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FINANCIAL LITERACY AMONG MILLENNIALS AND ITS RELATIONSHIP WITH FINANCIAL KNOWLEDGE, SKILLS, ATTITUDES AND BEHAVIORS

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Abstract

This research aims to determine the level of financial literacy among the millennial generation in Pekanbaru City and understand the influence of financial knowledge, attitudes, and skills on financial behavior. The practical implications of this research are significant, as it can provide insights into how financial literacy can be improved among millennials. This research uses multiple linear regression analysis by conducting reliability and validity tests, classical assumption tests, and hypothesis tests. This type of research is quantitative descriptive research with a sample size of 100 respondents from the millennial generation in Pekanbaru City who have met the sample criteria. The research findings show that financial knowledge, attitudes, and skills positively and significantly affect financial behavior among the millennial generation in Pekanbaru. The coefficient of determination (R2) with an adjusted R square value of 0.876 or 87.6% shows that financial knowledge, attitudes, and skills influence 87.2% of financial behavior. In comparison, the remaining 12.4% is influenced by other variables not used in this research. Therefore, it is hoped that the millennial generation can implement their financial behavior well, not just following trends but considering the benefits they get from every financial decision. It is hoped that the government can also provide education regarding financial management behavior through advertising, social media, or outreach to the public, fostering a hopeful and optimistic future.

Keywords: *Financial Attitudes, Financial Behavior, Financial Knowledge, Financial Skill*

1. Introduction

Millennials, born between 1982 and 2002 (Elam, Stratton, & Gibson, 2007; Ng, Schweitzer, & Lyons, 2010), are a creative and risk-taking generation. They have many

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interesting ideas and productive traits. The lifestyle of the millennial generation is changing along with technological developments, especially in financial technology. Financial technology impacts monetary stability, the financial system, and the reliability of the payment system. The high growth of financial technology and low financial literacy may negatively affect the use of financial products. Millennials use information technology daily, so the impression of being fast, creative, dynamic, and tech-savvy reflects this generation. They also tend to be self-centered, have virtual social relationships, and have a life goal of competing for leadership positions. Millennials are also considered to be strongly focused on gadgets and tend to be easily distracted emotionally. Millennials are also leaders in companies with strategic roles and positions in business. Despite their consumerist tendencies, millennials have great potential to innovate and contribute to economic development. With a large population in many countries, the behavior of the millennial generation is interesting to study, especially in terms of consumption.

Table 1 Comparison of the Financial Literacy and Inclusion Index for 2019 and 2022

Index	2019	2022
Literacy	38,03%	49,68%
Inclusion	76,19	85,10%
Gap	38,16%	35,42%

Source: (OJK, 2022)

As a developing country, Indonesia achieved financial inclusion of 85,10% in 2022 (OJK, 2022). At the same time, the increase in financial inclusion is negatively correlated with increased financial literacy, increasing investment fraud. Those facing financial problems may not understand much about financial matters, may not know how to obtain the information needed to make financial decisions, or may lack the necessary skills. Therefore, it is important to improve financial literacy, as people must be financially literate before using financial services. As stated by (2010) and Navickas, Gudaitis, & Krajnakova (2014), young people should have a good understanding of finance and positively affect their finances. One of the issues that must be addressed globally is low financial literacy, which can lead to incorrect financial decisions and the inability to survive economic shocks (Tschache, 2019).

According to (Hung, Parker, & Yoong, 2011), four dimensions comprise the financial literacy model: knowledge, skills, perceived knowledge, and behavior. Financial literacy is a term that refers to the relationship between these variables. In addition, this model is in line with statements made by (Khan, Rothwell, Cherney, & Sussman, 2017 Lusardi, Mitchell, Scheresberg, Gazmuri, & Yu, 2013; Xiao, Chen, & Chen, 2014), which state that financial literacy includes all the knowledge, skills, and attitudes that influence a person's financial behavior. Mastercard's 2015 Financial Literacy Index shows that developed countries' scores remained stable while developing countries' scores declined (Tan, 2016). As indicated by

(Lusardi & Mitchell, 2011), most developing countries have lower financial knowledge than developed countries. Financial knowledge and financial skills are positively correlated with each other. In contrast, socio-demographic factors, age, education, and income correlate positively.

In addition to influencing how people manage and cope with their finances, financial literacy also impacts their personal decisions about investing, risk tolerance, saving, borrowing, and lifestyle choices. In addition, financial literacy greatly influences the way financial institutions, such as banks and non-banks, conduct their operations and provide goods and services to investors and depositors. The above factors influence economic stability and growth (Sarigül, 2014; Widdowson & Hailwood, 2007). Unlike previous generations, millennials face more challenges when choosing financial goods and services. This suggests millennials must understand finance (Lusardi & Oggero, 2017). In addition to increasingly complex and interconnected financial markets, growing global economic uncertainty makes the importance of financial knowledge, especially in making sound investment decisions, even more critical. To solve this problem, the government, society, educational institutions, the financial industry, and individuals themselves must work together. Therefore, in the era of the millennial generation, responsible financial management behavior is necessary. The financial and economic crises that have occurred in recent decades have been the subject of study by researchers and financial institutions worldwide. This research shows that financial knowledge is essential to shaping responsible financial behavior in the future.

Financial literacy measures a person's understanding of financial concepts, ability, and confidence. Low financial literacy is a concern in Indonesia, especially due to the growth of increasingly complex information technology. This is also related to changes in the definition of financial literacy by adding aspects of financial attitudes and behaviors. The 2016 National Survey on Financial Literacy and Inclusion showed that there is still a low level of financial literacy in Indonesia.

Studies on millennials and financial literacy show that millennials, born between 1982 and 2002, have an important role in developing financial technology (fintech) and managing their finances. However, not all millennials understand and follow the development of financial technology that has been present, so financial literacy is important for them. Millennials have a different financial management style from previous generations, especially with their approach to financial technology. They tend to be more open to the latest financial technology developments but face greater financial risks due to a lack of understanding of financial management. In the context of education, it is important to guide financial planning and management education, as well as an introduction to financial technology (fintech) for millennials. Millennials tend to have larger expenses and are less financially prepared. Based on the background description above, the objectives of this study are: (1) To determine the relationship between financial knowledge and financial

management behavior. (2) To determine the relationship between financial attitudes and financial management behavior. (3) To determine the relationship between financial skills and financial management behavior.

2. Literature Review

2.1 Financial Management Behaviors

Financial behavior relates to how a person treats, manages, and uses the financial resources available. Individuals with responsible financial behavior tend to effectively use their money, such as budgeting, saving money, controlling spending, investing, and paying obligations on time. Financial behavior refers to the behavior of individuals in performing financial activities such as investing in stocks and securities (Dew & Xiao, 2011). Individual financial behavior consists of investment behavior (i.e., investment in retirement products and savings) and debt (i.e., caused by personal loans and mortgages). Dew & Xiao (2011) classify financial behavior into savings and investment, but they also add other aspects of individual behavior, including cash management, credit, and insurance.

2.2 Financial Knowledge

An individual's comprehension of financial topics is reflected in their financial knowledge. Several fundamental financial concepts, including compound interest, inflation, deposits, time value of money, diversification, interest rates, debt, and assets, are evaluated to gauge their level of understanding. The cornerstone of financial literacy, which aids in decision-making and the development of sound financial behavior, is financial knowledge. When choosing financial goods, having a solid understanding of finance is crucial, especially because different depositors and investors may readily get these items. Many governments, particularly those in emerging nations, want to promote more bank account openings and access to credit products and financial services, particularly in opposition to the sharp rise in the number of loans taken out for personal use. Financial literacy has several elements, including financial skills and attitudes, as well as knowing financial information.

Financial knowledge may be defined as an individual's comprehension of financial ideas and individual knowledge of personal financial facts required for efficient financial management and decision-making. This definition is based on a number of definitions. Banking, savings accounts, life and health insurance, credit use, taxes, and investments are all examples of financial literacy. A person's financial conduct may also be influenced by their level of financial understanding. A person's life cannot exist without financial knowledge as it is an essential instrument for financial decision-making. Making the incorrect financial strategy will result from a lack of financial information. Future financial issues will also result from a lack of financial education. As a result, having a basic understanding of money is necessary to manage their finances.

2.3 Financial Attitude

Financial attitudes are convictions and principles around different aspects of personal finance (Priyadharshini, 2017). Financial decision-making traits like self-control, patience, long-term thinking, and problem-solving skills may be influenced by these values and beliefs. The ability to control oneself through belief in one aspect of good finance, such as the value of saving, budgeting, facing financial difficulties head-on and working through them patiently, risk tolerance, and profit and risk perception, is the focus of one's financial attitude (Deacon & Ennew, 2001).

2.4 Financial Skills

The capacity to reduce one's risk of financial difficulty while making financial choices is referred to as financial talent (Priyadharshini, 2017). Inadequate knowledge of credit, investment, and other financial goods and a lack of fundamental budgeting skills may lead to personal finance issues. One of the reasons for the financial crisis is people's lack of financial literacy (Lusardi & Mitchell, 2011). Financial literacy may be increased via various strategies, such as instruction, mentoring, and training. Basic financial abilities like creating a budget and gathering financial data may also be enhanced by a solid understanding of finance (Elbogen, Tiegreen, Vaughan, & Bradford, 2011).

3. Research Methods

The variables of this study are financial knowledge (X1), financial skills (X2), and financial attitude (X3) as independent variables (X), while financial behavior is the dependent variable (Y). The study population consists of individuals born between 1982 and 2002 (Elam et al., 2007) who live in Pekanbaru City, Indonesia. According to the Badan Pusat Statistik (BPS), in 2022, the number of millennials in Pekanbaru City amounted to 328,126 people, or around 33% of the total population in Pekanbaru City. Meanwhile, the sample in this study was the millennial generation who met the following sampling criteria: (1) Respondents were born from 1982 to 2002, (2) Respondents lived in Pekanbaru, and (3) Respondents were financial decision-makers. Using the Slovin formula, the minimum sample size is 100 respondents. Using a 10% confidence interval, the minimum sample size is 100 people of millennial age in Pekanbaru City. This research uses non-list-based random sampling as a data collection method.

This study uses multiple regression analysis tools by conducting reliability and validity tests, classical assumption tests, and hypothesis testing. The variables in this study consist of independent variables, namely Financial Knowledge (X1), Financial Skills (X2), and Financial Attitudes (X3), and the dependent variable, namely Financial Behavior (Y). The following is a framework model of this research:

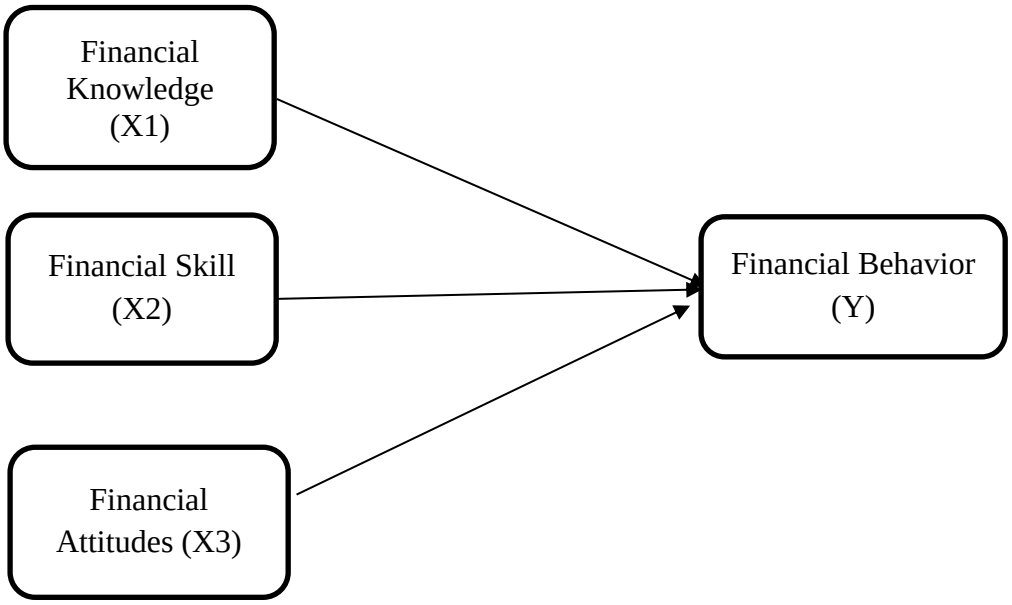

Figure 1 Framework

Tabel 3 Operasionalisasi Variabel

No	Variable	Indicators
1	Financial Behavior (Y)	1. Financial Control 2. Purchasing Behavior 3. Personal Finance Management 4. Saving Behavior and Investment Behavior 5. Loan 6. Protection 7. Use of DFS
2	Financial Knowledge (X1)	1. Basic Concept of Money 2. Purchasing power 3. Personal financial management 4. Saving and investment 5. Loan 6. Protection
3	Financial Skill (X2)	1. Ability to create a budget and manage money 2. Ability to make the right financial decisions 3. Ability to analyze and compare financial products 4. Ability to identify and manage financial risks
4	Financial Attitude (X3)	1. Attitude toward money 2. Attitude toward purchasing power

		3. Attitude toward personal finance management 4. Attitude toward saving and investment 5. Attitude toward loan 6. Attitude toward protection 7. Attitude toward DFS

4. Results and Discussion

4.1 Result

4.1.1 Respondent Characteristics

Characteristics based on Gender in this study: around 48% of respondents were male, while around 52% were female in Table 4.1. It can be seen that millennials in Pekanbaru City have a high level of knowledge about interest rates on savings and loans, investment in mutual funds, and credit risk. Around 54.1% of millennials in Pekanbaru City have moderate and low levels of financial knowledge. As for financial attitudes, skills, and behavior, the proportion of respondents in the "moderate" category was 70.6%, 66.5%, and 72.2%, respectively. Only a few respondents were in the "good" category. These results are significant and consistent, in line with the findings of (Lusardi & Oggero, 2017), who found that millennials in developed and developing countries lack basic financial skills; on average, 28% of millennials are financially literate.

Table 2 Financial Literacy Levels

Financial Literacy	Category	Value	f	(%)
Financial Knowledge	High	> 80%	89	45,9
	Moderate	60% - 79%	53	27,3
	Low	< 60%	52	26,8
Financial Attitude	Good	> 4,29	26	13,4
	Fair	3,26 – 4,29	137	70,6
	Poor	< 3,26	31	16,0
Financial Skills	Good	> 3,89	29	14,9
	Fair	2,55 – 3,89	129	66,5
	Poor	< 2,55	36	18,6
Financial Behavior	Good	> 4,35	30	15,4
	Fair	3,23 – 4,35	140	72,2
	Poor	< 3,23	24	12,4

4.1.2 Validity Test

The validity test is a test used to measure the instruments in the questionnaire and can be used to measure what should be measured. The validity test of each item is used in

item analysis, which is to correlate the score of each item with the total score which is the sum of each item score.

Table 3 Test the Validity of Research Variables

Variable	Item	R hitung	R tabel	Keputusan
Financial Knowledge (X1)	X1.1	.495**	0,1966	Valid
	X1.2	.658**	0,1966	Valid
	X1.3	.714**	0,1966	Valid
	X1.4	.578**	0,1966	Valid
	X1.5	.546**	0,1966	Valid
	X1.6	571**	0,1966	Valid
	X1.7	.410**	0,1966	Valid
	X1.8	.442**	0,1966	Valid
	X1.9	.398**	0,1966	Valid
Financial Attitude (X2)	X2.1	.627**	0,1966	Valid
	X2.2	.649**	0,1966	Valid
	X2.3	.631**	0,1966	Valid
	X2.4	.640**	0,1966	Valid
	X2.5	.503**	0,1966	Valid
	X2.6	.507**	0,1966	Valid
	X2.7	.619**	0,1966	Valid
Financial Skill (X3)	X3.1	.487**	0,1966	Valid
	X3.2	.547**	0,1966	Valid
	X3.3	.668**	0,1966	Valid
	X3.4	.585**	0,1966	Valid
	X3.5	.677**	0,1966	Valid
	X3.6	.638**	0,1966	Valid
	X3.7	.641**	0,1966	Valid
	X3.8	.663**	0,1966	Valid
	X3.9	.560**	0,1966	Valid
	X3.10	.676**	0,1966	Valid
	X3.11	.646**	0,1966	Valid
	X3.12	.646**	0,1966	Valid
Financial Behavior (Y)	Y.1	.632**	0,1966	Valid
	Y.2	.559**	0,1966	Valid
	Y.3	.559**	0,1966	Valid
	Y.4	.628**	0,1966	Valid
	Y.5	.644**	0,1966	Valid
	Y.6	.614**	0,1966	Valid

	Y 7	.592**	0,1966	Valid
	Y.8	.667**	0,1966	Valid
	Y.9	.715**	0,1966	Valid
	Y.10	.533**	0,1966	Valid

The validity test measures whether a questionnaire is valid or not. In this study, the validity test was carried out by looking at the r count and r table on statement items through data processing, which was tested using the SPSS version 22 program. The item can be declared valid if the value is positive and the r count> r table. Conversely, the item can be declared invalid if the value of r count < r table. The value of the r table can be calculated using the formula df = N-2, namely df = 100-2 = 98, with a significance level for a two-way test of 0.05, then a value of 0.1966 is obtained.

4.1.3 Reliability Test

Reliability is an index that shows how much a measuring instrument can be trusted or relied upon (consistent). A statistical approach, namely the reliability coefficient, is used to see whether a measuring instrument is reliable. The results of the reliability test can be seen in the following table:

Table 4 Research Instrument Reliability Test Results

Variable	Cronbach's Alpha	Critical Value	Result
Financial Knowledge (X1)	.685	0,6	Reliable
Financial Attitude (X2)	.700	0,6	Reliable
Financial Skill (X3)	.853	0,6	Reliable
Financial Behavior (Y)	.816	0,6	Reliable

4.1.4 Normality Test

The normality test aims to test whether confounding or residual variables have a normal distribution in the regression model. The results of the normality test can be seen in the following table:

Table 5 Normality Test Results

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	0
	Std. Deviation	1.77400235
Most Extreme Differences	Absolute	0.053
	Positive	0.053
	Negative	-0.039
Test Statistic		0.053
Asymp. Sig. (2-tailed)		.200[c,d]

4.1.5 Multicollinearity Test

The purpose of testing the classic assumption of multicollinearity is to determine whether or not there is a correlation between the independent variables in the regression model. The most common way researchers detect the presence or absence of multicollinearity problems in regression models is by looking at tolerance and VIF (Variance inflation factor). The recommended value to indicate the absence of multicollinearity problems is the Tolerance value> 0.10 and the VIF value < 10. The multicollinearity test results can be seen in the following table:

Table 6 Multicollinearity Test Results

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	FK_X1	.984	1.017
	FA_X2	.460	2.176
	FS_X3	.459	2.176
a. Dependent Variable: FB_Y			

Based on Table 5 above, it can be seen that the tolerance value> 0.10 and VIF < 10; thus, it can be concluded that the regression model formed does not occur in multicollinearity.

4.1.6 Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an inequality of variance in the regression model from the residuals of one observation to another. A good regression model is one with homoscedasticity or no heteroscedasticity. In this study, the heteroscedasticity test was carried out using the Glejser method, which is done by regressing all independent variables on the absolute value of the error. Decision basis: There is no heteroscedasticity if the significance value (Sig) between the independent variable and the absolute residual > 0.05. The results of the heteroscedasticity test can be seen in the following table:

Table 7 Heteroscedasticity Test Results

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.350	2.373		1.834	.070
	FK_X1	.039	.062	.063	.628	.532
	FA_X2	.008	.099	.011	.078	.938
	FS_X3	-.089	.055	-.232	-1.63	.106
a. Dependent Variable; FB_Y						

Based on the output above, it is known that the regression model does not show symptoms of heteroscedasticity. This is because the Sig. The value of the Financial Knowledge variable on the absolute residual is 0.532> 0.05, while the Sig. The value of the Financial Attitude variable on the absolute residual is 0.938> 0.05, and the Sig. The value of the Financial Skills variable on the absolute residual is 0.106> 0.05.

4.1.7 Autocorrelation Test

The autocorrelation test aims to test whether there is a correlation between confounding errors in period t and errors in period t-1 (previous) in a linear regression model. A good regression model is a regression that is free from autocorrelation, or no autocorrelation occurs. One way to detect the presence or absence of autocorrelation is to use the Durbin-Watson test (DW test) with a basic decision: if DU < DW < (4-dU), then the null hypothesis is accepted, which means there is no autocorrelation. The results of the autocorrelation test can be seen in the following table:

Table 8 Autocorrelation Test Results

Model Summary					
Model	R	R Square	Adjusted R Square	Sd Error of the Estimate	Durbin - Watson
1	.936	.876	.872	.927	2.018
a. Predictors: (Constant), FK_X1, FA_X2, FS_X3					
b. Dependent Variabe: FB_Y					

Based on Table 7 above, it is known that the DW value is 2.018; this value will be compared with the table value using a significance value of 0.05, the number of samples (n = 100), and the number of independent variables (k = 3), then the DU value = 1.736. Because the DW value of 2.018 is greater than the upper limit of DU 1.736 and less than 4-1.736 (4-DU), it can be concluded that the null hypothesis is accepted, which means there is no autocorrelation.

4.1.8 Multiple Linear Regression Analysis

Table 9 Multiple Linear Regression Test Results

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	23,222	2.998		7.746	.000
	FK_X1	.297	.079	.218	3.766	.000
	FA_X2	.162	.077	.123	2.096	.037
	FS_X3	.424	.096	.255	4.403	.000
a. Dependent Variable: FB_Y						

Based on Table 4.11 above, the following multiple regression equation is obtained:

$$Y= a + b1\ X1 + b2\ X2 + b3\ X3 + e$$

$$Y = 23{,}222 + 0{,}297\ X1 + 0{,}162\ X2 + 0{,}424\ X3 + e$$

Y = Financial Behavior
a = Constant
b1 - b4 = Independent Variable Regression Coefficient
X1 = Financial Knowledge
X2 = Financial Attitude
X3 = Financial Skills
b1 = Regression Coefficient for the Financial Knowledge variable
b2 = Regression Coefficient for the Financial Attitude Variable
b3 = Regression Coefficient for the Financial Skills Variable
e = Term of Error

The above equation shows that the value of the constant (a) of 23.222 indicates that if financial knowledge, financial attitudes, and financial skills do not change or are zero, the saving behavior's magnitude is 23.222. The value of the regression coefficient of financial knowledge of 0.279 indicates a positive regression coefficient value and a unidirectional relationship between the variable of financial knowledge and financial behavior. This means that if the variable of financial knowledge experiences an increase of one unit, financial behavior will increase by 0.279, assuming the coefficient of other variables is constant. The value of the regression coefficient of financial attitudes of 0.162 indicates a positive regression coefficient value and a unidirectional relationship between the variables of Financial Attitude and Financial Behavior. This means that if the variable of financial attitudes increases by one unit, financial behavior will increase by 0.162, assuming the coefficients of other variables are constant. The value of the regression coefficient of financial skills of 0.424 indicates a positive regression coefficient value and a unidirectional relationship between financial skills variables and financial behavior. This means that if the variable of financial skills experiences an increase of one unit, financial behavior will increase by 0.424, assuming the coefficients of other variables are constant.

4.1.9 Hypothesis Test

The t-statistical test shows how far the influence of one independent variable is individually (partially) in explaining the dependent variable. The t-test results can be seen in Table 4.11. Based on table 4.11, the calculation can be seen from the t-test results in the t table coefficients column above; it can be seen that the t value of count X1 = 3.766> t table = 1.985 with a significant value of 0.000 <0.05, the t value of count X2 = 2.096> t table = 1.985 with a significant value of 0.037 <0.05, and the t value of count X3 = 4.403 < t table = 1.985 with a significant value of 0.000 < 0.00. Thus, it is concluded that there is a significant positive influence between the financial knowledge and behavior variables (H1 is accepted).

There is a significant positive influence between the financial attitude variable and the financial behavior variable (H2 accepted). There is a significant positive influence between the Financial Skills and financial behavior variables (H3 accepted).

4.2 Discussion

This study examines the effect of Financial Knowledge, Financial Attitudes, and Skills on the Financial Behavior of the Millennial Generation in Pekanbaru City who have met the sample criteria. Based on the results of the analysis, the discussion of the research results is as follows:

4.2.1 The Effect of Financial Knowledge on Financial Behavior

Financial knowledge is knowledge of facts, concepts, principles, and technology, so everyone is smart with money. Someone with financial knowledge can improve one's ability to overcome daily financial problems and assist in making financial decisions. Atkinson & Messy (2012) suggest that financial knowledge combines awareness, knowledge, behavioral skills, and habits to make the right financial decisions and achieve satisfactory financial conditions. Financial knowledge emphasizes the importance of applying knowledge and skills in finance to make financial decisions.

The study's results support the first hypothesis that the financial knowledge variable (X1) has a positive and significant effect partially on financial behavior. This is indicated by the X1 regression coefficient value of t count 3.766 > t table 1.985 and the resulting significance value of 0.000 <0.05, which means the research hypothesis is accepted. Researchers observed from a survey in the field that the millennial generation in Pekanbaru City has good financial knowledge, which affects their financial behavior. The results of this research support previous research conducted by (Dewi et al., 2020), which stated that having good financial knowledge will influence their financial behavior.

Financial knowledge is proven to influence financial behavior among the millennial generation. This means that the millennial generation in Pekanbaru, which has good financial knowledge, will influence their financial behavior. The higher your financial knowledge, the better the financial behavior among millennials.

4.2.2 The Effect of Financial Attitudes on Financial Behavior

Financial attitude focuses on the ability to control the individual's self through belief in one thing that is considered good in finance, such as believing in the importance of saving, making financial plans, being patient in facing financial problems, and finding ways to overcome them, tolerance for risk, and perception of risk and profit (Deacon & Ennew, 2001). The study's results support the first hypothesis that the financial attitude variable (X2) has a positive and significant partial effect on financial behavior. This is indicated by the X2 regression coefficient value of t count 2.096> t table 1.985 and the resulting significance value of 0.037 <0.05, which means the research hypothesis is accepted. Researchers observed from a survey that millennials in Pekanbaru City have a fairly good

financial attitude, which affects their financial behavior. Atkinson & Messy (2012) have also researched financial attitudes.

The research results prove that financial attitudes influence financial behavior. These results prove that the millennial generation's financial attitudes in Pekanbaru will influence their financial behavior. The better your financial attitude, the better the financial behavior of the millennial generation.

4.2.3 The Effect of Financial Skills on Financial Behavior

Financial skills can also improve basic financial skills, such as preparing a budget and collecting financial information (Elbogen, Tiegreen, Vaughan, & Bradford, 2011). The study's results support the hypothesis that the Financial Skills variable (X3) has a positive and significant effect partially on financial behavior. This is indicated by the X3 regression coefficient value of t count 4.403> t table 1.985 and the resulting significance value of 0.000 <0.05, which means the research hypothesis is accepted. Researchers observed from a survey that millennials in Pekanbaru City have good financial skills, affecting their financial behavior. Previous research on financial skills was conducted by (Hung et al., 2011). Financial skills are proven to influence financial behavior in the millennial generation in Pekanbaru. This means that if someone has good financial skills, that individual will also have good financial behavior.

5. Conclusions

Based on the results of research conducted by researchers, the following conclusions can be drawn: the Financial Knowledge variable (X1) has a positive and significant influence on the Financial Behavior (Y) of millennials in Pekanbaru City (First hypothesis accepted). The higher the level of financial knowledge of the millennial generation, the better their financial behavior. The Financial Attitude Money Variable (X2) has a positive and significant influence on the Financial Behavior (Y) of the millennial generation in Pekanbaru City (Second hypothesis accepted). Millennials who have a good financial attitude will influence their financial behavior. The Financial Skills variable (X3) has a positive and significant influence on the Financial Behavior (Y) of the millennial generation in Pekanbaru City (The third hypothesis is accepted). Those with high financial skills will influence financial behavior in the millennial generation.

Based on the research results above, it is known that financial knowledge, financial attitudes, and financial skills influence financial behavior in the millennial generation. Therefore, it is hoped that the millennial generation can implement their financial behavior well, not just following trends but considering the benefits they get from every financial decision. It is hoped that the government can also provide education regarding financial management behavior through advertising, social media, or outreach to the public.

This research has been carried out and prepared based on existing research guidelines. However, this research still has limitations in terms of the number of variables

where the variables in this research are only limited to 3 variables, namely financial knowledge, financial attitudes, and financial skills. Besides that, the limitations of this research are related to the distribution of questionnaires, which are only carried out online. Therefore, it is recommended that further research be able to distribute questionnaires offline and online, use different models to research financial behavior and provide a more accurate model regarding the factors that influence financial behavior.

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