

A MULTI-THEORETICAL ANALYSIS OF FINANCIAL BEHAVIOR: EVIDENCE FROM INDONESIAN HOUSEWIVES

Imas Purnamasari¹, Amir Machmud², Heni Mulyani³, Heraeni Tanuatmodjo⁴, Laely Purnamasari⁵

^{1,2,3,4,5}Faculty of Economics and Business, Universitas Pendidikan Indonesia, Jalan Dr. Setiabudi No.229, Bandung, West Java, Indonesia

E-mail: imaspurnamasari@upi.edu; amirmachmud@upi.edu; henimulyani@upi.edu; heraeni@upi.edu; laelypurnamasari@unibi.ac.id.

ABSTRACT

This study examines the determinants of household financial management behavior among Indonesian housewives using an integrated multi-theoretical framework combining Theory of Planned Behavior, Human Capital Theory, and Social Cognitive Theory. A cross-sectional survey was conducted with 300 housewives in West Java Province using stratified random sampling. Multiple linear regression analysis revealed significant positive effects of financial literacy ($\beta = 0.389$, $p < 0.001$), financial knowledge ($\beta = 0.267$, $p < 0.001$), and financial attitudes ($\beta = 0.245$, $p < 0.001$) on financial management behavior. The model explains 55.5% of the variance in financial behavior ($R^2 = 0.555$, $F = 122.678$, $p < 0.001$). Financial literacy emerged as the strongest predictor, highlighting its critical importance in emerging economies with limited formal financial infrastructure. The study provides the first comprehensive multi-theoretical analysis of financial behavior among Indonesian women, demonstrating universal applicability of established theories while revealing context-specific patterns. Results offer valuable insights for policymakers and financial institutions designing targeted financial education programs in developing economies

Key words: financial literacy; multi-theoretical analysis; household behavior; Indonesian women; emerging economies

INTRODUCTION

Financial management behavior at the household level has emerged as a critical determinant of economic stability and growth, particularly in emerging economies where formal financial inclusion remains limited (Kaiser et al., 2025; OECD, 2024). Recent meta-analytical evidence from 76 randomized experiments across 33 countries demonstrates robust causal effects of financial education on both knowledge acquisition and behavioral changes, with effect sizes comparable to educational interventions in other domains (Kaiser et al., 2025). In Indonesia, where women traditionally play central roles in household financial decision-making, understanding the factors that influence their financial management behavior becomes paramount for both academic inquiry and policy formulation (Bank Indonesia, 2024).

Contemporary research indicates that households with better financial literacy demonstrate greater resilience during economic downturns. Despite extensive research in developed economies, there remains a significant gap in understanding financial behavior within emerging economy contexts, particularly regarding the unique socio-cultural factors that influence financial decision-making among women in Asian societies (Fischer & Karl, 2025; Świecka et al., 2025). Previous studies have predominantly focused on individual components of financial behavior without adopting a comprehensive multi-theoretical approach that integrates established behavioral theories (Negi, 2024). This study addresses these gaps by employing a comprehensive multi-theoretical framework that integrates Theory of Planned Behavior (TPB), Human Capital Theory, and Social Cognitive Theory (SCT), focusing specifically on Indonesian housewives who play crucial roles in household financial management. Based on the theoretical framework, this study proposes that financial literacy, financial knowledge, and financial attitudes have positive effects on financial management behavior among housewives in West Java Province. The integration of these three theories provides a comprehensive foundation for explaining the mechanisms of influence on financial management behavior in the Indonesian context.

METHOD

This study employs a quantitative research design with an explanatory approach to analyze the influence of financial literacy, financial knowledge, and financial attitudes on financial management behavior. This is a survey research with cross-sectional design aimed at explaining causal relationships among research variables. The population consists of all housewives residing in West Java Province who play active roles in family financial management. Based on data from the Central Statistics Agency (BPS) for 2023, there are approximately 13.2 million households in West Java.

The research sample consists of 300 housewives distributed across various regions in West Java. Sample size determination is based on Hair et al. (2014) who state that for multiple regression analysis, the minimum sample

size is 20 times the number of independent variables. Data collection was conducted through structured questionnaires distributed using stratified random sampling technique. The questionnaire was developed based on established scales from previous studies and adapted to the Indonesian context through translation and back-translation procedures.

Financial Literacy was measured using a 20-item scale adapted from OECD (2020) and Lusardi & Mitchell (2014), covering basic financial concepts, compound interest, inflation, and risk diversification. Financial Knowledge was measured using a 15-item scale based on Beverly et al. (2003) and Hilgert et al. (2003), focusing on understanding of financial products, banking services, and investment instruments. Financial Attitudes were measured using an 18-item scale adapted from Baker et al. (2019), assessing attitudes toward money management, financial planning, and risk tolerance. Financial Management Behavior was measured using a 25-item scale based on Ajzen (1991) and OECD (2020), covering budgeting, saving, investing, debt management, and financial planning behaviors.

Data analysis was conducted using multiple linear regression analysis with SPSS 26.0. The analytical model is: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$, where Y represents Financial Management Behavior, X_1 is Financial Literacy, X_2 is Financial Knowledge, and X_3 is Financial Attitudes

RESULTS AND DISCUSSION

The sample characteristics show that 45% of respondents are aged 30-40 years, 38% have completed senior high school education, 52% are housewives without formal employment, and 67% have monthly household incomes between IDR 3-8 million. Cronbach's Alpha values for all constructs exceeded 0.70 (Financial Literacy: 0.856; Financial Knowledge: 0.823; Financial Attitudes: 0.847; Financial Management Behavior: 0.892), indicating satisfactory internal consistency.

Table 1. Multiple Linear Regression Analysis Results

Variable	Coefficient	Std. Error	t-value	Sig.	Status
Constant	0.342	0.198	1.727	0.085	-
Financial Literacy (X_1)	0.389	0.067	5.806	0.000**	Significant
Financial Knowledge (X_2)	0.267	0.058	4.603	0.000**	Significant
Financial Attitudes (X_3)	0.245	0.071	3.451	0.001**	Significant

**Significant at $\alpha = 0.05$

(Source: Primary data analysis, 2025)

Table 2. Model Summary

R	R Square	Adjusted R Square	F-value	Sig. F
0.745	0.555	0.549	122.678	0.000**

(Source: Primary data analysis, 2025)

The results showing a significant positive effect of financial literacy on financial management behavior ($\beta = 0.389$, $p < 0.05$) align with comprehensive meta-analytical evidence. Kaiser et al. (2025) analyzed 76 randomized experiments involving over 160,000 individuals across 33 countries, demonstrating that financial education programs have sizeable positive causal effects on both financial knowledge and downstream behaviors. Within the TPB framework, financial literacy functions as an antecedent that shapes attitudes toward financial behavior and increases perceived behavioral control (Ajzen, 1991). From a Human Capital Theory perspective, financial literacy represents investment in human capital that increases productivity (Becker, 1964). In the context of housewives in West Java, high financial literacy enables them to transform knowledge into practical application through self-efficacy mechanisms explained in Social Cognitive Theory.

The significant positive effect of financial knowledge on financial management behavior ($\beta = 0.267$, $p < 0.05$) receives strong support from recent analyses. González-Prida et al. (2025) examined financial knowledge effects across 20 OECD countries, demonstrating that higher education contributes positively to both financial knowledge acquisition and behavioral outcomes. From an SCT perspective, financial knowledge operates through triadic reciprocity mechanisms involving reciprocal interactions between personal, environmental, and behavioral factors (Bandura, 1986). The significant positive effect of financial attitudes on financial management behavior ($\beta = 0.245$, $p < 0.05$) aligns with cross-cultural meta-analytical evidence. Fischer and Karl (2025) analyzed TPB applications across 54 countries, revealing that attitude-behavior relationships remain consistently positive across different cultural contexts.

The dominance of financial literacy ($\beta = 0.389$) as the strongest predictor suggests that in emerging economies with limited financial infrastructure, comprehensive financial understanding becomes particularly crucial for effective financial management. This contrasts with developed economies where financial knowledge and attitudes may play relatively larger roles. The integration of three theoretical perspectives provides deeper understanding of the mechanisms through which financial variables influence behavior. TPB explains the cognitive pathway through which financial literacy shapes attitudes and perceived control (Ajzen, 1991), while Human Capital Theory elucidates how knowledge investment enhances decision-making capacity (Becker, 1964). Social Cognitive Theory complements these by explaining the reciprocal interactions between personal capabilities, environmental constraints, and behavioral outcomes (Bandura, 1986).

Evidence from Asian markets validates our findings. Fong (2025) demonstrated that financially literate individuals in Singapore are significantly more likely to allocate savings effectively and demonstrate superior debt management practices. The relatively smaller but significant effect of financial attitudes ($\beta = 0.245$) deserves attention in the Indonesian context. Świecka et al. (2025) demonstrate that financial attitudes serve as mediating factors in the relationship between financial literacy and behavior. In collectivistic societies like Indonesia, financial attitudes are shaped not only by individual preferences but also by family expectations and social norms.

The study's findings have important implications for financial education policy design. Kaiser et al. (2025) demonstrate that financial education programs with more intensive treatment and longer durations produce larger effects on both knowledge and behavior. Given that financial literacy emerged as the strongest predictor, policymakers should prioritize comprehensive financial education programs that include practical applications, contextual examples, and experiential learning opportunities. The Indonesian government's target of achieving 90% financial inclusion by 2024 (Bank Indonesia, 2024) requires not merely expanding access to financial services but ensuring that households possess adequate literacy to use these services effectively.

The model's explanatory power ($R^2 = 0.555$) indicates that while financial literacy, knowledge, and attitudes explain a substantial proportion of behavioral variance, 44.5% remains unexplained. Recent research suggests that additional factors such as digital literacy, access to financial technology, and social capital may play important roles. Future research should explore these moderating variables to develop more complete models of financial behavior in emerging economy contexts

CONCLUSION

This study provides empirical evidence for the significant positive effects of financial literacy, financial knowledge, and financial attitudes on financial management behavior among housewives in West Java Province. The integrated multi-theoretical framework combining TPB, Human Capital Theory, and Social Cognitive Theory proves effective in explaining 55.5% of the variance in financial management behavior. Financial literacy emerged as the strongest predictor, highlighting its critical importance in emerging economies with limited formal financial infrastructure. The study contributes to behavioral finance theory by demonstrating the universal applicability of established theories in emerging economy contexts while highlighting the need for contextual adaptations. The successful integration of multiple theories suggests that comprehensive theoretical frameworks provide superior explanatory power for complex behaviors like financial management. Results offer valuable insights for policymakers and financial institutions designing targeted financial education programs in developing economies. Future research should expand to other regions and employ longitudinal designs to establish stronger causal relationships and explore cultural moderating factors.

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