaya.
- H7. Through saving intention as a mediating variable, it is hypothesized that self-control significantly affects the saving behavior of millennials in Surabaya.
- H8. Through saving intention as a mediating variable, it is hypothesized that attitude significantly affects the saving behavior of millennials in Surabaya.
- H9. Through saving intention as a mediating variable, it is hypothesized that financial literacy significantly affects the saving behavior of millennials in Surabaya.
- H10. Through saving intention as a mediating variable, it is hypothesized that subjective norms significantly affect the saving behavior of millennials in Surabaya.

Research Methods

In this study, the researcher aims to investigate the cause-and-effect relationships between variables, thus a causal research design is employed. Quantitative data is utilized for this study. The target population consists of millennials in Surabaya. The sample size comprises 230 respondents, with specific criteria: residing in Surabaya, aged between 26 to

41 years, and possessing a savings account. Given the researcher's interest in examining a population with specific criteria, a purposive sampling technique is utilized. A questionnaire is employed to collect primary data. To enhance efficiency and ensure data distribution, the questionnaire is administered online. The collected and verified data is processed using AMOS version 23, and the Sobel calculator is also employed to determine the mediation effects.

Result

Respondent Characteristics

The 230 selected respondents for this study constitute the millennial population of Surabaya, born between 1981 and 1996, aged between 26 and 41 years, and possessing savings accounts. Based on gender, both male and female respondents participated, with 136 males representing 59% of the sample and 94 females comprising 41% of the sample. Data was collected from the millennial age group of 26 to 41 years, with the highest percentage falling within the 26-30 age range. Of these, 84.4% were married, while 15.6% were unmarried. Concerning occupation, 133 respondents (58%) worked as private sector employees, 56 respondents (26%) were self-employed, and 41 respondents (18%) were civil servants. In terms of highest education level, the majority of respondents were university graduates (S1), with 125 respondents (54.3%), followed by 87 respondents (37.9%) with a high school diploma, 11 respondents (4.8%) with a diploma, and 7 respondents (3%) with a master's degree (S2). Regarding domicile, most respondents resided in South Surabaya, totaling 83 respondents (36.1%), followed by 74 respondents (32.1%) in Central Surabaya, 42 respondents (18.3%) in East Surabaya, 19 respondents (8.3%) in West Surabaya, and 12 respondents (5.2%) in North Surabaya. In terms of monthly income groups, the majority of respondents had incomes ranging from 7 to 10 million Indonesian rupiahs per month, totaling 83 respondents (36.1%), followed by 69 respondents (30%) with incomes above 10 million rupiahs per month, 46 respondents (20%) with incomes ranging from 4.5 to 7 million rupiahs per month, 24 respondents (10.4%) with incomes ranging from 3 to 4.5 million rupiahs per month, and 8 respondents (3.5%) with incomes below 3 million rupiahs per month.

The results of the descriptive analysis of the respondents will be presented for each research variable based on the Three-box Method criteria, including three interpretations: high, moderate, and low. The descriptive analysis results reveal that the saving behavior variable falls into the high category, peer influence is in the moderate category, self-control is in the high category, attitude is in the high category, financial literacy is in the high category, subjective norms are in the high category, and intention is in the high category.

Construct Validity and Reliability Testing

The construct validity in this study yields estimation values exceeding 0.50. Consequently, the indicators within the peer influence, self-control, attitude, financial literacy, subjective norms, saving intention, and saving behavior variables can be utilized as measurement tools in this research. Meanwhile, construct reliability indicates that each variable demonstrates reliability values surpassing the range of 0.6-0.7. Therefore, it can be concluded that each variable can be deemed reliable.

Goodness of Fit

The purpose of Goodness of Fit is to assess the adequacy of the research model. Several criteria of the Fit Test can be observed in table 1.

Table 1.
Goodness of Fit Index

| Indeks Goodness of fit | Cut-off Value | Hasil | Keterangan |
|---------------------------------|------------------|---------|-----------------|
| <i>Chi-square</i> | Diharapkan kecil | 298,193 | <i>Good fit</i> |
| <i>Significance Probability</i> | ≥ 0.05 | 0,990 | <i>Good fit</i> |
| CMIN/DF | ≤ 2.00 | 0,835 | <i>Good fit</i> |
| GFI | ≥ 0.90 | 0,924 | <i>Good fit</i> |
| AGFI | ≥ 0.90 | 0,901 | <i>Good fit</i> |
| CFI | ≥ 0.95 | 1,000 | <i>Good fit</i> |
| TLI | ≥ 0.95 | 1,017 | <i>Good fit</i> |
| RMSEA | ≤ 0.08 | 0,000 | <i>Good fit</i> |

The modified Goodness of Fit results can be seen in table 1. Overall, it can be stated that the research model meets all eight criteria and yields favorable results. This indicates that the model is in good condition and can proceed to hypothesis testing.

Hypothesis Testing Result

Table 2.

Hypothesis Testing

| Hypothesis | Estimate | S.E. | C.R. | P | Label |
|-------------|----------|------|-------|------|--------|
| H1 SB ←- PI | ,129 | ,040 | 3,224 | ,001 | par_34 |
| H2 SB ←- SC | ,068 | ,055 | 1,227 | ,220 | par_33 |
| H3 SB ←- AT | ,200 | ,059 | 3,421 | *** | par_32 |
| H4 SB ←- FL | ,123 | ,061 | 2,014 | ,044 | par_31 |
| H5 SB ←- SN | ,362 | ,096 | 3,766 | *** | par_30 |

Table 3.

Sobel Test

| Hypothesis | Path | Sobel Test | | Result |
|------------|----------|------------|---------|-------------|
| | | t-Stat | P-value | |
| H6 | PI→SI→SB | -3,030 | ,002 | Not Mediate |
| H7 | SC→SI→SB | 2,122 | ,034 | Mediate |
| H8 | AT→SI→SB | 2,197 | ,028 | Mediate |
| H9 | FL→SI→SB | 3,476 | ,000 | Mediate |
| H10 | SN→SI→SB | 2,494 | ,012 | Mediate |

In hypothesis testing, there are general criteria used to accept or reject hypotheses. If the p-value from the hypothesis test is greater than 0.05, then the null hypothesis (H0) is accepted, and the alternative hypothesis (H1) is rejected. Conversely, if the p-value is less than 0.05, then the null hypothesis (H0) is rejected, and the alternative hypothesis (H1) is accepted. Additionally, in the Sobel test, if the significance probability (p-value) is 0.001 ($P \leq 0.05$), it indicates that there is a mediating effect between the tested variables. In other words, the mediator plays a role in connecting the influence between the independent and dependent variables.

From the table 2 and table 3 above, it can be observed that H1 is accepted, as Peer Influence (PI) affects Saving Behavior (SB), with a p-value of 0.001 and a positive estimated coefficient of 0.129. However, H6 is rejected, as Saving Intention (SI) does not mediate between PI and SB (p-value 0.002, negative coefficient -3.030). H2 is rejected, as Self-Control (SC) does not affect SB, with a p-value of 0.220. However, H7 is accepted, as SI mediates between SC and SB (p-value 0.034, positive coefficient 2.122). H3 is accepted, as Attitude (AT) affects SB, with a p-value of 0.000 and a positive estimated coefficient of 0.200. Moreover, H8 is accepted, as SI mediates between AT and SB (p-value 0.028, positive coefficient 2.197). H4 is accepted, as Financial Literacy (FL) affects SB, with a p-value of 0.044 < 0.05 and a positive estimated coefficient of 0.123. H9 is accepted, as SI also mediates between FL and SB (p-value 0.000, positive coefficient 3.476). H5 is accepted, as Subjective Norms (SN) affect SB, with a p-value of 0.000 < 0.05 and a positive estimated coefficient of 0.362. H10 is accepted, as SI also functions as a mediator between SN and SB (p-value 0.012, positive coefficient 3.476).

Coefficient of Determination

The magnitude of the coefficient of determination for each variable, saving intention (Z), and saving behavior (Y), is indicated by the Squared Multiple Correlation values of 0.533 for the saving intention (Z) variable and 0.672 for the saving behavior (Y) variable. This means that 67.2% of the variance in saving behavior (Y) can be explained by the variables peer influence, self-control, attitude, financial literacy, subjective norms, and saving intention, while the remaining 32.8% is attributed to other variables influencing saving behavior.

The Influence of Peer Influence on Saving Behavior

The results of the hypothesis testing indicate that H1 is accepted, indicating that peer influence has an impact on saving behavior. This finding reveals that a high level of peer influence contributes to more active saving behavior. The results of descriptive analysis show a moderate index value for the peer influence variable, indicating that millennials in Surabaya tend to moderately follow peer influences. In the context of saving behavior, individuals with moderate peer influence are inclined to pay attention to and consider the financial actions of their peers. They are inspired to adopt similar behaviors while still making decisions based on their personal considerations, values, and goals. Despite financial limitations, they can assess personal situations and needs when determining their saving patterns. The findings of this study align with previous research by Dangol & Maharjan (2018), Qaiser et al. (2020), and Alshebami & Seraj (2021) that support the positive influence of peer influence on saving behavior.

The Influence of Self-Control on Saving Behavior

The results of the hypothesis testing indicate that H2 is rejected, indicating that self-control does not have a significant impact on saving behavior. Descriptive analysis results show a high index value for the self-control variable, indicating a high level of self-control among millennials in Surabaya. In the context of the Theory of Planned Behavior, self-control refers to the ability to manage impulses and refrain from actions that do not align with long-term goals, such as saving. However, in individuals who are employed and possess high levels of self-control like the respondents in this study, factors such as sufficient income and good financial awareness can influence the impact of self-control on saving behavior. They may have the flexibility to save without relying heavily on active self-control and have developed consistent saving behavior habits and strategies. This finding aligns with the research of Qaiser et al. (2020) and Alshebami & Seraj (2021), which also concluded that self-control does not have a significant impact on saving behavior.

The Influence of Attitude on Saving Behavior

The results of the hypothesis testing indicate that H3 is accepted, showing that attitude has an impact on saving behavior. This finding reveals that the higher an individual's attitude towards saving, the higher the level of saving behavior they exhibit. Descriptive analysis shows a high index value for the attitude variable, indicating that millennials in Surabaya have a positive attitude towards saving. In the framework of the Theory of Planned Behavior, attitude towards a behavior significantly influences an individual's inclination to engage in that behavior. Individuals with a strong attitude towards saving tend to hold strong financial values, consider saving important, and understand the long-term benefits of this action. Awareness of these benefits motivates them to actively engage in saving behavior. This finding is consistent with research by Satsios & Hadjidakis (2018), Widjaja et al. (2020), and Saber (2022), all of which also conclude that the attitude variable has a positive impact on saving behavior.

The Influence of Financial Literacy on Saving Behavior

The results of the hypothesis testing indicate that H4 is accepted, which states that financial literacy has an impact on saving behavior. The high level of financial literacy among millennials in Surabaya, as indicated by the high index value in the descriptive analysis, contributes to an increase in their saving behavior. Individuals with high financial literacy have a better understanding of financial concepts, including the importance of saving. They also possess adequate knowledge in managing finances, including investments, debt management, and long-term planning. This understanding motivates them to actively engage in saving behavior. Awareness of the long-term benefits of saving is also supported by financial literacy, helping individuals connect the act of saving with future financial stability and achieving financial goals. This finding is consistent with various previous studies, such as Chalimah et al. (2019), Cuandra & Desianti (2022), Suryanti et al. (2021), Claudia et al. (2022), Widyastuti et al. (2016), Qaiser et al. (2020), Afsar et al. (2018), Widyastuti et al. (2020), and Widjaja et al. (2020), all of which also confirm the positive impact of financial literacy on saving behavior.

The Influence of Subjective Norms on Saving Behavior

The results of the hypothesis testing indicate that H5 is accepted, indicating that subjective norms influence saving behavior. This finding illustrates that the higher

an individual's level of subjective norms, the greater the impact on their saving behavior. The high index value in the descriptive analysis of the subjective norms variable, signifies a high level of subjective norms among millennials in Surabaya. In the context of saving behavior, subjective norms can provide guidance and social pressure that influence an individual's decisions and actions related to saving. Individuals with high subjective norms regarding saving behavior tend to feel the importance of adhering to social expectations and norms related to saving, either due to social pressure or the desire to maintain positive relationships with important people in their lives. If someone holds high subjective norms related to saving behavior, they believe that their family, friends, or colleagues expect them to take the action of saving. This result supports findings in other research, such as Satsios & Hadjidakis (2018) and Qaiser et al. (2020), which also state that subjective norms influence saving behavior.

The Influence of Peer Influence on Saving Behavior through Saving Intention

The results of the Sobel mediation test indicate that saving intention can't mediate the relationship between peer influence and saving behavior. This finding supports the acceptance of hypothesis H6 in this research, which states that saving intention plays a role in mediating the influence of peer influence on saving behavior. Weak peer influence can impact aspects such as attitudes, beliefs, and motivation related to saving intention. If the influence from peers is low, it can reduce an individual's motivation to save money, potentially prompting them to spend money unwisely or follow a consumerist lifestyle. In this context, saving intention becomes a crucial factor that connects the influence of peers to the behavior of saving money. Even with low peer influence, individuals with strong saving intentions maintain the motivation and determination to engage in saving behavior. Therefore, understanding the influence of peers and maintaining a strong saving intention becomes essential for individuals to achieve their financial goals.

The Influence of Self-Control on Saving Behavior through Saving Intention

The results of the Sobel mediation test to examine the influence of self-control on saving behavior through saving intention show that the variable saving intention can mediate the relationship between self-control and saving behavior. The Sobel test results indicate that hypothesis H7 in this research is accepted, which means that saving intention can mediate the influence of self-control on saving behavior. If self-control strongly influences saving behavior through saving intention, it implies that a high level of self-control can impact the increase in saving intention, which, in turn, motivates individuals to engage in better saving behavior. In this context, self-control can affect saving behavior through saving intention, where individuals with high levels of self-control will have a strong intention to save money and achieve their financial goals. Thus, a high level of self-control can reinforce an individual's intention to save money, which ultimately affects their actual behavior in consistently practicing saving behavior. The findings of this research are supported by Qaiser et al. (2020), who stated that self-control has an influence on saving behavior through saving intention.

The Influence of Attitude on Saving Behavior through Saving Intention

The results of the Sobel mediation test indicate that saving intention can mediate the relationship between attitude and saving behavior. The Sobel test results show that hypothesis H8 in this research is accepted, demonstrating that saving intention can mediate

the influence of attitude on saving behavior. Attitude influences saving behavior through saving intention, where a positive attitude towards saving money can impact the increase in saving intention, which, in turn, motivates individuals to engage in better saving behavior. In this context, attitude refers to an individual's evaluation of saving money and their perception of the importance of practicing saving behavior. With a strong saving intention, individuals are more likely to be committed to consistently practicing saving behavior, allocating a portion of their income to be saved and avoiding impulsive expenditures. From these findings, it is important for individuals to have a positive attitude towards saving behavior as it can influence their intention to save money and ultimately enhance their saving behavior. This study is consistent with Qaiser et al. (2020), who stated that through saving intention, attitude has an impact on saving behavior.

The Influence of Financial Literacy on Saving Behavior through Saving Intention

The results of the study using the Sobel test to examine the impact of financial literacy on saving behavior through saving intention indicate that saving intention can mediate the relationship between financial literacy and saving behavior. The Sobel test results show that hypothesis H9 in this research is accepted, revealing that saving intention can mediate the influence of financial literacy on saving behavior. If financial literacy strongly influences saving behavior through saving intention, it means that a high level of financial literacy can impact the increase in saving intention, which, in turn, motivates individuals to engage in better saving behavior. Financial literacy refers to the knowledge and understanding of financial concepts, including personal financial management, investments, debt management, and more. When individuals have a high level of financial literacy, they have better knowledge to manage their finances effectively. Financial literacy can influence the increase in individual saving intention by understanding the benefits and importance of saving money, as well as having the knowledge of how to do it effectively. With a strong saving intention, individuals are more likely to take tangible actions in saving behavior. Financial literacy plays a crucial role in helping individuals develop better saving behavior habits and make wise decisions in managing and achieving their financial goals. This study is consistent with research by Qaiser et al. (2020), Peiris (2021), and Widjaja et al. (2020) that demonstrate that through saving intention, financial literacy impacts saving behavior.

The Influence of Subjective Norms on Saving Behavior through Saving Intention

The results of the study using the Sobel test to examine the impact of subjective norms on saving behavior through saving intention indicate that saving intention can mediate the relationship between subjective norms and saving behavior. The Sobel test results show that hypothesis H10 in this research is accepted, revealing that saving intention can mediate the influence of subjective norms on saving behavior. If subjective norms strongly influence saving behavior through saving intention, it means that the prevailing social norms around individuals can impact the increase in saving intention, which, in turn, motivates individuals to engage in better saving behavior. Subjective norms can influence the increase in individual saving intention by feeling social pressure or common views that support the importance of saving money. With a strong saving intention, individuals are more likely to take tangible actions in saving behavior. Support and recognition from the social environment also motivate individuals to maintain their intention to engage in saving behavior and take real

actions to save money. In this context, subjective norms play a crucial role in helping individuals develop better saving behavior habits through their influence on saving intention. The results of this study are consistent with the research of Satsios & Hadjidakis (2018) and Kaiser et al. (2020), which indicate that through saving intention, subjective norms influence saving behavior.

Conclusion

The findings of this study reveal that the variables of peer influence, attitude, financial literacy, and subjective norms have an impact on individuals' saving behavior and saving intention. Peer influence affects saving behavior by encouraging individuals to imitate peers while still considering personal considerations. A positive attitude towards saving motivates individuals to actively engage in saving behavior. Financial literacy helps individuals understand the importance of saving and effective ways to do so. Subjective norms influence individuals' intention to save due to social pressure and existing norms. However, the variable of self-control has a less significant impact on saving behavior, possibly because factors such as income and financial awareness also play a crucial role in saving behavior. The study findings lead to several recommendations. Firstly, millennials should improve their financial knowledge through online resources and courses to understand the significance of saving and effective financial management. Secondly, the government and financial authorities could collaborate with educational institutions to offer financial education programs for younger individuals, aiding their future financial management. Thirdly, financial institutions should enhance transparency in sharing information about products, aiding consumers in making informed choices. Lastly, future research should delve into additional factors affecting saving behavior, like perceptions of the future, parental influence, saving motives, and income.

Contribution of the Study

This research makes a valuable contribution to both theoretical and practical realms. Theoretical significance lies in its reinforcement of existing theories related to saving behavior, such as the Theory of Planned Behavior, by empirically demonstrating the roles of peer influence, attitude, financial literacy, and subjective norms in shaping saving behavior and intention. Moreover, the study expands the understanding of how these variables interact and influence each other within the context of millennials in Surabaya, shedding light on the intricacies of saving behavior dynamics among this specific demographic. In a broader context, the study's findings have practical implications for policymakers, educators, and financial institutions. It highlights the importance of financial literacy programs and interventions aimed at improving attitudes towards saving. It also underscores the significance of creating an environment where subjective norms favor responsible saving practices. As the financial landscape continues to evolve, understanding these factors becomes essential for effective financial education and policy formulation. By addressing these facets, society can better equip individuals, especially millennials, with the knowledge and motivation needed to cultivate healthy saving habits, ultimately contributing to their financial well-being and long-term financial stability. Further research in this area could delve into additional factors, such as perceptions of the future, parental influence, saving motives, and income, to provide a more comprehensive understanding of saving behavior in various contexts.

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