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FINANCIAL LITERACY IN THE COVID-19 PANDEMIC: PRESSURE CONDITIONS IN INDONESIA

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Abstract. The COVID-19 (novel coronavirus disease 2019) has become a worldwide disaster. This pandemic not only affected the world economy but also the family economy. Good financial literacy will help individuals avoid financial problems, especially during the COVID-19 pandemic. Financial literacy can facilitate individuals to manage their income well even in demanding situations. This study aims to analyse how financial literacy helps in the depression condition of the COVID-19 pandemic. This study takes a sample of 396 household heads. This study uses partial least square (PLS) analysis to analyse the data. Results show that all financial attitudes, behaviour and literacy variables positively affect financial literacy and wellbeing. The implication of this research is that financial literacy, which is reflected by financial attitudes and behaviour plays a key role in public financial welfare.

Keywords: financial literacy; financial attitude; financial behaviour; financial wellbeing; a case study

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1. Introduction

The COVID-19 (novel coronavirus disease 2019) pandemic rattled the economies of countries worldwide, one of which was Indonesia. Economically, Indonesian people are not equipped to face the economic paralysis. This unpreparedness is partly caused by the lack of people's financial literacy. Financially blind individuals are typically susceptible to immoral formal and informal financial institutions (Munoz-Murillo, Alvarez-Franco & Restrepo-Tobón, 2020) and therefore incur high return costs (Choi, Laibson, & Madrian, 2010). Low financial literacy causes people to not have the ability to assess and make effective decisions regarding personal finances (Chinen & Endo, 2012).

Every family in the community has different financial literacy states. Certain people have low financial capacity, some have sufficient finances and other families exist who have the financial means more than enough to meet their daily needs. Every family in the Sidakarya village has their own procedure for financial management. Some are diligent in saving and others do not have any savings because they must cover monthly expenses, which are sometimes lacking. Based on temporary observations of behaviour and lifestyles that are escalating daily, people

are more likely to consume than save when they have money. Especially in 2020, clothing, technology, accessories, vehicle, home, holiday trends and so on are making rapid development, making some people join in to meet this coupled with COVID-19 pandemic emergency conditions nationally. For example, Table 1 presents the data rate of financial wellbeing of society from 2018–2020 in the village of Sidakarya Denpasar Bali Indonesia.

Table 1. Data Rate Financial Wellbeing of Rural Community in Indonesia from 2018–2020

No	Income Per Month	Category KK	2018	2019	2020
1	1,000,000–2,500,000	Prosperous 1	1,059	1,071	1,063
2	2,500,000–5,000,000	Prosperous 2	1,587	1,549	1,562
3	5,000,000–above	Prosperous 3	1,373	1,399	1,338
Number of KK			4,019	4,019	3,963

Source: Office Data Head of Sidakarya Village (2020)

Table 1 exhibits that the level of community income tends to increase annually. Where in 2019 there was a significant increase in income from 2018 although in 2020 there was a decrease in the level of income of the Sidakarya villagers because several head families moved domiciles from the Sidakarya village. This is a material consideration for the Sidakarya customary village head to improve the standard of living of the Sidakarya village community to support the level of community wellbeing.

Financial literacy is a basic need in the form of knowledge and ability to manage personal finances, particularly to make accurate decisions in finance and to avoid financial problems (Chen & Volpe, 1998; Kezar & Yang, 2010). Financial literacy is not intended to complicate or curb people in enjoying life and using the money they have, but rather with financial literacy, individuals or families can enjoy life by using their financial resources appropriately to achieve their personal financial goals (Stolper & Walter, 2017). Financial literacy is considered important for consumers operating in an increasingly complex financial landscape (Atkinson & Messy, 2012). Ajzen (1991) stated that attitude influences behaviour through a careful and reasoned decision-making process and its impact is limited to only three things. Firstly, behaviour is not much determined by general attitudes but by specific attitudes towards something. Secondly, behaviour is influenced not only by attitudes but also by (subjective norms), namely, our beliefs about what other people want us to do. Thirdly, attitudes towards a behaviour together with subjective norms form a certain intention or intention to behave. Previous research used this theory to explain financial decision making (Koropp et al., 2014) and behaviour (Griffin, Loe, & Hesketh, 2012; Rutherford & DeVaney, 2009).

Financial literacy identifies the human resources needed to engage in correct financial behavior. Appropriate financial behaviour can prevent someone from negative financial behaviours and problems (Bhushan & Medury, 2013; Munoz-Murillo et al., 2020). Individuals who want to live prosperously in their finances must not only have high financial literacy but must also have good financial management skills. Good financial management is the main key to achieving a healthy financial condition. Financial problems are not only caused by errors in the use of credit but often due to a lack of financial planning. Good financial management, which is collaborated with good financial literacy will prompt maximum financial benefits to improve its financial wellbeing (Coşkuner, 2016; Gerrans, Speelman, & Campitelli, 2014; Shim, Xiao, Barber, & Lyons, 2009).

A person's level of financial literacy determines their ability to manage their resources properly throughout life. A person being able to manage funds/cash owned by being able to feel prosperous concerning his finances and conversely a decrease in one's wellbeing can arise due to poor financial management behaviour (Gerrans et al., 2014; Kamakia, Mwangi, & Mwangi, 2017; Zulfiqar & Bilal, 2016). Someone who has good financial literacy is shown by the behaviour in managing finances properly, that person can be said to be prosperous in terms of his finances, and to be claimed prosperous, a person must have high financial literacy by exhibiting good management behaviour (Mudzingiri, Mwamba, & Keyser, 2018; Munoz-Murillo et al., 2020).

Besides financial literacy, another factor that influences financial wellbeing is financial behaviour. Financial attitude is a measure of the state of mind that can be considered by looking at one's psychological perspective when assessing the practice of financial management so that it becomes a principle in finance to create and maintain value in making financial decisions (Rajna, Ezat, Al Junid, & Moshiri, 2011). Individuals who have financial attitude can reflect how their personalities perform good financial management practices for their future. An attitude in good financial management starts with applying good financial attitude towards the world in which it lives. For the attitude to be interpreted as a state of mind, the opinion and evaluation of a person against his personal finances are applied to the attitude. Some studies linking financial attitude with financial literacy found that financial attitude positively affects financial literacy (Ameliawati & Setiyani, 2018), but other research found that financial attitude does not affect financial literacy (Isomidinova, Singh, & Singh, 2017). Other studies also that link financial attitudes with financial wellbeing concludes that financial attitude positively affects financial wellbeing (Haque & Zulfiqar, 2016).

Another factor, financial behaviour, is an issue that is currently widely discussed (Bruggen et al., 2017). This relates to the consumption behaviour of people in Indonesia. Financial behaviour of Indonesian people who tend to be consumptive leads to various irresponsible financial behaviours, such as lack of savings, investments, emergency fund planning and budgeting for the future. This is synonymous with impulsive shopping practices in that individuals with sufficient income still experience financial problems (Cole, Sampson, & Zia, 2009). Previous studies found the effect of financial behaviour with financial literacy (Mudzingiri et al., 2018; Rai, Dua, & Yadav, 2019; Sabri et al., 2008; Sabri & Zakaria, 2015), which revealed that financial behaviour positively affects financial literacy. Meanwhile also several studies that linked financial behaviour to financial wellbeing unveiled that financial behaviour positively affects financial wellbeing (Gutter & Copur, 2011; Mokhtar & Husniyah, 2017; Setiyani & Solichatun, 2019; Younas et al., 2019). Several other studies that also linked financial literacy with financial wellbeing, such as the study of Sabri & Zakaria (2015) and Zulfiqar & Bilal (2016), which claimed that financial literacy positively affects financial wellbeing. However, Kamakia, Mwangi & Mwangi (2017) concluded that financial literacy does not affect financial wellbeing.

This explanation reveals that the understanding of financial literacy is important in every aspect of human life that is a financial actor. Having financial literacy is a foundation for having a prosperous financial life. This applies to everyone because no matter how much a person's income is, without proper financial management, money can also be wasted and financial goals that are set will be difficult to achieve. Based on the explanation and explanation above, conducting a research on explaining the relationship between financial attitude and financial behaviour towards financial literacy and financial wellbeing during corona outbreak would be interesting.

The next section of this article is a literature review that continues with developing the hypotheses. The third section outlines the methods used in this study. The fourth section describes and discusses the results. The final section concludes and provides suggestions for further research.

2. Literature Review

2.1 Financial Literacy

Financial literacy needs and desires of the community are increasingly complex. This makes the consumptive lifestyle of the community disproportionate, such as making an impulsive purchase without considering the future. This is encouraged because of the increasingly widespread online shopping system that can be accessed through every smartphone, shopping centres that are located everywhere and all banking transactions or others are carried out with internet technology (online based), to date, the community is facilitated and spoiled in this situation in that not only a few people will feel financial difficulties. Financial difficulties are not only caused by income effects but can also be influenced by excessive or consumptive lifestyles and mistakes in financial management, such as the

absence of financial planning. Behaviours and lifestyles increasingly tempt people to be happy and to consume than to save when they have money. Especially in 2019, clothing trends, technology trends, accessories trends, vehicle trends, home trends, holiday trends and so on are making rapid development, making some people go along to fulfil this. Good financial management can be measured by the level of financial literacy owned (Caplinska & Ohotina, 2019; Njaramba, Chigeza, & Whitehouse, 2015).

Financial literacy is a basic need in the form of knowledge and ability to manage personal finances to make correct financial decisions to avoid financial problems (Munoz-Murillo et al., 2020). An attitude in good financial management starts with applying financial attitude a good towards the world in which it lives. So that it can be interpreted as a state of mind, opinion and evaluation of a person against his personal finances that are applied to the attitude. Attitudes in financial management often affect one's financial behaviour. Financial behaviour of Indonesian people who tend to be consumptive has led to various irresponsible financial behaviours, such as lack of saving, investment, emergency fund planning and future budgeting (Ramli et al., 2013; Younas et al., 2019).

Numerous people have problems regarding how to manage their personal financial assets. Every individual must possess basic intelligence to manage his personal financial resources effectively and efficiently for his wellbeing. The development of technology provides various facilities in financial learning, such as information that is easier to obtain. Many theoretical studies established that financial attitude, financial behaviour and financial literacy are determinants of increasing financial wellbeing. Current research confirms previous studies by examining financial attitude and financial behaviour towards financial wellbeing through financial literacy.

2.2 Financial Attitude and Financial Literacy

Financial attitudes are pre-dispositions to behave in certain ways that are formed due to some economic and non-economic beliefs held by individuals on the results of certain behaviours (Ajzen, 1991). Attitude also signifies as an evaluative statement, pleasant and unpleasant emotions towards objects, individuals and events. Financial behaviour or financial attitude possessed by someone will help the individual in determining their attitude and behaviour in financial matters in terms of financial management, personal financial budgeting or how individual decisions regarding the form of investment to be taken. Previous research demonstrated that financial attitude positively affects financial literacy (Ameliawati & Setiyani, 2018; OECD, 2013), financial planning (Agarwal, Amromin, Ben-David, Chomsisengphet, & Evanoff, 2015; Atkinson & Messy, 2012; Lusardi & Mitchell, 2011) and more tendency to save (Agarwal et al., 2015; Atkinson & Messy, 2012). Thus, this study formulates the first hypothesis:

H1: *Financial attitude positively affects financial literacy.*

2.3 Financial Attitude and Financial Wellbeing

Financial attitudes are states of mind, opinions and judgments about finance. An individual required financial attitude every day and in all aspects of human life (Rai et al., 2019; Rajna et al., 2011) with no exception to the financial aspects. Financial attitudes possessed by someone will help the individual in determining their attitudes and behaviour in financial matters, in terms of financial management, personal financial budgeting or how individual decisions regarding the form of investment to be taken. Zulfiqar and Bilal (2016), Mutang, et al. (2017) uncovered that financial attitude positively influences financial wellbeing. Thus, the second hypothesis was formulated:

H2: *Financial attitude positively affects financial wellbeing.*

2.4 Financial Behaviour and Financial Literacy

Financial behaviour is how humans behave in a financial determination, specifically studying how psychology influences financial, corporate and financial market decisions. Financial behaviour is built on various assumptions and ideas of economic behaviour. The involvement of emotions, traits, preferences and various kinds of factors inherent in humans as intellectual and social creatures will interact as the basis for the emergence of an action

decision. Previous research stated that financial behaviour positively affects financial literacy (Mudzingiri et al., 2018; Rai et al., 2019; Sabri et al., 2008). The results of this study state that financial behaviour has a strong relationship with financial literacy. Hence, the third hypothesis was formulated:

H3: *Financial behaviour positively affects financial literacy.*

2.5 Financial Behaviour and Financial Wellbeing

Financial behaviour defines as how humans behave in a financial setting. Specifically, studying how psychology influences individual and organisational financial decisions. Individuals who can make right decisions about finances will not have financial problems in the future and can show healthy financial behaviour. The way a person behaves will significantly affect his financial wellbeing. Therefore, capturing evidence of behavioural dimensions in financial literacy measures (OECD, 2013) is crucial. The results show that financial behaviour positively affects financial wellbeing (Ameliawati & Setiyani, 2018; Gutter & Copur, 2011; Mokhtar & Husniyah, 2017; Younas et al., 2019). Thus, the fourth hypothesis was formulated:

H4: *Financial behaviour positively affects financial wellbeing.*

2.6 Financial Literacy and Financial Wellbeing

Financial literacy is about being able to understand money and finance and being able to confidently apply that knowledge to make effective financial decisions. Knowing how to make healthy money decisions is a core skill in today's world, regardless of age (Coşkuner, 2016). Financial knowledge is an inseparable dimension of financial literacy but has not been able to describe financial literacy. Today, financial literacy is an important aspect of life. Ultimately, financial literacy influences financial wellbeing in determining decisions (Sabri & Zakaria, 2015; Zulfiqar & Bilal, 2016). Thus, the fifth hypothesis was formulated:

H5: *Financial literacy positively affects financial wellbeing.*

2.7 Financial Attitude, Financial Literacy and Financial Wellbeing

Financial literacy is closely related to the welfare of an individual. Financial knowledge and skills in managing a personal finance is essential in everyday life. A person's financial attitude also affects the way a person regulates his financial behaviour. Zulfiqar & Bilal (2016) stated that financial literacy mediates the effect of financial attitude on financial wellbeing. Thus, the fifth hypothesis was formulated:

H6: *Financial literacy mediates the effect of financial attitude on financial wellbeing.*

2.8 Financial Behaviour, Financial Literacy and Financial Wellbeing

Individual needs and increasingly complex financial products require people to have adequate financial literacy. Self-control is a useful financial behaviour when understood and can be applied in everyday life. Financial behaviour is related to a person's financial responsibilities related to the financial management. A conceptual model of financial wellbeing showed the impact of a person being able to manage funds/cash owned by being able to feel prosperous in terms of his finances and conversely a decline in one's wellbeing can arise due to erroneous behaviours in managing his finances. The previous results unveiled that financial literacy mediates the effect of financial behaviour on financial wellbeing (Ayuba, Saad & Ariffin, 2015; Sabri & Falahati, 2013). Thus, the seventh hypothesis was formulated:

H7: *Financial literacy mediates the effect of financial behaviour on financial wellbeing.*

On the basis of the explanation above, a conceptual model can be built in this study in Figure 1.

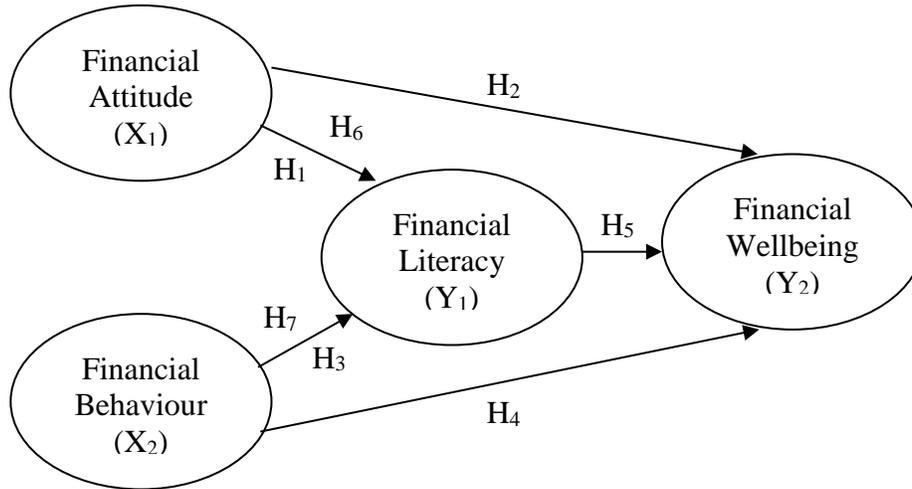


Fig. 1. Conceptual Framework Model

3. Method

This study was conducted on the community in Sidakarya Village, south Denpasar district. The duration of this study is planned to be carried out for two months starting from February 2020–March 2020. The population size in this study was 13,361 inhabitants in 2018 comprising 3,963 households. This study used a sample of 10%, namely, 396 respondents. This study is a causal research because this research aims to determine the causal relationship between variables financial attitude, financial behaviour, financial literacy and financial wellbeing. This study collected the data through interviews, documentation and distribution of questionnaires, followed by tests of validity and reliability. This study analysed the data through a variance-based analysis, namely, PLS. The results of the analysis will then be interpreted and discussed so that the results of the research can be concluded.

4. Result

4.1 Hypothesis Testing Results

This study conducted the hypothesis testing by t-test on each path of direct influence partially and indirectly through mediating variables. Associated with this test, the hypothesis testing can be broken down into direct influence testing and indirect effect testing direct or testing mediation variables. The following sections describes the results of the direct influence test and the mediation variable test.

1) Direct Effect Testing

Table 2 presents the results of the coefficient validation test path on each path for the direct effects.

Table 2. Test Results Direct Effects

No	Relationship between Variables	Path Coefficient	P-Value	Result
1	Fin. Attitude (X ₁) -> Fin. Literacy (Y ₁)	0,290	0,000	Significant
2	Fin. Attitude (X ₂) -> Fin. Wellbeing (Y ₂)	0,132	0.005	Significant
3	Fin. Behaviour (X ₂) -> Fin. Literacy (Y ₁)	0,596	0,000	Significant
4	Fin. Behaviour (X ₂) -> Fin. Wellbeing (Y ₂)	0,177	0.005	Significant
5	Fin. Literacy (Y ₁) -> Fin. Wellbeing (Y ₂)	0,600	0,000	Significant

Note: P-Value < 0.05 -> Data shows a significant difference exists

P-Value > 0.05 -> Data shows no significant difference

Source: autors, data 2020, processed

Table 2 exhibits that the results of testing the hypothesis that financial attitude (X_1) is proven to positively and significantly affect financial literacy (Y_1). These results indicated by the path coefficient positive value of 0.290 with a P-value $t < 0.05$, therefore supporting H1. The results show that the better the financial attitude carried out by the Sidakarya village community, the better financial literacy owned by the Sidakarya village community will benefit themselves and the families.

Financial attitude (X_1) positively and significantly affects financial wellbeing (Y_2). This result is shown by a positive path coefficient of 0.132 with a P-value of $t < 0.05$, hence supporting H2. The results uncover that the better the financial attitude done by the Sidakarya village community, the financial wellbeing felt by the Sidakarya village community will increase and be felt by themselves and their families.

Financial behaviour (X_2) positively and significantly affects financial literacy (Y_1). These results are indicated by a positive path coefficient of 0.596 with a P-value of $t < 0.005$, thus supporting H3. The results reveal that the better the financial behaviour carried out by the Sidakarya village community, the more beneficial the application of financial literacy by the Sidakarya village community will be for individuals and their families.

Financial behaviour (X_2) positively and significantly affects financial wellbeing (Y_2). This result is shown by a positive path coefficient of 0.177 with a P-value of $t < 0.05$, hence supporting H4. The results unveil that better financial behaviour of the Sidakarya village community will improve the financial wellbeing felt by the Sidakarya village community for themselves and their families.

Financial literacy (Y_1) positively and significantly affect financial wellbeing (Y_2). This result is shown by a positive path coefficient of 0.600 with a P-value of $t < 0.05$, thus supporting H5. The results state that the better the financial literacy done and implemented by the Sidakarya village community, the greater the financial wellbeing felt by the Sidakarya village community will increase.

The analysis performed can be presented in the image research model according to the PLS analysis as follows (figure 2):

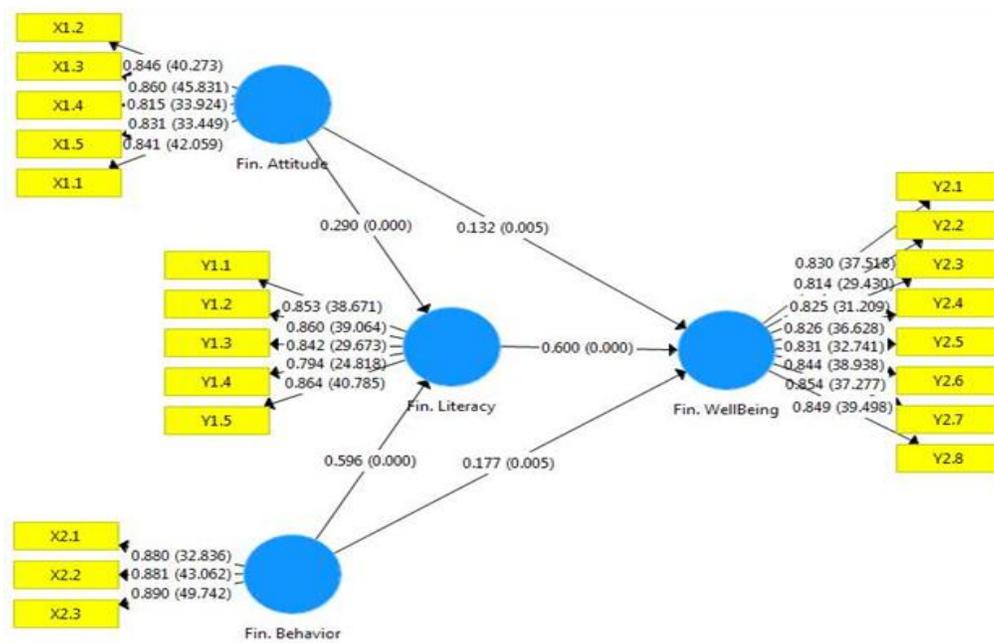


Fig. 2. Full Model PLS

2) Testing the Effect of Indirect Effects Through Variable Mediation

By testing the following hypothesis this study can analyse the role of the mediating variable financial literacy (Y_1) in the indirect influence of financial wellbeing (Y_2). The hypothesis testing for indirect effects in this study can present the results of the analysis in the Table 3:

Table 3. Recapitulation of Testing Results of Mediation Variables

No	Mediation Variables	(a)	(b)	(c)	(d)	Remarks
1	Financial attitude (X_1) -> Financial wellbeing	0.132 (Sig)	0.306 (Sig)	0.290 (Sig)	0,600 (Sig)	Partial Mediation
2	Financial behaviour (X_2)-> Financial wellbeing	0.177 (Sig)	0,535 (Sig)	0.596 (Sig)	0,600 (Sig)	Partial Mediation

Note: P-value < 0.05 -> Data shows that a significant difference exists
 P-value > 0.05 -> Data shows no significant difference

Information gathered from Table 3 is the result of testing mediation variables. Financial literacy (Y_1) can positively mediate the indirect effect of financial attitude (X_1) on positive financial wellbeing (Y_2). These results are shown from the mediation tests conducted, it appears the effect of C, D and A has a significant value. The results of this test determine that financial attitude (X_1) can positively influence financial wellbeing (Y_2) through financial literacy (Y_1), which can be proven empirically. On the basis of these results, it can be interpreted that the better the financial literacy owned by the community based on good financial attitude, the better the financial wellbeing will be in the Sidakarya village community. Other information that can be conveyed is the mediating effect of financial literacy (Y_1) on the indirect effect of financial attitude (X_1) on financial wellbeing (Y_2) that is partial (partial mediation) thus supporting H6. This finding provides a clue to the variable financial literacy (Y_1) not as a key determinant of the effect of financial attitude (X_1) on financial wellbeing (Y_2).

Financial literacy (Y_1) can positively mediate the indirect effect of financial behaviour (X_2) on positive financial wellbeing (Y_2). These results are shown from the mediation tests conducted, it appears the effect of C, D and A has a significant value. The results of this test determine that financial behaviour (X_2) can positively influence financial wellbeing (Y_2) through financial literacy (Y_1) can be proven empirically. On the basis of results it can be interpreted, the better the financial literacy owned by the community based on good financial behaviour, the better the financial wellbeing becomes in the Sidakarya village community. Other information that can be conveyed is the mediating effect of financial literacy variables (Y_1) on the indirect effect of financial behaviour (X_2) on financial wellbeing (Y_2) that is partial (partial mediation), which supports H7 . This finding provides a clue to the variable financial literacy (Y_1) not as a key determinant of the influence of financial behaviour (X_2) on financial wellbeing (Y_2). To determine the overall effect for each relationship between the variables studied, Table 4 presents the recapitulation of direct, indirect and total effects.

Table 4. Calculation of Direct, Indirect and Total Effects

No	Relationship Variable	Direct Effect Indirect	Effect	Result
1	Fin. Attitude (X_1) -> Fin. Literacy (Y_1)	0,290	-	Positive
2	Fin. Attitude (X_1) -> Fin.Wellbeing (Y_1)	0,132	-	Positive
3	Fin. Behaviour (X_2) -> Fin. Literacy (Y_1)	0.596	-	Positive
4	Behaviour (X_2 Fin.) -> Fin. Wellbeing (Y_2)	0,177	-	Positive
5	Fin. Literacy (Y_1) -> Fin. Wellbeing (Y_2)	0,600	-	Positive
6	Fin. Attitude (X_1)-> Fin.Literacy (Y_1)-> Fin. Wellbeing (Y)	0.132	0.174 (0.290 * 0.600)	Mediating
7	Fin. Behaviour (X_2 Literacy (Y_1) -> Fin.) -> Fin. Wellbeing (Y_2)	0,177	0,358 (0.596 * 0,600)	Mediating

Source: authors, 2020 data, processed

Information collected from Table 4 mediates the effect of financial literacy variable (Y_1) on the indirect effect of financial behaviour (X_2) on financial wellbeing (Y_2) is greater, such as with a path coefficient of 0.358, compared to the indirect effect of financial attitude (X_1) on financial wellbeing (Y_2) with the resulting path coefficient of 0.174. Thus overall, the path of financial behaviour (X_2) \rightarrow financial literacy (Y_1) \rightarrow financial wellbeing (Y_2) is greater with the total effect obtained by 0.535 compared to the path financial attitude (X_1) \rightarrow financial literacy (Y_1) \rightarrow financial wellbeing (Y_2) with a total effect of 0.306. These findings imply that the better financial behaviour makes the public better understand the importance of knowledge about finance will improve the financial welfare of the community individually and their families.

4.2 Discussion of Research

The results of testing H1 show that financial attitude positively affects financial literacy. These results mean that the better a financial attitude a person holds, the more knowledge and ability in applying financial literacy will be. Financial attitude is the application of financial principles to create value through decision making and good resource management (Rajna et al., 2011). Financial attitudes can be considered individual psychological tendencies when evaluating financial management. This assessment will produce a recommendation in the form of approval or disagreement or a financial decision (Parrotta & Johnson, 1998). Financial literacy reflects the financial attitude of the community. For example, if the community has a positive attitude towards the importance of having savings in the future, especially in emergencies or disasters, this financial attitude will lead to the community to have to save consistently. However, if the community tends to prioritise short-term needs, the community tends to neglect saving behaviour. Regarding pandemic conditions, financial attitude is an important factor affecting financial literacy, especially their financial decisions. The results of this study indicate that the public has a perception that an event must be anticipated financially. Even though the community no longer has income as before, it can be overcome because the community has responded to positive financial behaviour, such as savings funds and making savings. The results of this study support the results of the study by Ameliawati and Setiyani (2018).

The results of testing H2 unveil that financial attitude positively affects financial wellbeing. These results indicate that the better a person adopts financial attitude, the more his financial prosperity will improve. The findings of this study illustrate that the better a person's financial attitude is, the more financially prosperous the community will be. Financial attitudes possessed by someone will help the individual in determining their attitudes and behaviour in financial matters, in terms of financial management, personal financial budgeting or how individual decisions regarding the form of investment to be taken. The Sidakarya village community already has a good financial attitude, as evidenced by the ability to manage finances well. In this case the individual community can maintain a balance between income and expenditure, even able to plan for emergency funds in the future. Thus, when the COVID-19 pandemic occurred, people were not stressed and were able to survive economically. The results support the previous results (Sabri et al., 2008; Sabri, Cook & Gudmunson, 2012; Zulfiqar & Bilal, 2016) by stating that financial attitude positively affects financial wellbeing.

The results of testing H3 reveal that financial behaviour positively affects financial literacy. These results imply that the better a person applies financial behaviour, the more they can optimise their knowledge and application of financial literacy. Individuals need financial literacy to make decisions that will improve the quality of life today and in the future. One of the factors that influence financial literacy is financial behaviour. Financial behaviour is defined as human behaviour in relation to financial management (Klontz & Britt, 2012; Xiao, 2008). Atkinson & Messy (2012) described four conditions that reflect individual financial behaviour. Firstly, individuals can afford to pay for their potential purchases. Secondly, individuals can pay their obligations on time. Thirdly, individuals often pay close attention to records relating to financial matters. Fourthly, individuals can set long-term financial goals and efforts made to achieve these goals. The findings of this study illustrate that people who must know how to apply financial literacy well so that people will be able to make decisions that prioritise prudence in financial decision making. Caution indicates a preventive attitude if another pandemic occurs. In the past few days, the

financial condition of the people remains quite stable, but their regular income has decreased. Nonetheless, good financial attitudes, which existed before the COVID-19 pandemic, have guided the wise community in managing funds. This is shown with caution in spending money and tends to save or invest. Finally, this behaviour that has been established long before caused the community to have good financial literacy. The results support previous studies that financial behaviour positively affects financial literacy (Mudzingiri et al., 2018; Rai et al., 2019). In accordance with the study on the variable profile understudy, financial behaviour in Sidakarya village communities can be stated to have gone well and should be maintained because the important role in the savings and investment aspects is in accordance with community perceptions.

The results of testing H4 unveil that financial behaviour positively affects financial wellbeing. These results show that the better the application of financial behaviour in society, the better the financial welfare of the community will increase. Financial behaviour is the way individuals manage funds, including decisions on the use of funds, determining the source of funds and retirement planning (Gitman & Zutter, 2011). Financial behaviour will help explain the factors that cause the inefficient spending behaviour of individuals (Sewell 2007). This also relates to the habits a person displays when using money, such as making plans (shopping lists) before shopping, saving shopping receipts or using credit cards (Shim et al., 2009). In principle, individual behaviour is a way of managing funds related to one's responsibilities in managing finances. The more responsible in managing finances, the easier it is to achieve financial prosperity. The behaviour of this community can maintain prosperity in a depressed COVID-19 pandemic condition. The family economy is not easy to collapse because of good behaviour, similarly with previous results (Gutter & Copur, 2011; Mokhtar & Husniyah, 2017; Setiyani & Solichatun, 2019; Younas et al., 2019)

The results of testing the H5 show that financial literacy positively affects financial wellbeing. These results give the sense that the increasing financial welfare of the community shows that the community has been able to properly apply knowledge about financial literacy. The level of financial literacy is reflected in its ability to manage funds for savings, investment, debt repayment or fulfil living needs in accordance with its portion. Financial literacy also allows someone who has money to be entangled in bulging investments (Munoz-Murillo et al., 2020). The concept of financial literacy includes knowledge of financial concepts, the ability to understand communication about financial concepts, the ability to manage personal / company finances and the ability to make financial decisions in certain situations. With proper financial management, individuals can obtain the maximum benefit from their money (Association of Chartered Certified Accountants, 2014). Good behaviour and attitude in dealing with the conditions of this COVID-19 pandemic due to good public knowledge of family financial management and prevention of deteriorating economic conditions due to the stress of the COVID-19 pandemic. Good financial literacy is not only acquired from the public, but also from formal education in the family and surrounding environment. In the family environment, parents play a role in educating children to manage finances early and provide examples of appropriate financial decision making. Thus, good financial literacy will create financial prosperity, including when the COVID-19 pandemic occurs. The results support the results of previous research (Mohamad Fazli Sabri & Zakaria, 2015; Zulfiqar & Bilal, 2016) that stated that financial literacy positively affects financial wellbeing.

The results of testing H6 present that financial literacy positively mediates the effect of financial attitude on financial wellbeing. This finding indicates that the better the knowledge about finances owned by the community based on attitudes in managing good finances, the better financial welfare of the community will increase. Financial literacy will affect the ability and confidence of individuals in making effective financial decisions. At present, financial literacy is a key skill that must be possessed by everyone who has income (Coşkuner, 2016). The lack of financial literacy led to the emergence of a power–prestige attitude (Yamauchi & Templer, 1982), which is making money a source of power, seeking status, competition, gaining recognition and buying luxury goods. If the attitude is carried out continuously over the long term, it does not eliminate the possibility that individuals may experience financial difficulties; as a result, individuals will not achieve financial prosperity. Financial literacy will affect the ability and confidence of individuals in making effective financial decisions. Good financial literacy will be able to show good

welfare as well. In a depressed COVID-19 pandemic condition, so far the people's welfare has been maintained. The results of this study support the results of (Mohamad Fazli Sabri et al., 2012), by stating that financial literacy mediates positive financial attitude towards financial wellbeing.

The results of testing H7 show that financial literacy positively mediates the influence behaviour of financial to financial wellbeing. This finding means that the better knowledge about finances owned by the community based on good financial decision-making behaviour the greater the financial welfare of the community will increase. Financial literacy is related to one's competence to manage finances. Individuals who have good financial literacy will reflect their knowledge in good financial behaviour. Good financial behaviour is reflected in five components, namely, the ability of individuals to use money wisely, pay obligations timely, able to plan future finances, set aside money for savings or investments and manage expenses for themselves or family (Perry and Morris, 2005). The existence of financial knowledge will determine financial behaviour to maximise the time value of money so that individuals can acquire financial prosperity. Financial literacy also shows good behaviour in managing finances in the best possible condition, including during the COVID-19 pandemic. The results of this study support the results of the research conducted by Zulfiqar and Bilal (2016), by stating the that financial literacy mediates the positive financial behaviour towards financial wellbeing.

Conclusion

We can conclude that financial attitude positively and significantly affects financial literacy. People who can apply financial literacy will change attitudes and assessments of finance regarding recording income and expenses and maximising the budget that has been made. Financial attitude positively affects the financial wellbeing in the Sidakarya village community. The better the welfare of the community financially the better the patterns and attitudes of the community in managing finances will be. Financial behaviour positively affects financial literacy in the Sidakarya village community. People who can apply financial literacy well can help people make decisions that prioritise prudence in financial decision making. Financial behaviour positively affects financial wellbeing in the Sidakarya village community. The better the application of financial behaviour in the society, the greater the financial welfare of the community will increase. Financial literacy positively affects the financial wellbeing in the Sidakarya village community. The increasing financial welfare of the community shows that the community has been able to properly apply knowledge about financial literacy.

Financial literacy mediates the effect of financial attitude on financial wellbeing in the Sidakarya village community. The better knowledge about finances owned by the community based on attitudes in managing good finances the quicker financial welfare of the community will increase. Financial literacy mediates the effect of financial behaviour on financial wellbeing in the Sidakarya village community. The better the knowledge of finances owned by the community based on good financial decision-making behaviour, the sooner the financial welfare of the community will increase.

Suggestions

Financial literacy is necessary to change people's behaviour and welfare levels. Therefore, financial learning and understanding must be improved in schools, universities or in the environment of rural or urban communities to help people gain knowledge about financial literacy in a depressed condition. Financial literacy is also expected to increase public knowledge and change people's behaviour leading to better management of finances and investment. Financial literacy can prevent people from making hudge unnecessary investment. Development of financial instruments can be instrumental for increasing public financial literacy and the target of financial inclusion index (financial access) of the community by 75% in 2020 set by the government can be achieved. Big number of people with financial literacy may affect other people's financial literacy and welfare. Ultimately, people will not only be

aware of financial products, such as savings, insurance policies, investments, deposits, but also understand the risks that are related to each of these financial instruments.

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