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Influence of allowance, lifestyle, and financial inclusion on financial management practice among Indonesia college students

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Abstract

Purpose: This study investigates how young adults manage their finances. It examines the impact of three factors: allowance (pocket money), financial habits (lifestyle), and access to financial services (inclusion).

Methods: The study population comprised college students in Bandung, Indonesia. A sample of 159 college students was selected to understand their financial management practices and related factors.

Results: The study found that Allowance and financial inclusion significantly influenced how young adults managed their finances. These factors were found to have a significant impact, with p-values less than 0.05. Students who manage their income exhibit better budgeting and spending habits. Access to financial services positively affects students' financial management skills and encourages safer savings methods. However, lifestyle factors did not significantly impact financial management, contrary to the findings of previous research. This suggests that other factors might be more crucial for financial discipline.

Conclusions: This study finds that pocket money and financial inclusion significantly enhance financial management skills among university students, while lifestyle has little impact, highlighting the need for education that fosters saving, investing, and responsible financial behavior.

Limitations: This study focused on a specific student population in Bandung, Indonesia. Further research is required to determine whether these findings apply to broader demographic groups.

Contribution: This study underscores the role of schools and families in enhancing students' financial literacy through education, allowances, and financial inclusion.

Novelty: This study reveals that lifestyle habits have a limited impact on financial management among tech-savvy youth, suggesting the need to reconsider financial education strategies, particularly in trend-driven contexts such as Bandung.

Keywords: *financial inclusion, financial literacy, ifestyle, personal financial management, pocket money*

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1. Introduction

Technological advancements and the Internet have become instrumental in communities, especially in the digital era (Astri, 2019). From online learning and communication to e-commerce, the Internet underpins many essential activities (Ayu, 2020). However, increasing sophistication is challenging.

Some major challenges are unequal digital literacy and distributing Internet access across regions. Otonne and Ige (2023) state that the financial industry is experiencing rapid evolution and innovation, with financial technology (FinTech) emerging as a significant player. The ease of online transactions can foster consumptive habits, as highlighted by Desrianto and Budi (2019). This is exemplified by the convenience of ordering food deliveries and shopping online for minutes. The younger generation uses virtual wallets to make payments easier. Convenience contributes to excessive spending and financial constraints. To mitigate this, individuals need strong financial literacy to manage their spending and prioritize their needs over their wants. In general, younger generations, or Gen-Z, begin to make their own decisions over their lives. However, this generation is characterized by short-term orientation and material possessions. The fear of Missing Out (FOMO) trend has driven people to live beyond they should (Prawesti, 2022). Therefore, they face challenges in terms of financial management.

The concept of financial management, while familiar, remains crucial for individuals to achieve financial well-being. Historically, people have strived to effectively manage their resources to meet their present needs and secure their future. However, research suggests a gap between knowledge and behavior, with individuals sometimes needing more long-term planning. Financial management skills encompass a multifaceted set of behaviors (Al Kholilah & Iramani, 2013; Anshika & Singla, 2022). These behaviors include financial planning, budgeting, monitoring expenditures, debt management, and setting financial goals (Lusardi, Michaud, & Mitchell, 2017). The personal finance literature further emphasizes the importance of saving for future needs and unforeseen events (Sahid, Nuris, & Hussin, 2023; Wiharno, 2018). Assyfa (2020) identified several behavioral characteristics associated with financial well-being. These include responsible spending, timely bill payments, future planning, regular savings practices, and setting aside emergency funding. Responsible spending refers to an individual’s ability to make prudent financial decisions based on personal income, needs, and goals. Timely bill payments indicate a commitment to financial responsibility, and future planning is a step toward achieving financial security focused on long-term financial decisions (such as retirement and unexpected emergencies). These behaviors demonstrate a proactive approach to financial management that ensures long-term financial security.

Aulianingrum and Rochmawati (2021) highlighted the importance of proper financial control and management practices within communities. When individuals and communities practice financial management, they are equipped with economic uncertainty, such as inflation and employment. Financial literacy empowers individuals to make informed decisions. Knowledge of this concept enables individuals to navigate financial challenges and plan for the future, including retirement (Lusardi & Mitchell, 2014). Kunjana (2016), citing Jean Philippe Vandenschrick, President Director of AXA Mandiri, emphasized the potential consequences of neglecting financial planning. The fact that 80% of executives face the risk of poverty during retirement underscores the importance of responsible financial management practices throughout their lifetimes. However, effective financial management is not one-size-fits-all. Therefore, financial education programs and resources should be tailored to address the specific needs and goals of diverse populations.

This study explores the financial management challenges faced by younger generations, particularly Gen-Z and those raised using technology. There is a tendency to stereotype millennials as fiscally irresponsible and prioritize lifestyle choices over long-term financial planning (Brilio.net, 20019). The fact that students approach adulthood and are vulnerable to influence and new experiences makes them the main contributors to consumer-driven lifestyles (Halik, Halik, Latiep, & Balaba, 2023). However, this overlooks the broader issue of short-termism in financial decision-making across generations. Individuals may prioritize their immediate needs and want to save for the future, leading to potential financial difficulties (Lozza et al., 2023; merdeka.com, 2021). Research by The Insider and Morning Consult 2019 highlights the disparity between financial aspirations and reality for millennials. Despite having financial goals, a significant portion (one-third) reported a decline in their financial well-being compared to a decade ago (Nurcahyani, 2021). Furthermore, young people frequently need to make sure to save, live expensive lifestyles, and invest (Nurcahyani, 2021). Students, particularly females, are often cited as demographically susceptible to lifestyle-driven financial mismanagement (Rozaini, Purwita, & Meiriza, 2021). Their spending habits may prioritize trends and social experiences over essential needs, leading to financial strain (Girón et al. 2021; Sahid et al. 2023). This behavior can be attributed to a desire for social status and instant gratification, leading to impulsive spending. Additionally, during their stay at university, they experience some degree of financial autonomy; they start to manage their expenses on their own for the first time and move from financial dependence to financial independence (Gumbo, Margaret, & Chagwesha, 2022).

Three major determinants influence college students' financial management skills. These include pocket money, lifestyle choices, and financial inclusion. Pocket money refers to the regular financial allowance that students typically receive from their parents (Kbbi. lektur. id, 2021). Although some students earn additional income through part-time jobs, parental provision remains the primary source (Girón et al., 2021; Klapper, Lusardi, & Oudheusden, 2015; Lozza et al., 2023). The amount of pocket money can also influence spending. Studies suggest that larger allowances correlate with increased consumptive behavior (Fauzziyah & Widayati, 2020; Lozza et al., 2023). Conversely, Nidar and Bestari (2012) proposed that managing a limited budget fosters financial literacy skills. Thus, the level of pocket money may determine the challenges students face in effectively managing their financial resources.

Lifestyle choices significantly affected students' financial management. Rozaini et al. (2021) defined lifestyle as the allocation of resources to activities, interests, and social statuses. The desire to keep up with trends in fashion, food, and electronics can lead to impulsive spending (GirÃ ³ n et al. 2021; Rismayanti and Oktapiani 2020; Sahid et al. 2023). Sahid et al. (2023) state that universities can become environments for conspicuous consumption. The transition to adulthood can be challenging, as students may struggle with self-esteem, making it difficult to distinguish between wants and needs. They tend to live based on social norms, which create a cycle of debt and financial instability. These factors, combined with limited financial knowledge and resources, contribute to poor financial management among university students.

Financial inclusion initiatives aim to increase citizens' access to financial services. The Indonesian government strives to achieve a 90% financial inclusion rate by 2024 (Kemenkeu, 2021). Government agencies, such as Bank Indonesia and the Ministry of Finance, aim to educate the younger generation on financial products and services. Financial literacy empowers students to save responsibly, invest in the future, and choose secure financial institutions (Kemenkeu, 2021). Understanding financial inclusion can positively contribute to students' financial management skills.

This study focused on college students in Bandung, Indonesia. The rationale behind this choice is that college students are at a critical stage in their life cycle when they transition from adolescence to adulthood. During this period, they learned how to practice budgeting and develop their financial habits and lifestyles. Moreover, young adults are particularly vulnerable to social pressure and desire social acceptance. Therefore, they tend to be trapped in a hedonistic and materialistic lifestyle to achieve social acceptance. Bandung City attracts students from various socioeconomic backgrounds. This diversity allows for a more comprehensive analysis of how financial resources and lifestyle choices influence financial management.

2. Literature review

2.1. Allowance (pocket money)

Allowances, often referred to as pocket money, constitute the primary source of income for most college students (Girón et al. 2021; Irianti, Ni&um, Sakti, and Hapsari 2021). This dispersed income serves as a learning tool for students to develop basic financial management skills (Assyfa, 2020). Pocket money allows parents to acclimate to their children and effectively manage their finances. This process often involves saving a portion of the allowance and using the remaining funds for essential purchases (Sherraden and Ansong, 2013). For college students, pocket money is a valuable tool for budgeting. As they transition to adulthood, managing allowances provides an opportunity to allocate funds effectively to various expenses, such as food, books, transportation, and entertainment. This experience fosters a sense of financial ownership and responsibility. Prior studies emphasize the link between pocket money levels and financial literacy development (Klapper et al., 2015; Lozza et al., 2023; Purwanto, Yandri, & Yoga, 2022). They proposed that managing a set budget fosters financial understanding and responsible money management practices. Students with a deeper understanding of financial management principles are likely to exhibit greater control over their pocket money allocation (Lozza et al., 2023; Sahid et al., 2023). Based on this theoretical foundation, the following research hypothesis is proposed:

H1: There is a positive relationship between pocket money and personal financial management skills.

2.2. Lifestyle

The tendency to follow current trends is a defining characteristic of young adults (Luhsasi, 2021). This trend is manifested in various areas, including fashion choices, popular food items, and the latest electronic gadgets (Klapper et al., 2015; Lozza et al., 2023; Septika, Krisnahadi, Aryani, Wulandari, & Mashami, 2020). Although these trends can enhance social confidence and provide opportunities for social media engagement, they may also contribute to conspicuous consumption (Luhsasi 2021). Research suggests that prioritizing trendy items over essential needs can negatively impact students' financial management practices (Rismayanti & Oktapiani, 2020). The transition to adulthood can be challenging because students may encounter self-esteem challenges and shortcomings in their self-management skills. Individuals with strong self-control are better equipped to resist the allure of a consumptive lifestyle and prioritize responsible financial decision-making (Strömbäck, 2020). Social circles also influence spending habits. Frequent interactions with individuals with luxurious lifestyles can lead to peer pressure and a tendency to overspend time (Luhsasi, 2021). Conversely, surrounding oneself with individuals who prioritize responsible spending can promote positive financial behavior (Klapper et al., 2015; Lozza et al., 2023; Septika et al., 2020). Given these considerations, the following research hypothesis is proposed:

H2: A positive relationship exists between trend-driven lifestyle and personal financial management skills.

2.3. Financial Inclusion

The government introduced financial inclusion to the public with the aim of allowing people access to financial products offered by financial institutions. Together with the government, OJK continues to strive to increase national financial inclusion, which is useful for creating an inclusive financial system for sustainable and equitable welfare (Ramli & Sukmana, 2021). Financial inclusion refers to the ease of accessing financial products and services to meet the needs of people protected by law (Sherraden & Ansong, 2013; Sutejo, 2021). Financial education is a vital tool for equipping young people with the financial literacy necessary to improve their economic well-being. The ease of accessing financial products offered by financial institutions is expected to allow students to take advantage of these products with the aim of reducing the consumptive nature; pocket money, income, or other income received can be set aside partly to save and invest. Thus, the higher the level of knowledge of financial inclusion, the better the financial management. Students can be more willing to use money and better manage their expenses. However, Girón et al. (2021) state that there are some main barriers to financial inclusion for young people, such as income level, lack of trust, and the high cost of financial services. Thus, policymakers should address barriers to increasing financial inclusion for young people because they can significantly impact both official savings rates (better financial management) and broader economic development. Based on the above description, the research hypothesis for the financial inclusion variable is as follows:

H_3: Financial inclusion and personal financial management skills have a positive relationship.

The research model, based on the research hypotheses described above, is shown in Figure 1.

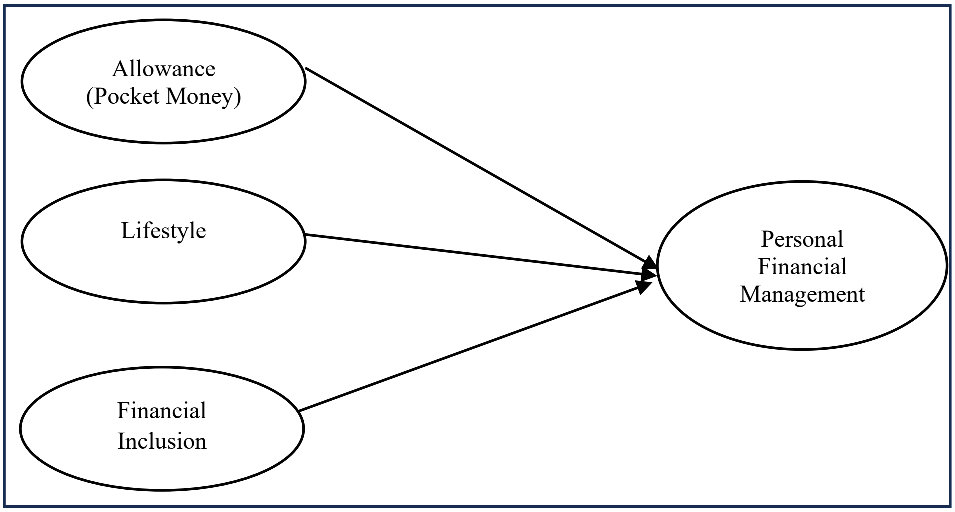

Figure 1. Research model

3. Research Methodology

This study investigates the factors that influence the personal financial skills of college students in Bandung, Indonesia. A total of 159 students from Bandung University participated in this voluntary survey. The primary data collected through the questionnaires explored the effects of pocket money, lifestyle choices, and financial inclusion on PFM practices. According to the central limit theorem, a sample size of 30 respondents is generally considered sufficient for statistical analysis (Jr. et al., 2021). Therefore, the number of respondents was adequate for further analysis.

The choice of Bandung as the study location is particularly relevant because of its unique college lifestyle environment. Bandung attracts students from diverse socioeconomic backgrounds, offering a richer sample to analyze the influence of personal financial management skills. Furthermore, Bandung's renowned fashion scene and vibrant youth culture can significantly affect students' spending habits and financial decisions. Focusing on this specific population, this study aims to provide a better understanding of how these factors interact with and influence personal financial management skills among young adults.

3.1 Measurement

A Likert scale ranging from strongly disagree (1) to strongly agree (5) was used to measure the indicators of the constructs. To accurately capture the intricate concept of pocket money (allowance), this study employed the finely calibrated measurement tool developed by Susilawaty and Dirga (2022). Lifestyle items were used according to Ulandari (2021). The financial inclusion criteria were taken from Santoso (2021). We also measured personal financial management based on Imelda's (2023) research.

4. Results and discussions

This section presents participants' demographic characteristics. Data were obtained using a self-administered questionnaire completed by the respondents. A summary of the patients' characteristics is provided in Table 1.

Table 1. Respondent Demographic Data

Characteristics	Percentage
Gender	
• Male	44%
• Female	

	56%
Age • < 20 years old • 20-25 years old • > 25 years old	57,2% 42,8% 0%
Primary source of income: • Parents • Part-time job • Business	89,3% 6,9% 3,8%
Revenue (monthly): • < 1,000,000 IDR • > 1,000,000 IDR - > 5,000,000 IDR • > 5,000,000 IDR	38.4% 57,9% 3,7%

Source: Processed data by SPSS

As shown in Table 1, females comprised the majority of the participants, representing 56% of the sample. In terms of age distribution, the largest group (57.2%) fell under the category of 20 years old or younger. Regarding income sources, parental allowance emerged as the dominant source, accounting for 89.3% of the respondents. This suggests that a significant proportion of the respondents were financially dependent on their parents or guardians. Finally, the income distribution indicated that the highest percentage (57.9%) belonged to the category between 1,000,000 IDR and 5,000,000 IDR.

Table 2. Validity Test Results

Indicators	Sign. value	Indicators	Indicators	Sign. value	Indicators
US1	0.001	Valid	PKP1	0.001	Valid
US2	0.001	Valid	PKP2	0.001	Valid
US3	0.001	Valid	PKP3	0.001	Valid
US4	0.001	Valid	PKP4	0.001	Valid
GH1	0.001	Valid	PKP5	0.001	Valid
GH2	0.001	Valid			
GH3	0.001	Valid			
GH4	0.001	Valid			
IK1	0.001	Valid			
IK2	0.001	Valid			
IK3	0.001	Valid			

IK4	0.001	Valid
IK5	0.001	Valid
IK6	0.001	Valid

Source: Processed data by SPSS

Before testing the hypotheses, the collected data were analyzed for validity and reliability. Validity testing was used to ensure that all instruments measured the tested variables (Jr. et al. 2021). It is important to ensure that the chosen measuring instrument is appropriate and meaningful. Reliability testing was performed to ensure the consistency of the results of the measuring instruments used. Validity and reliability testing were performed using SPSS. Based on the validity test results in Table 2, each item for questions X and Y had a sig value of 0.001. The sig value of 0.001 was smaller than the alpha (α) value of 0.05, indicating that each question in the research questionnaire yielded valid results.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items
X	.832	.832
Y	.725	.733

Source: Data processed using SPSS. Note: X = Allowance, Lifestyle, and Financial Inclusion, Y = Personal Finance Management.

The reliability test based on the Cronbach alpha value for all variables showed a value above 0.7 (Jr. et al., 2021). Based on the reliability test results in Table 3, the Cronbach's alpha results were 0.832 and 0.725, respectively. These results are greater than the Cronbach's alpha of 0.70, indicating that the questionnaire for variables X and Y is reliable.

Table 4. Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		159
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	2.41214610
Most Extreme Differences	Absolute	.039
	Positive	.033
	Negative	-.039
Test Statistic		.039
Asymp. Sig. (2-tailed)[c]		.200[d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Processed data by SPSS

Before proceeding with the data analysis, the normality of the data was assessed using the Kolmogorov-Smirnov test ($p > 0.05$). The Kolmogorov-Smirnov test was conducted to verify that the data obtained in this study were normally distributed. If the result of the Kolmogorov–Smirnov test shows a p-value greater than 0.05, it suggests that the data are likely to be normally distributed. This allows researchers to proceed with data analysis using tests that assume normality. Based on the analysis, the data are normal, as the Asymptotic Significance is 0.200 (greater than 0.05), which is within the recommended range (Jr. et al., 2021). The results of the normality tests are presented in Table 4.

Table 5. Heteroscedasticity Test Result

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.098	.843		3.674	<,001
	US Total	-.081	.046	-.175	-1.774	.078
	GH Total	-.040	.037	-.086	-1.076	.284
	IK Total	.022	.032	.066	.672	.502

a. Dependent Variable: REA_2

US: pocket money/allowance; GH: lifestyle; IK: Financial Inclusion

Source: Processed data by SPSS

Heteroscedasticity can affect the accuracy and reliability of statistical models, as it leads to misleading results. The heteroscedasticity test allows researchers to identify and address problems (Jr. et al., 2021). Thus, this study conducts a heteroscedasticity test to ensure that the residuals in the regression model have constant variance. Based on the processed data in Table 5, the results show that the sig values for pocket money, lifestyle, and financial inclusion are 0.078, 0.284, and 0.502, respectively, greater than 5%. This means that all variables in this study are free from heteroscedasticity.

Table 6. Multicollinearity Test Result

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	US Total	.649	1.541
	GH Total	.976	1.024
	IK Total	.662	1.512

a. Dependent Variable: PKP Total

US: pocket money/allowance; GH: lifestyle; IK: Financial Inclusion

Source: Processed data by SPSS

After the heteroscedasticity test was assessed, a multicollinearity test was conducted to ensure that the regression models provided accurate and reliable results (Jr. et al., 2021). Table 6 presents the results of the heteroscedasticity test. Heteroscedasticity refers to a situation in which the variance in the residuals (i.e., the errors between the actual data points and values predicted by a regression model) is not constant. This test was necessary to ensure that the statistical significance of the model was correct. As shown in Table 6, the *tolerance* values for pocket money, lifestyle, and financial inclusion were 0.649, 0.976, and 0.662, respectively (greater than 0.1), whereas the VIF values for pocket money, lifestyle, and financial inclusion were 1.541, 1.024, and 1.512 (less than 10), respectively. Based on these results, variables X and Y in this study were free from multicollinearity.

Table 7. Hypotesis Test Result

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,035	1,394		2,894	0,004
	US Total	0,422	0,076	0,396	5,584	0,000
	GH Total	0,053	0,061	0,050	0,864	0,389
	IK Total	0,305	0,053	0,400	5,706	0,000
a. Dependent Variable: PKP Total						

US: pocket money/allowance; GH: lifestyle; IK: Financial Inclusion
Source: Processed data by SPSS

This study investigates the relationship between allowance (pocket money), financial habits (lifestyle), and access to financial services (inclusion) for financial management. To effectively examine the hypotheses, the gathered data were carefully analyzed using SPSS software (version 26.0). Table 7 summarizes the results of the hypothesis testing. The significance level (α) was set at $p < 0.05$. The p-values for pocket money (0.000) and financial inclusion (0.000) are both less than α, indicating a statistically significant relationship with personal financial management skills. These results suggest that variations in pocket money and financial inclusion have a statistically significant impact on students' financial management skills. Conversely, the p-value for the lifestyle variable (0.389) was greater than α, indicating a non-significant relationship with personal financial management skills. This suggests that, within the context of this study, variations in lifestyle choices did not statistically influence students' financial management skills.

4.1. Pocket Money Affects Personal Finance Management

The analysis revealed a statistically significant relationship ($p = 0.000$) between pocket money and financial management skill. This suggests that the source and frequency of income received by students can influence their financial behavior. The majority of the students in this study received pocket money from their parents, with some supplementing their income through part-time jobs or business ventures. The intermittent nature of income from these sources (weekly, biweekly, or monthly) necessitates financial planning and responsible management to ensure sufficient funding for the subsequent disbursement. This scenario fosters strong financial management skills among students, as they learn to budget their income to cover essential needs within the constraints of their limited and periodic inflows. As college students transition into adulthood, pocket money ownership provides them with an opportunity to build a sense of responsibility. Pocket money is a valuable tool for budgeting (Sahid et al., 2023). This aligns with the notion that heightened awareness of financial planning is crucial for effective personal financial management.

The findings of this study resonate with those of existing research in the field. Lesminda and Rochmawati (2021) reported a similar trend during the COVID-19 pandemic in which the amount of pocket money influenced students' financial self-control. Safitri, Mardani, and Rahman (2022) further suggest that pocket money has a significantly positive effect on financial management. Their research indicated that the amount of pocket money received can have a dual effect. While larger allowances may lead to increased consumption, relatively limited pocket money can encourage the development of positive financial management habits.

4.2. Lifestyle Affects Students' Personal Financial Management

The second hypothesis (there is a positive relationship between trend-driven lifestyle and personal financial management skills) was not supported by this study (p = 0.389). This suggests that within the context of this study, students' tendency to follow current trends did not statistically impact their ability to manage their finances effectively. While some students might prioritize trendy items over essential needs, the survey results indicated that most respondents prioritized trending fashion as their primary expense. This implies that students, even those with a trend-oriented lifestyle, can exhibit responsible financial behavior by managing their income to fulfill their needs. These findings may be attributed to the students' ability to differentiate between wants and needs, prioritizing financial well-being despite the allure of the trendy items.

Additionally, financial management does not necessarily depend on an individual's lifestyle. It is well known that individuals who practice a hedonic lifestyle are vulnerable to financial disruption. However, their skills in managing money are crucial for overcoming these negative effects.

The non-significant relationship between lifestyle and personal financial management skills in this study aligns with prior research by Utami and Marpaung (2022). However, it is important to acknowledge that this finding contradicts those of other studies. For example, Putri and Lestari (2019) and Luhsasi (2021) reported a significant positive relationship between lifestyle choices and financial management practices. This inconsistency highlights the potential influence of various factors, such as the specific population studied, socioeconomic background, and cultural context, on the relationship between lifestyle and personal financial management skills.

4.3. Financial Inclusion Affects Personal Financial Management

The analysis revealed a statistically significant relationship (p = 0.000) between financial inclusion and students' financial management skills. This suggests that ease of accessing financial services plays a crucial role in influencing students' financial behavior. Financial inclusion empowers students to use various financial services to cater to their specific needs. The widespread use of personal bank accounts facilitates various financial transactions, including online purchases, convenient saving options through transfers, and receiving income (part-time jobs and businesses) electronically. Furthermore, increased financial inclusion provides students with access to investment instruments, such as gold and financial assets (mutual funds), potentially fostering a more diversified financial portfolio. These findings align with Girón et al. (2021), who find that the inclusion of young people and women provides individuals with access to bank accounts, which encourages saving in a secure environment rather than relying on informal methods. As more individuals engage in formal financial systems, trust in these institutions increases. This trust encourages others to save money and to know that their money is secure and accessible. This finding supports that of Nurhayati and Nurodin (2019), who identify a direct and significant positive effect of financial inclusion on personal financial management skills. This suggests that increased financial literacy, often facilitated by financial inclusion initiatives, equips students with the knowledge and tools to manage their finances effectively.

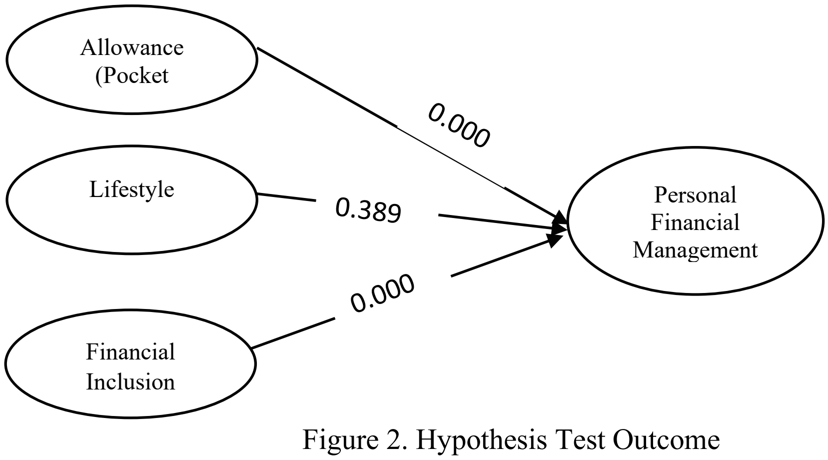

Figure 2. Hypothesis Test Outcome

5. Conclusion

5.1. Conclusion

This study aimed to investigate the factors that influence personal financial management skills among young university students. We focus on three key variables: allowance (pocket money), lifestyle choices, and financial inclusion. The findings support the significance of pocket money and financial inclusion in developing responsible financial behavior. Students who manage their income regardless of the amount are more likely to exhibit budgeting and responsible spending habits. By doing so, they build a sense of ownership over their own money, practice responsibility for their lives, and develop essential skills that will benefit them throughout their financial journey. Self-management also fosters independence, self-discipline, and a deeper understanding of the value of money, ultimately preparing them for future financial challenges and opportunities.

Additionally, access to financial services such as bank accounts and investment opportunities positively affects students' financial management skills. Financial inclusion encourages young people to use banks for savings, which is safer than informal methods. This leads to an increase in official savings records. However, this study did not find a significant relationship between lifestyle choices and financial management. This finding suggests that a preference for trends may automatically lead to poor financial management for some students. Personal values and priorities may lead to different levels of financial discipline.

These findings suggest that pocket money and financial inclusion affect students' financial management. Consequently, students, as young adults, must improve their ability to manage pocket money. Upon entering the workforce, they receive salaries, requiring prudent money management to meet their needs independently without parental assistance. Students can allocate a portion of their pocket money to investments. Rather than merely depositing pocket money on banks, students can engage in investments that may be beneficial for their future. Potential investment options for students include gold, stock, and mutual funds.

Educational institutions can develop curricula that incorporate courses on personal financial planning, investment, and introduction to financial inclusion, such as securities, insurance, and other relevant institutions. These courses can assist students in effectively managing the pocket money provided by their parents. During their college years, students were instructed on the practice of allocating, saving, and investing in pocket money. If these habits are nurtured, students will be better prepared to plan for retirement upon entering the workforce and receiving a salary.

5.2. Limitations

This study had some limitations. First, it focuses on a specific population of tech-savvy university students in Bandung, Indonesia. The findings may need to be more generalizable to a broader demographic or to students with different technological skill sets. Second, this study relied on self-reported data, which could be susceptible to bias. In addition, the study sample was biased in terms of the source of pocket money for the respondents. An overwhelming majority (89.3%) of the participants received pocket money from their parents, whereas only a small proportion (10.7%) earned income. This imbalance potentially introduces bias into the study, as respondents' views on money differ depending on whether it was earned through their own businesses or provided by their parents. A more balanced sample would allow for a more comprehensive understanding of the relationship between pocket money and financial management skills.

5.3. *Suggestions*

Despite these limitations, this study offers valuable insights for future research and practical applications. First, it underscores the crucial role of educational institutions and families in fostering financial literacy among young people, particularly university students. By integrating financial education into curricula and training programs, educational institutions can equip students with the knowledge and skills necessary for financial savvy. Moreover, community institutions can play a complementary role in disseminating financial literacy information. Ultimately, these efforts aimed to cultivate a financially and mentally sound generation of young Indonesians. Second, it offers a novel perspective on the relationship between lifestyle and financial management.

Contrary to previous findings, this study makes an academic contribution by highlighting the potential disconnect between lifestyle and financial management skills. Although it is often assumed that individuals with a hedonistic lifestyle have a lower capacity for financial management, this study suggests that lifestyle choices are not definitive predictors of such skills. This finding is significant as it challenges mainstream assumptions and encourages further research into other factors that may influence financial management abilities, such as education, upbringing, and personality traits.

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