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The Effect of Financial Literacy on Personal Financial Management: The Moderating Role of Family Support

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Abstract-The development of the global economy and advancements in technology have brought significant changes to personal financial management, where individuals are faced with various financial products and services. However, many individuals with adequate financial literacy are still unable to manage their finances effectively, raising questions about the influence of financial literacy on personal financial management and the role of family support in moderating this relationship. This study aims to analyze the effect of financial literacy on personal financial management and examine the moderating role of family support. The research employed a quantitative approach using an online survey, involving 35 respondents who met specific criteria. The findings indicate that financial literacy has a positive and significant effect on personal financial management. Furthermore, family support serves as a moderating variable that strengthens the relationship between financial literacy and personal financial management. In conclusion, improving financial literacy among students, accompanied by strong family support, can help them make better financial decisions and manage their personal finances more effectively.

Keywords: Financial Literacy; Personal Financial Management; Family Support; Financial Management; Quantitative Research

1. INTRODUCTION

The development of the global economy and rapid technological advancements have significantly transformed people's lives, particularly in the area of personal financial management. Today, individuals are faced with a wide range of financial products and services, including digital savings accounts, online investments, electronic wallets, application-based loans, and various other financial instruments. While these innovations provide convenience and support economic activities, they also present challenges and risks for individuals who lack adequate financial management skills. Therefore, the ability to manage personal finances effectively has become an essential competency for achieving financial well-being and avoiding future financial difficulties.

Personal financial management refers to the process of planning, organizing, controlling, and making decisions regarding the use of an individual's financial resources. Effective financial management includes budgeting, controlling expenses, saving, investing, and preparing for both short-term and long-term financial needs. Individuals who possess strong financial management skills are generally better equipped to meet their financial obligations and achieve their life goals. Conversely, poor financial management often leads to excessive consumption, financial stress, and debt-related problems.

One of the key factors influencing an individual's ability to manage personal finances is financial literacy. Financial literacy refers to an individual's knowledge, understanding, and ability to effectively manage financial resources to achieve financial well-being. It encompasses not only an understanding of basic financial concepts but also the ability to apply such knowledge in daily life. Individuals with high levels of financial literacy are generally more capable of planning their finances, managing risks, making investment decisions, and utilizing financial products responsibly. Consequently, financial literacy is widely recognized as an important determinant of effective personal financial management.

The importance of financial literacy has become increasingly evident in the digital era, where financial transactions can be conducted easily through various technological platforms. Consumers can now make purchases, transfer funds, pay bills, and invest through digital applications with minimal effort. However, such convenience may also encourage excessive spending and impulsive financial behavior when not accompanied by adequate financial knowledge. Many individuals utilize digital financial services without fully considering their financial condition, potentially leading to financial instability. This phenomenon highlights the crucial role of financial literacy in helping individuals make informed and responsible financial decisions.

In addition to internal factors such as financial literacy, personal financial management is also influenced by external factors, particularly family support. The family serves as the primary social environment where individuals develop values, attitudes, and behaviors, including financial habits. From an early age, individuals learn about money management, spending behavior, saving practices, and financial responsibility through interactions with family members. Therefore, family plays a fundamental role in shaping financial behavior and decision-making patterns.

Family support may take various forms, including providing financial information, motivation, guidance, supervision, and role modeling. Such support can assist individuals in translating their financial knowledge into practical financial behavior. Individuals who receive strong family support are generally more likely to implement positive financial practices than those who receive limited support. Consequently, family support is expected to strengthen the relationship between financial literacy and personal financial management. Current observations

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indicate that many individuals possess adequate financial literacy yet still struggle to manage their finances effectively. This suggests that financial knowledge alone may not automatically result in positive financial behavior. Environmental factors, particularly family support, may serve as a reinforcing mechanism that encourages individuals to apply their financial knowledge in daily life. Therefore, it is important to further investigate the role of family support in enhancing the influence of financial literacy on personal financial management.

Several previous studies have demonstrated a significant relationship between financial literacy and personal financial management. Research by Khoirunnisa and Rochmawati (2021) found that financial literacy positively affects students' personal financial management. Similarly, Nurjanah and Prasetyo (2022) reported that individuals with higher financial literacy levels tend to exhibit better financial management abilities. Artha and Wibowo (2023) concluded that financial literacy significantly influences personal financial management behavior. Furthermore, Mahmuda and Anwar (2024) revealed that family financial education and financial literacy positively contribute to individuals' financial management capabilities. Sasale and Hambali (2025) also found that family socialization and financial literacy improve students' financial management behavior.

Although previous studies have extensively examined the relationship between financial literacy and personal financial management, most have treated family-related factors as independent variables or direct supporting factors. Research examining family support as a moderating variable in the relationship between financial literacy and personal financial management remains limited. In fact, family support may strengthen or weaken the influence of financial literacy on an individual's financial management behavior. This limitation indicates a research gap that warrants further investigation.

Based on the above discussion, the research questions of this study are: (1) Does financial literacy significantly influence personal financial management? and (2) Does family support moderate the relationship between financial literacy and personal financial management? Accordingly, this study aims to analyze the effect of financial literacy on personal financial management and to examine the moderating role of family support in this relationship. The significance of this research lies in the growing need to improve financial management quality in response to contemporary economic challenges. The findings are expected to provide valuable insights for educational institutions, families, policymakers, and the broader community in designing effective financial literacy programs that incorporate family support as a crucial reinforcing factor. Furthermore, this study is expected to contribute to the development of knowledge in the fields of financial management and financial behavior.

The novelty of this study lies in its examination of family support as a moderating variable linking financial literacy and personal financial management. Unlike previous studies that primarily positioned family-related factors as independent variables, this research seeks to explain how family support strengthens the effect of financial literacy on personal financial management. Therefore, the study is expected to provide a more comprehensive understanding of the interaction between internal and external factors in shaping individuals' financial management behavior

2. RESEARCH METHODS

This study employed a quantitative research approach using a survey method to examine the influence of financial literacy on personal financial management and the moderating role of family support. A quantitative approach was selected because it enables researchers to measure relationships among variables objectively through numerical data and statistical analysis. The study was categorized as explanatory research because it aimed to explain the causal relationship between financial literacy and personal financial management while also examining whether family support strengthens or weakens this relationship.

The research was conducted online using Google Forms as the primary data collection instrument. The online survey method was chosen because it is efficient, cost-effective, and capable of reaching respondents from different backgrounds. Data collection was carried out in 2026 and targeted individuals who have experience managing their personal finances. The respondents included university students and members of the general public who met the research criteria.

The population of this study consisted of individuals capable of managing their own financial resources. Due to practical limitations, a sample was selected using the purposive sampling technique. This technique allows researchers to select respondents based on specific criteria relevant to the objectives of the study. The criteria established were: (1) respondents must be at least 17 years old, (2) respondents must have personal income or allowance managed independently, and (3) respondents must be willing to complete the questionnaire accurately and completely. Based on the distribution of the questionnaire, 35 respondents fulfilled these criteria and were included in the analysis.

The study involved three main variables. The independent variable was Financial Literacy (X), which refers to an individual's knowledge, understanding, and ability to manage financial resources effectively. The dependent variable was Personal Financial Management (Y), defined as an individual's ability to plan, organize, control, and evaluate personal financial activities. The moderating variable was Family Support (Z), which includes emotional support, motivation, information, guidance, and encouragement provided by family members regarding financial matters.

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Three hypotheses were proposed in this study. H1 stated that financial literacy has a positive and significant effect on personal financial management. H2 stated that family support has a positive effect on personal financial management. H3 stated that family support moderates the relationship between financial literacy and personal financial management. Data were collected through a structured questionnaire consisting of closed-ended statements developed from the indicators of each variable. Responses were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Prior to the main analysis, validity and reliability tests were conducted to ensure that the questionnaire items accurately measured the intended constructs and produced consistent results.

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS) software. The analysis began with descriptive statistics to describe respondents' demographic characteristics and summarize the data. Validity and reliability tests were then performed, followed by classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests. Hypothesis testing was conducted using multiple linear regression analysis and Moderated Regression Analysis (MRA). The significance level used in this study was 5% ($\alpha = 0.05$). A hypothesis was considered supported when the p-value was less than 0.05. Through this methodological approach, the study aimed to provide empirical evidence regarding the influence of financial literacy on personal financial management and the moderating role of family support in strengthening this relationship.

3. RESULTS AND DISCUSSION

The findings of this study were obtained from questionnaires distributed to 35 respondents from the Management Study Program. The questionnaire consisted of several sections measuring financial literacy, personal financial management, and family support. The collected data were analyzed using statistical methods to identify the relationships among these variables.

a. Respondent Demographics

Before discussing the main findings, it is important to present the demographic characteristics of the respondents.

Table 1. Characteristics Respendent

Characteristics	Number Of Respondes	Percentage (%)
Gender:		
Male	15	42.86
Famale	20	57.14
Age:		
18-20 Years	10	28.57
21-23 Years	15	42.86
24 Years And Above	10	28.57
Semester		
Semester 1-3	12	34.29
Semester 4-6	15	42.86
Semester 7-8	8	22.86

The results indicate that most respondents were female (57.14%), while male respondents accounted for 42.86%. The majority were between 21 and 23 years old (42.86%), suggesting that respondents at a more mature stage of study were more actively represented in this research. In terms of academic level, most respondents were enrolled in semesters 4–6

b. Financial Literacy Level

Financial literacy was measured through questions assessing respondents' knowledge and understanding of financial concepts.

Table 2. Financial Literacy Level

Financial Literacy Level Category	Number Of Respondes	Percentage (%)
High	12	34.29
Moderate	18	51.43
Low	5	14.29

The findings reveal that the majority of respondents (51.43%) had a moderate level of financial literacy, while 34.29% demonstrated a high level. Only 14.29% were classified as having low financial literacy. These results suggest that most students possess sufficient knowledge and understanding of basic financial management principles.

c. Personal Financial Management

Personal financial management was assessed through questions related to budgeting, expenditure control, saving behavior, and financial planning.

Table 3. Personal Financial Management

Personal Financial Management Level Category	Number Of Respondens	Percentage (%)
Good	15	42.86
Fair	16	45.71
Poor	4	11.43

The results show that 45.71% of respondents demonstrated a fair level of personal financial management, followed by 42.86% who exhibited good financial management practices. Only 11.43% reported poor financial management. This indicates that, despite some variation, most students are capable of managing their personal finances reasonably well.

d. Family Support

Family support was measured by assessing the extent to which respondents perceived emotional, informational, and motivational support from their families regarding financial matters.

Table 4. Respondents Family Support

Family Support Category	Number of Respondens	Percentage (%)
High	20	57.14
Moderste	10	28.57
Low	5	14.29

The findings indicate that 57.14% of respondents experienced high family support, while 28.57% reported moderate support. Only 14.29% perceived low levels of family support. These results suggest that family involvement remains an important factor in shaping students' financial attitudes and behaviors.

Before conducting regression analysis, validity and reliability tests were performed to ensure the quality of the research instrument. The results showed that all questionnaire items had validity coefficients above 0.30 and Cronbach's Alpha values above 0.70, indicating that the instrument was both valid and reliable. Regression analysis was then conducted to test the proposed hypotheses. The results revealed that financial literacy had a positive and significant effect on personal financial management, with a significance level of $p < 0.05$. This finding supports the first hypothesis, indicating that individuals with higher levels of financial literacy tend to manage their finances more effectively.

Furthermore, the Moderated Regression Analysis (MRA) demonstrated that family support significantly moderated the relationship between financial literacy and personal financial management. This result supports the third hypothesis, suggesting that strong family support enhances the positive influence of financial literacy on financial management behavior. Students who receive guidance, encouragement, and financial advice from their families are more likely to apply their financial knowledge in daily financial decision-making. The findings of this study are consistent with previous literature emphasizing the importance of financial literacy in personal financial management. Lusardi and Mitchell (2014) argued that individuals with higher financial literacy are better able to make informed financial decisions, avoid unnecessary debt, and prepare for future financial needs. The present study confirms this argument by demonstrating a positive relationship between financial literacy and personal financial management among university students.

The study also found that family support plays a significant role in strengthening the relationship between financial literacy and financial management behavior. This finding is consistent with the work of Jorgensen and Savla (2010), who highlighted the importance of family socialization in developing financial knowledge and behavior. Family members often serve as role models and sources of guidance, helping young adults translate financial knowledge into practical financial actions. In addition, the findings suggest that financial literacy alone may not be sufficient to ensure effective financial management. Although many respondents reported moderate levels of financial literacy, their financial management practices varied. This indicates that other factors, such as family support, motivation, self-confidence, and personal experience, may also influence financial behavior. Similar conclusions were reported by Xiao et al. (2009), who emphasized the role of psychological and social factors in shaping personal financial management practices.

Overall, the results demonstrate that financial literacy contributes significantly to personal financial management, while family support acts as an important reinforcing factor. Therefore, initiatives aimed at improving financial behavior among students should focus not only on enhancing financial literacy but also on encouraging greater family involvement in financial education and guidance.

4. CONCLUSION

Based on the findings obtained from 35 respondents of the Management Study Program, it can be concluded that financial literacy has a positive and significant effect on personal financial management. Most respondents demonstrated moderate to high levels of financial literacy, and the majority showed a relatively good ability to manage their personal finances. Furthermore, family support was found to serve as a significant moderating variable that

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strengthens the relationship between financial literacy and personal financial management. In other words, higher levels of family support enhance the effectiveness of students' financial management practices. The objectives of this study, namely to examine the influence of financial literacy on personal financial management and to investigate the moderating role of family support, have been successfully achieved. The results indicate that improving financial literacy among university students, combined with strong family support, can contribute to better financial decision-making and more effective management of personal financial resources. This study also highlights that financial knowledge alone may not be sufficient to ensure sound financial behavior. The presence of supportive family environments can encourage individuals to apply their financial knowledge more effectively in everyday life. Therefore, efforts to improve students' financial well-being should focus not only on enhancing financial literacy but also on strengthening family involvement in financial education and guidance. For future research, it is recommended that studies involve a larger and more diverse sample to improve the generalizability of the findings. Future researchers may also explore additional factors influencing personal financial management, such as psychological, behavioral, and social aspects. Furthermore, longitudinal studies are recommended to examine changes in financial literacy and financial management behavior over time. Such research would provide a deeper understanding of the factors that contribute to effective financial management and further emphasize the importance of financial literacy and family support among university students.

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