

# The effect of religiosity and spirituality on financial behavior district

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## Abstract

**Purpose:** This research was conducted on members of KSP Kopdit Permata Bunda Paroki Waelengga. This study aims to determine the effect of religiosity and spirituality on the financial behavior of members of the Kopdit Permata Bunda Paroki Waelengga.

**Research methodology:** This study uses a quantitative approach using the survey method. The population in this study was all Kopdit Permata Bunda members. Sampling in this study used Simple Random Sampling with a total sample of 100 members. As a primary data source and data collection using a direct survey in the field that was distributed using a questionnaire to KSP Kopdit Permata Bunda Paroki Waelengga members. Data analysis techniques using simple linear regression with the help of SPSS software version 16.0.

**Results:** The results showed that the religiosity variable had a positive relationship but had no significant effect on the variables of financial behavior, the spirituality variable had a positive relationship but had no significant effect on the variables of financial behavior, and the variable religiosity and spirituality together had a positive relationship but had no effect significant to the variables of financial behaviour.

**Keywords:** *Financial Behavior, Religiosity, Spirituality*

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## 1. Introduction

Cooperatives are business entities consisting of persons or legal entities based on cooperative principles as well as an economic movement based on the principle of kinship. Law No. 25 of 1992 Article 3 states that cooperatives aim to advance the welfare of society in general and participate in building a national economic order in order to create an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution. There are various types of cooperatives that exist today, one of which is a savings and loan cooperative. Savings and Loan Cooperatives according to Rudianto (2010) are cooperatives engaged in fertilizing savings from their members, to then lend them back to their members who need financial assistance. Based on Subagyo (2014) the purpose of establishing a savings and loan cooperative or the formation of a savings and loan unit in a cooperative is to improve the welfare of cooperative members, which at the end of the working period the achievement of these goals must be displayed in the form of a member's economic promotion report, therefore the goals that have been formulated must be translated into quantitative measurements and can be measured in units of money.

Everyone needs to apply good financial behavior in order to be able to manage and make the right financial decisions. As it is known that the behavior or activity that exists in the individual does not arise by itself, but as a result of the stimulus received by the individual concerned, both external and internal stimuli. In the view of an expert, behavior as a response to a stimulus will be largely determined by the state of the stimulus, and it seems that the individual does not have the ability to determine his behavior. However, the view differs from the cognitive school, which views individual behavior as a response to a stimulus, but within the individual, there is the ability to determine the behavior he or she

takes (Walgito, 2003). That way, individual behavior is influenced by internal and external stimuli. Individual behavior arises as a result of the interaction between the stimulus and the individual. (Ebuka, Nzewi, Gerald, & Ezinne, 2020) state that "a person who has the ability to make the right decisions about finances will not have financial problems in the future and shows healthy financial behavior and is able to prioritize needs not wants". Healthy financial behavior is shown by good financial planning, management, and control activities. Al Kholilah and Iramani (2013) state that "Financial Management Behavior" is a person's ability to manage (planning, budgeting, checking, managing, controlling, searching, and storing) daily financial funds.

It should also be noted that financial behavior is influenced by internal and external factors. Internal factors include psychological and cognitive conditions while external factors include social and economic conditions (Wanggai, 2022). Religion is an external factor, but on the other hand, it can also be an internal factor when religion becomes part of the quality of appreciation and attitude toward life. So that religion is not only an identity but also more to the level of obedience and belief, or religiosity. Religiosity is an orientation, a set of behaviors and lifestyles that are considered important by most people around the world that cannot be ignored by social psychology and personality anymore (Widjaya & Padmoprayitno, 2023). Etymologically, religiosity comes from the word religion, religion (English), religie (Dutch), religio (Latin), and ad-Dien (Arabic). According to Drikarya in Wahyuni (2013), the word Religion comes from the Latin religio whose root word is religare which means to bind. Religiosity is a level where a person can be committed or loyal to his religion. In general, it is known that religion can have a very strong influence on someone (Safitri, 2017). The meaning is an obligation or rules that must be implemented, all of which function to bind and strengthen a person or group of people in their relationship with God or fellow human beings, as well as the natural surroundings. A person's religiosity also has a strong influence on the financial behavior of that person. Based on these descriptions, the authors conducted research on; "The Influence of Religiosity and Spirituality on Financial Behavior (Study on Members of Ksp Kopdit Permata Bunda Paroki Waelengga)".

## **2. Literature review**

### **2.1 Financial Behavior**

According to the Indonesian Dictionary (2007), behavior is an individual's response or reaction to stimuli or the environment. Individual behavior or activity has a broad meaning, namely overt behavior and or inner behavior, as well as motor activity as well as emotional and cognitive activity, (Walgito, 2003). Financial behavior is related to how a person treats, manages, and uses the financial resources at his disposal. Individuals who have responsible financial behavior tend to be effective in using the money they have such as making a budget, saving money, controlling spending, investing, and paying obligations on time (Nababan, 2013). Financial behavior is a person's ability to regulate, namely planning, budgeting, checking, managing, controlling, searching, and storing financial funds on a daily basis. The emergence of financial behavior is the impact of a person's great desire to fulfill his life needs in accordance with the level of income earned (Al Kholilah & Iramani, 2013).

As it is known that the behavior or activity that exists in the individual does not arise by itself, but as a result of the stimulus received by the individual concerned, both external and internal stimuli. In the view of an expert, behavior as a response to a stimulus will be largely determined by the state of the stimulus, and it seems that the individual does not have the ability to determine his behavior. However, the view differs from the cognitive school, which views individual behavior as a response to a stimulus, but within the individual, there is the ability to determine the behavior he or she takes (Walgito, 2003). That way, individual behavior is influenced by internal and external stimuli. Individual behavior arises as a result of the interaction between the stimulus and the individual. Bandura in Phina, Patrick, and Nwabuike (2022) suggests a formulation regarding behavior, and at the same time can provide information on how the role of that behavior is towards the environment and towards the individual concerned. This means that individual behavior can affect individuals and the environment, and vice versa. So it can be said that if the individual's behavior is positive then it can also have a positive impact on the environment and the individual concerned, for example behavior on their finances.

## **2.2 Religiosity**

Religiosity comes from the word religion, religion (English), religie (Dutch), religio (Latin), and ad-Dien (Arabic). According to Drikarya in Wahyuni (2013), the word Religion comes from the Latin religio whose root word is religare which means to bind. The meaning is an obligation or rules that must be implemented, all of which function to bind and strengthen a person or group of people in their relationship with God or fellow human beings, as well as the natural surroundings. Essentially, religion is the regulations of God Almighty with vertical and horizontal dimensions which are capable of encouraging the human soul with reason to follow God's rules with its own will, without being influenced to achieve happiness in life in this world and happiness in the hereafter (Sudarsono, 2008).

## **2.3 Spirituality**

According to Anggraini, Nurhalim, and Irfany (2022) Spiritual, spirituality, and spiritualism come from the Latin word Spirit or Spiritus which means breath. While the word Spirare means breathing, seeing the origin of the word to live is to breathe, and to have breath means to have spirit. Spirituality is related to spirit. Something spiritual has an eternal truth related to the purpose of human life, often compared to something that is worldly and temporary (Juliyanti & Wibowo, 2021). Spirituality is a form of Habluminallah (relationship between humans and God) which is carried out by means of prayer, fasting, zakat, pilgrimage, prayer, and all other forms of worship. Broadly speaking spirituality is a spiritual life and is manifested in ways of thinking, feeling, praying, and working, (Wisman, 2020).

## **3. Methodology**

The data collection technique used in this study was carried out using a questionnaire given to respondents to choose alternative answers that were made according to what was felt or experienced by the respondents with a total sample of 100 people (Sugiyono, 2010).

## **4. Results and discussion**

The Influence of Religiosity on the Financial Behavior of KSP Kopdit Permata Bunda members. Statistical results obtained t count 1.1813 with a significance level of 0.073 ( $P < 0.05$ ) with a regression coefficient of 0.181 with a positive value. This means that religiosity has a positive relationship but does not have a significant effect on financial behavior. The results of this study do not support the first hypothesis (H1) which states that religiosity influences the financial behavior of KSP Kopdit Permata Bunda parish waelengga members. These results are different from previous research by Savitri and Pinem (2022) religiosity has a significant positive effect on financial behavior. The higher a person is in applying his religious understanding (religiosity), the better in managing finances. Vice versa, the lower a person applies his religious understanding (religiosity), the worse financial management will be. It is also different from the research conducted by Ahmad (2019) where religiosity influences financial behavior.

According to Drikarya in Wahyuni (2013), the word Religion comes from the Latin religio whose root word is religare which means to bind. The meaning is an obligation or rules that must be implemented, all of which function to bind and strengthen a person or group of people in their relationship with God or fellow human beings, as well as the natural surroundings. meaning that the higher a person is in applying his religious understanding (religiosity), the higher the influence on one's financial behavior. Vice versa, the lower a person is in applying his religious understanding (religiosity), the lower the influence on one's financial behavior. The Influence of Spirituality on the Financial Behavior of KSP Kopdit Permata Bunda members.

Statistical results obtained t count 0.639 with a significance level of 0.524 ( $P < 0.05$ ) with a regression coefficient of 0.064 is positive. This means that spirituality has a positive relationship but does not have a significant effect on financial behavior. The results of this study do not support the second hypothesis (H2) which states that spirituality influences the financial behavior of members of the KSP Kopdit Permata Bunda Paroki Waelengga. this result. In line with previous research conducted by Septianingrum, Damayanti, and Maryani (2022) spiritual intelligence has a positive but not significant effect on family financial behavior. However, it is different from the previous research conducted by

Miftahul Munir (2020), spiritual intelligence has a positive effect on financial management behavior. all other forms of worship. Broadly speaking, spirituality is a spiritual life and is manifested in ways of thinking, feeling, praying, and working (Perdiyanti & Faeni, 2021).

This financial behavior is a financial decision taken by members meaning that each individual has different characteristics as a result of factors that affect the individual both internally and externally. In religious teachings, if someone believes that giving alms is an important activity, that person will routinely manage his expenses so that he can carry out these activities. The opposite also applies, such as if a person does not believe that sustenance comes from God, then there is a possibility that the person is not careful in managing his finances. The Influence of Religiosity and Spirituality on the Financial Behavior of Members of KSP Kopdit Permata Bunda Parish Waelengga.

Statistical results obtained f count 1.966 with a significance level of 0.145 ( $P < 0.05$ ). it can be concluded that H3 is rejected, or there is no effect of X1 and X2 simultaneously on variable Y. Based on the results of the determination test ( $R^2$ ) it shows an  $R^2$  result of 0.019. This means that the variables of religiosity and spirituality have an influence on the financial behavior variable of 1.19% and the rest is influenced by other variables outside of this study. These results are not in line with research conducted by Made Cahyadi and Sujana (2020) explaining that religiosity has a negative and significant effect on fraud in village financial management. And this is not in line with the results of research conducted by (Hasti, Maryani, & Makshun, 2022), which explains that spiritual intelligence influences family financial behavior. Essentially, religion is regulations from God Almighty with vertical and horizontal dimensions capable of encouraging the human soul with reason to be guided by God's regulations with its own will, without being influenced to achieve happiness in life in the world. him and happiness in the afterlife (Sudarsono, 2008). Spirituality is related to spirit. Something spiritual has an eternal truth related to the purpose of human life, often compared to something that is worldly and temporary, Choirunnisa (2022) This explains that the values of each individual's religiosity and spirituality are not properly applied in financial behavior, due to the low understanding of these values. Religion is an external factor, but on the other hand, it can also be an internal factor when religion becomes part of the quality of appreciation and attitude toward life. So that religion is not only an identity but also more to the level of obedience and belief, or religiosity.

The results of this study explain that there is no relationship between the variables of religiosity and spirituality on financial behavior, meaning that the respondents in this study separated religious life from financial management, besides that the results of the  $R^2$  test showed that 98.81% were influenced by other variables outside the model. This means that in managing finances that are right on target, it is not enough to only use the experience of religiosity and spirituality, but other factors are needed.

## 5. Conclusion

Based on the results of the data analysis it can be concluded:

1. Religiosity partially has a positive but not significant effect on the financial behavior of KSP Kopdit Permata Bunda members.
2. Spirituality is partial that the spirituality variable partially has a positive but not significant effect on the financial behavior of KSP Kopdit Permata Bunda members.
3. Religiosity and spirituality simultaneously have a positive but not insignificant effect on the financial behavior variable of KSP Kopdit Permata Bunda members.

## Suggestion

Based on the results of this study, the researcher would like to provide the following suggestions:

1. For KSP Kopdit Permata Bunda Parish Waelengga  
Different financial knowledge for each individual causes different levels of contribution to the cooperative, but if each individual has a good financial level it will increase the desire of members to contribute to the cooperative. Ways that can be done to increase individual knowledge by frequently holding cooperative education for members and administrators.
2. For further researches

- a. Future researchers are expected to be able to add relevant variables and indicators so as to be able to develop this research such as Income Variables.
- b. Future researchers are expected to be able to use a wider sample of KSP Kopdit Permata Bunda members.

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