

# Transforming Financial Futures: The Impact of Family Economic Education and Self-Efficacy on Student Economic Behavior Through Economic Literacy

Riza Yonisa Kurniawan<sup>1</sup>, Putri Ulfa Kamalia<sup>2</sup>, Muhammad Abdul Ghofur<sup>3</sup>, Putri Elok Griselda<sup>4</sup> and Yin Yin Khoo<sup>5</sup>

## Abstract

*The objective of this study is to examine the influence of family economic education and self-efficacy on economic behavior, while considering economic literacy as a mediating factor. A total of 172 students from three East Java State Universities were included in the study. Questionnaires were given at these universities to collect data. Data analysis was conducted using Warp PLS software, employing Analytic Structural Equation Modelling (SEM). The results demonstrate that providing family economic education has a substantial and beneficial impact on individuals' economic behavior. Similarly, self-efficacy and economic literacy have significant and favorable effects on economic behavior. Furthermore, the effect of learning on the topic of family economics and the belief in one's ability to apply knowledge of economics also have a positive effect. Indirect effects show that family economic education has a large positive effect on behavioral economising through enhancing economic knowledge. Besides, self-efficacy also exerts a positive impact on economic behavior through economic literacy. These results underlined the potential of family economic education and self-efficacy as the efficient tools to improve economic behavior by increasing the level of economic literacy.*

**Keywords:** *Self-Efficacy, Economic Behavior, Family Economic Education, Economic Literacy.*

## INTRODUCTION

Desirable attributes of people within the economy must be instilled in students of economic education so that they are conditioned not to act consumptively. Economic rationality on the other hand relates to an individual's tendency to acquire expensive objects, and a disregard for cost in the acquisition. This behaviour is not exclusive to the industrialised countries but the developing one as well such as Indonesia. These novel studies included the following research (Hakim et al., 2020; Haryanto et al., 2019; Mayasari et al., 2020; Mulyono & Rusdarti, 2020; Wibowo et al., 2022). Considering such conditions, this research aims to find out the factors leading to a low level of consumers' control among students of the Economic Education Undergraduate Study Program in East Java. The first factors that influence consumer behavior are education and the family environment (Erjavšek, 2021). Phenomenon of students has the characteristic of putting their desires first as well as wanting to follow trends. In a study related to family economic education on economic behavior, it was found that family teaching could increase economic involvement (Narmaditya et al., 2023). Based on the results of an initial survey of Economic Education students at East Java University, the students said there was still a lack of understanding of the family environment. However, there are other facts in research (Wulandari, 2021) Family economic education has no effect on economic behavior. This causes a gap between the research that has been carried out and the facts on the ground.

The second factor, apart from family economic education, is influenced by Self-efficacy (Suratno & Narmaditya, 2021). According to (Bandura, 1997) Self-efficacy is a decision, belief, or expectation regarding the extent to which a person evaluates his or her ability in economic behavior to achieve desired results. According to research (Kodden, 2020), self-efficacy can overcome situations and lead to positive actions. Research Ibrohim (2020) said that Economic Education students had a consumptive behavior in the 2016-2019 class of 85.2%

---

<sup>1</sup> Department of Economic Education, Universitas Negeri Surabaya, Surabaya, Indonesia, ORCID: 0000-0003-2419-210X, Email: rizakurniawan@unesa.ac.id, (Corresponding Author)

<sup>2</sup> Department of Economic Education, Universitas Negeri Surabaya, Surabaya, Indonesia, ORCID: 0000-0001-6694-9225

<sup>3</sup> Department of Economic Education, Universitas Negeri Surabaya, Surabaya, Indonesia, ORCID: 0000-0002-2422-8144

<sup>4</sup> Department of Economic Education, Universitas Negeri Surabaya, Surabaya, Indonesia

<sup>5</sup> Universiti Pendidikan Sultan Idris Fakulti Pengurusan dan Ekonomi: Tanjong Malim, Perak, Malaysia, ORCID: 0000-0003-4850-2184

and the influence of Self-efficacy was 14.8%. This causes a gap between the two studies and the facts in the field.

The two factors above underlie that every individual must be willing to read or be literate in economics in order to achieve the desired goals of each individual (Koskelainen et al., 2023, 2023; Ningsih et al., 2021). Economic literacy is an important aspect of economic behavior because the basis is not to make someone behave consumeristly (Suratno & Narmaditya, 2021). Research from Paywala & Utomo (2021) said that the economic literacy variable had an influence on consumer behavior in 28.70% of economic education students. From this data, students must be aware of the importance of economic literacy in being able to manage the economy. This is urgent because, ironically, students should have high literacy, and there is a gap between the two studies.

Prior studies identified inconsistencies, necessitating the need for further study to explore mediating variables as potential indirect influences. These variables may play a role in connecting the two independent variables to the dependent variable, specifically in relation to economic behaviour. Economic behaviour refers to the deliberate activities taken by individuals who possess financial power and require information to make rational decisions (Lin & Bates, 2022; Sedláčiková et al., 2020; Wangi & Baskara, 2021). The research findings indicate that economic literacy has a beneficial impact on economic behaviour, as demonstrated by studies conducted by Jamilah et al. (2020), Kálmán et al. (2021), and Rangga (2022). Economic behaviour depends on factors originating from self-image, environment or information that differentiates an individual's desirable or undesirable behaviour (Efendi et al., 2019; Jaffe, 2013; Lyn & Sahid, 2021). The results of the present investigation reveal positive vistas of literacy and their bearing on economic behavior with specific reference to the facets of economic education. Furthermore, self efficacy is found to have a positive impact on economic literacy possibly in the same mediating capacity of the research.

## **METHODS**

The current research work uses survey research method by acquiring quantitative data. The study population consisted of students enrolled in the Bachelor of Economics Education Study Program from three universities in East Java (UNESA, UM, and UNEJ), specifically those who belonged to the class of 2020. According to the formula developed by Isaac and Michael, the total number of students chosen as samples was 172. The sampling approach employs simple random sampling methods, which are a subset of probability sampling. A random sample was obtained by utilising the data analytic capabilities of Microsoft Excel through the use of the RAND formula.

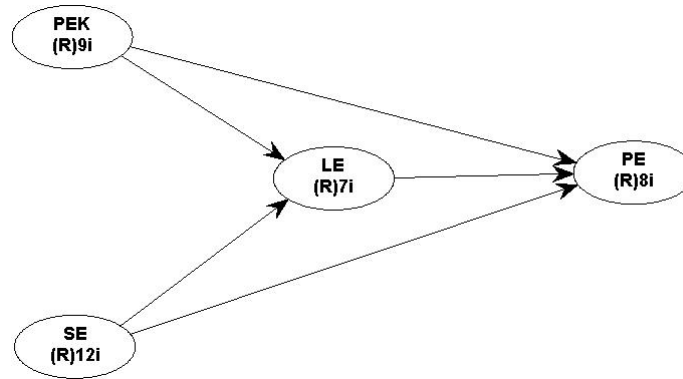
The primary data was acquired via the outcomes of a survey that was disseminated to students through Google Forms. The questionnaire includes many statement items that have undergone an instrument test for the variables of family economic education, self-efficacy, economic literacy, and economic education. Measurement scales of the items are 5-Likert like those applied by Umar et al. , (2018). The validity and reliability of the self-developed questionnaire on family economic education used by Narmaditya et al. (2023) are Cronbach's alpha coefficient of 0. 831. The second assessment tool is self-efficacy questionnaires; Susetyaning (2022) revealed good reliability, where Cronbach's alpha coefficients is: 0. 793. Further, a study carried out in the year 2023 by Narmaditya et al reveal that economic literacy has an acceptable reliable internal consistency with a Cronbach's alpha coefficient of 0. 487. Moreover, the quantitative analysis of the Narmaditya et al.'s (2023) study established that the economic education possessed a Cronbach's alpha coefficient of 0. 772. The statistical method used in the analysis of the data is based on the Partial Least Squares Structural Equation Modelling (PLS-SEM) that is achieved in a multi-stage procedure with the help of the WarpPLS 7 program. The value obtained for the present study based on the Sponsor's recommendations was 0 (Sarstedt et al., 2021). The data analysis has three components: specification in the choice of the outer and inner model settings, outer model estimation which concerns testing of each item in the instruments, inner model estimation which relates to hypothesis testing.

## **RESULTS**

The first process in the application of WarPLS 7. 0 is producing model specifications that include references to the outer mode and settings of the inner model as suggested by Sarstedt et al. (2021). The inner model is plan

devised to categorize in theory or research design, subsequently outer model is planned to ground each item that is used as a tool for the variables known as Family Economic Education (PEK), Self Efficacy (SE), Economic Literacy (LE), and Economic Behavior (PE). The model specifications can be seen in Figure 1.

Figure 1. Model Specifications



The next step is an external model evaluation analysis consisting of Convergen Validity, Discriminant Validity and Reliability tests. The results of the convergent validity or convergent validity test show that each instrument item has an outer loading value of > 0.7 and a convergent validity value as follows:

**For Variables PEK (X<sub>1</sub>)**

If loading factor ( $PEK_1 = 0.727$ ) > 0,50 so convergen validity fulfilled. Then, 0.727;  $p < 0.001$ ) then it will be fulfilled convergent validity. So these conditions are proven in the analysis results that the indicators  $PEK_1, PEK_2, PEK_3, PEK_4, PEK_6$ , dan  $PEK_8$  has fulfilled validitas konvergen.

**For Variabile SE (X<sub>2</sub>)**

If loading factor ( $SE_1 = 0.541$ ) > 0,50 so convergen validity fulfilled. Then, 0.541;  $p < 0.001$ ) then it will be fulfilled convergent validity. So these conditions are proven in the analysis results that the indicators  $SE_1, SE_2, SE_3, SE_4, SE_5, SE_6, SE_7$  dan  $PEK_8$  has fulfilled validitas konvergen.

**For Variable LE (Z)**

If loading factor ( $LE_3 = 0.550$ ) > 0,50 so convergen validity fulfilled. Then, 0.550;  $p < 0.001$ ) then it will be fulfilled convergent validity. So these conditions are proven in the analysis results that the indicators  $LE_3, LE_4, LE_5$ , dan  $LE_7$  has fulfilled validitas konvergen.

**For Variable PE (Y)**

If loading factor ( $PE_1 = 0.624$ ) > 0,50 so convergen validity fulfilled. Then, 0.624;  $p < 0.001$ ) then it will be fulfilled convergent validity. So these conditions are proven in the analysis results that the indicators  $PE_1, PE_2, PE_3, PE_4, PE_5, PE_6, PE_7$  dan  $PE_8$  has fulfilled validitas konvergen.

Based on these results, it can be stated that all instrument items in this research were fulfilled and some were not fulfilled. Furthermore, the results of the discriminant validity test using cross-loading values show that, each construct value targeted is greater than the value of other constructs, it can be stated that each instrument item in this study meets the discriminant validity test. For the results of reliability tests or reliability tests using Composite reliability coefficients, they are presented in table 1 which shows that if every Composite reliability coefficient is smaller than 0.70, the questionnaire that does not meet composite reliability can be eliminated.

Table 1. Composite reliability coefficients

Variable	Composite reliability coefficients	Information
PEK	0.871	Fulfilled
SE	0.843	Fulfilled

LE	0.548	Unfulfilled
PE	0.834	Fulfilled

The next analysis, namely the inner model evaluation analysis, which includes a Cronbach Alpha value of more than 0.60 is considered reliable. Likewise, if the Cronbach Alpha value is less than 0.60, it is considered not reliable. From the results of Cronbach's alpha coefficients in Table 2, it can be seen that the PEK, SE and PE coefficient variables are higher than 0.6, therefore they meet the criteria for Cronbach's alpha coefficients.

**Table 2. Cronbach's alpha coefficients**

Variable	Cronbach's alpha coefficients	Information
PEK	0.831	Fulfilled
SE	0.793	Fulfilled
LE	0.487	Unfulfilled
PE	0.772	Fulfilled

**Table 3. Model fit and quality indices**

No.	Model fit and quality indices	Criteria fit	Analysis results	Information
1.	Ave path coefficient (APC)	$p < 0.05$	0.262 ( $p < 0.001$ )	Meets model fit requirements
2.	Average R-squared (ARS)	$p < 0.05$	0.284 ( $p < 0.001$ )	Meets model fit requirements
3.	Average adjusted R-squared (AARS)	$p < 0.05$	0.274 ( $p < 0.001$ )	Meets model fit requirements
4.	Average block VIF (AVIF)	Accept table if $\leq 5$ , ideally $\leq 3.3$	1.169	Ideal
5.	Average full coinearity VIF (AFVIF)	Accept table if $\leq 5$ , ideally $\leq 3.3$	1.289	Ideal
6.	Tenenhaus GoF (GoF)	Small $\geq 0.1$ , medium $\geq 0.25$ , large $\geq 0.36$	0.326	Large
7.	Sympson's paradox ratio (SPR)	Accept table if $\geq 0.7$ , ideally = 1	1.000	Accepted
8.	R-squared contribution ratio (RSCR)	Accept table if $\geq 0.7$ , ideally = 1	1.000	Accepted
9.	Statistical suppression ratio (SSR)	Accept table if $\geq 0.7$	1.000	Accepted
10.	Nonlinear bivariate causality direction ration (NLBCDR)	Accept table if $\geq 0.7$	0.800	Accepted

**Table 4. Direct Model Path Coefficients Effect**

Relationship	Path coefficient	P Value	Information
<b>DIRECT EFFECT</b>			
PEK → PE	0,427	0,001	Reject H <sub>0</sub>
SE → PE	0,232	0,001	Reject H <sub>0</sub>
LE → PE	0,156	0,018	Reject H <sub>0</sub>
PEK → LE	0,146	0,025	Reject H <sub>0</sub>
SE → LE	0,348	0,001	Reject H <sub>0</sub>
<b>INDIRECT EFFECT</b>			
PEK → LE → PE	0,427	0,001	Reject H <sub>0</sub>
SE → LE → PE	0,232	0,001	Reject H <sub>0</sub>

Source: Primary data processed, 2024

## **DISCUSSION**

### **Family Economics Education Affects the Results of Economic Behavior of East Java State University Students.**

The hypothesis testing results indicate that family economic education has a substantial impact on economic behavior. The p-value of  $<0.001$ , which is less than the significance level of 0.05, along with a positive path coefficient of 0.427, provided evidence to reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ). Family economic education at East Java State University has a substantial and beneficial impact on economic behavior outcomes. This correlation demonstrates that there is a direct link between a family's level of economic education and their economic behaviour. Specifically, the higher the quality of economic education within a family, the more favorable their economic behavior tends to be. Consequently, a reduction in economic behaviour will lead to a reduced amount of economic education being acquired.

The results of the study are consistent with the research by Kurniawan et al. (2019), primarily revealing that family's economic literacy affects children's economic behavior. In addition, Rangga (2022) mentioned, family economic education affects the perception of teenagers on the purchase and helping them to develop proper attitude of having to save and budget before spending so that it can equal or less than the income received. The conclusions formulated in this study correspond to the results of the Frederiks et al. (2015) study, supporting the importance of family economic education for pro-rationally reasoned behaviour and efficiency of the consumption (Kálmán et al., 2021).

The conclusion of this study is supported by the Theory of Reasoned Action (TRA) because it proposes that people's behaviour depends with the assessment of information and consideration of the relations of the behavioural undertakings (Fishbein & Ajzen, 1990). The principles of effective family economic education are derived from the purpose of increasing understanding on the part of the consumer regarding rational decision making in the purchase of goods (Na & Hipertensiva, 2022). The conclusions of this work are supported by previous research, which showed that levels of Family Economic Education affect economic conduct (Murti et al., 2022; Narmaditya et al., 2023; Rangga, 2022). However, the authors concluded that economic education within the family does not have a significant influence on economic behavior (Johan et al., 2021).

Based on the discovery of this research, it is discovered that the measure of family economic education is represented by the statement, "My parents teach me about economics, finance, and entrepreneurship:" which obtains a value of 0.789. When parents are the ones teaching financial knowledge, the actions they take regarding money surface, therefore, making the learners act in such a fashion that will allow them to grasp concepts that are in essence the foundation of economics.

The findings of this study indicate that the measure of family economic education is represented by the statement, "My parents impart knowledge in the areas of economics, finance, and entrepreneurship," which has a loading value of 0.789. When parents impart financial education, their economic behavior becomes evident, prompting pupils to conduct themselves in a way that facilitates their comprehension of fundamental concepts in economics.

Family education in this domain significantly influences their behavior. When youngsters grasp the fundamental principles of economic education effectively, their knowledge will expand, resulting in a favorable impact on their economic behavior.

### **Self Efficacy on the Economic Behavior of East Java State University Students**

The hypothesis test results indicate that Self-efficacy has a notable impact on economic behavior. The p-value of  $<0.001$  provides strong evidence against the null hypothesis ( $H_0$ ) at the significance level of 0.05. The path coefficient of 0.232, which is positive, supports the acceptance of hypothesis H2. The stronger the  $H_2$  Self Efficacy is, the more influential it is on students' economic behavior. Self-efficacy has a notable and favorable impact on the economic behavior of students at East Java State University. The positive relationship suggests students' self-efficacy enhances over time and the ability to develop self-control with the potential of becoming moral persons. On the other hand, when students Self-Efficacy reduces, so does their capacity in handling their

financial affairs. The academic talents variable in this case suggests that students using Theory of Reasoned Action (TRA) techniques in this situation are more probable to possess a higher strength as compared to students with a weaker personality.

This study supports the works of Wiranti et al. (2023) regarding the research revealing that the self-efficacy of students significantly affects the behaviours of these learners. c) Other research carried out by Saptono et al., (2020) shows that there is a positive and significant relationship between Self Efficacy in students and positive effects as seen in self-efficacy resulting in positives in individuals ability to practice and put in place sound economic management practices.

The TRA provides backing for the findings derived from this study; in the TRA, conduct is identified as a factor that has an effect on self-efficacy (Fishbein & Ajzen, 1990). Bandura also revealed that the self-efficacy of a person may depend on decisions, beliefs or expectations as to how a particular action or behavior is going to be performed to bring the intended results. Sartika and Sugiharsono's (2020) view reconcile the ability to self-efficacy to changes an individual behavior till they attained achievement. Thus, the results of this study are in line with the prior research which highlighted that self-efficacy affects the economic behaviour greatly (Grunert et al., 2023; Narmaditya et al., 2023; Rangga, 2022). However, the study results reveal that Self-efficacy does not have vast effects on the economic behavior as shown by the works of Ismail et al. (2017) and Wuepper & Lybbert (2017).

This study demonstrates that the Self Efficacy indicator is represented by the statement "I easily give up in the face of challenges in economic behavior," which has an outer loadings value of 0.789. When students experience a tendency to quickly abandon efforts to manage their finances, it is important for them to assess themselves when making decisions about what to prioritize in their purchases. Therefore, students who effectively handle their finances will exert a beneficial impact on their economic conduct.

### **Economic Literacy on the Economic Behavior of East Java State University Students**

The results of the hypothesis testing indicate that there is a notable impact of economic literacy on economic behavior. This is supported by the p-value of  $<0.002$ , which is less than 0.05, indicating statistical significance. The path coefficient is 0.156 and has a positive sign. The null hypothesis ( $H_0$ ) is rejected, while the alternative hypothesis ( $H_3$ ) is accepted. Improved economic literacy directly influences pupils' ability to engage in more efficient economic practices. Consequently, the economic literacy of students at East Java State University has a notable and favorable impact on their economic conduct. This correlation demonstrates that when pupils' economic literacy increases, their capacity for growth and development also increases. Students possess the ability to comprehend the fundamental principles of economic management and have the capacity to exert an impact on economic conduct. Conversely, children with lesser economic literacy exhibit poorer economic conduct when it comes to managing their finances. In this scenario, students with strong academic ability are more likely to employ Theory of Reasoned Action (TRA) techniques, in contrast to students with weaker dispositions.

The findings of this study align with the research conducted by Surindra (2022), which suggests that literacy has a significant impact on economic behavior. Specifically, individuals who possess literacy skills are more likely to enhance their knowledge and exhibit proficient conduct in economic affairs. Economic literacy is crucial for pupils as it enables them to make sensible decisions when selecting something (Suratno & Narmaditya, 2021). This economic literacy bears resemblances to the Theory of Reasoned Action (TRA).

The findings of this study are bolstered by the Theory of Reasoned Action (TRA), which indicates that personal characteristics might have an impact on economic literacy (Ajzen & Fishbein, 1970). The ability of pupils to accept and manage their own finances will significantly impact their behavior (Baumeister, 2002; Luukkanen & Uusitalo, 2019; Schmeiser et al., 2015). The findings of this study are corroborated by prior research, which asserts that economic literacy exerts a substantial impact on economic conduct (Surindra, 2022). Nevertheless, the findings from the research conducted by Grunert et al., (2023) and Rangga (2022) indicate that Self-Efficacy does not exert a substantial influence on economic behavior.

This study demonstrates that the economic literacy indicator "Purchasing goods without considering financial implications, even in the presence of inflation" has an outer loading value of 0.777. When pupils have a strong desire to purchase items, they should strive to improve their literacy skills, since this will influence their productive behavior. Improving pupils' reading skills leads to an increase in their knowledge, which in turn positively impacts their economic behavior. Economic literacy plays a crucial role in fostering economic behavior among students as it enhances their understanding and equips them to become productive individuals in the future.

### **Family Economics Education on Economic Literacy of Students of East Java State University**

The results of the hypothesis testing indicate that family economic education has a notable impact on economic literacy. This is supported by the p-value of  $<0.002$ , which is statistically significant at a significance level of 0.05. The parameter of the relationship, the direct path coefficient that is positive equal to 0.146, helps in rejecting the H<sub>3</sub> hypothesis & affirm H<sub>1</sub> hypothesis. Thus, logically, it may be assumed that family economic education entails a great and positive effect, which means that the bigger the number of times or the number of times a student receives clarification on the aspects of family economic education, the more economically literate he or she will be. The flow of interest in economic literacy is on the decline when the level of family economic education among the pupils is low. For the pupils, family economic education is considered as the foundational aspect of economic education to be able to enrich the meaning of economic literacy. As a result of this, students, with a solid grounding in family economics education, should be able to apply their existing skills in the management and evaluation of the economy, and hence minimizing the delivery of learning outcomes.

This study's work is in concordance with the work Pendergast (2021), where they noted that family economic education is significant in attaining economic literacy education. Thus, through the use of financial modeling and other measures that can possibly save more money, for instance, stashing cash, people can impact their financial status (Narmaditya et al., 2023). Family economic education can be regarded as the basis for introducing economic behavior from childhood.

The conclusion made in this research is supported by the characteristics of the Theory of Planned Behavior which show that individuals whose attitudes towards learning or reading about economics are favorable and whose perceived behavioral control is high, are likely to indulge in the activity (Ajzen, 2005). The improvement of economic literacy will enable the pupil in meeting the required economic competence and the right ways of carrying out appropriate economic behavior (Yudiatmaja, 2021). This is in line with other research (Narmaditya et al., 2023). However, based on the research results, it was established that the family economic education does not significantly improve the economic literacy of individuals (Frisancho, 2020; Muñoz-Murillo et al., 2020; Struckell et al., 2022).

As the following table presents, for the economic literacy variable of the current study, the external loading value for the statement "I plan for education and finance in the long term" is 0.700. When students establish a systematic approach to prioritize their purchases of daily essentials, with the aim of managing and regulating their finances, their economic stability improves. Consequently, this has a beneficial impact on their overall financial behavior.

### **Self Efficacy on Economic Literacy of Students of East Java State University**

The results of hypothesis testing indicate that Self-efficacy has a statistically significant impact on economic literacy. This is supported by the p-value of  $<0.001$ , which is below the significance level of 0.05. The path coefficient has a positive value of 0.348, leading to the rejection of hypothesis H<sub>3</sub> and acceptance of hypothesis H<sub>2</sub>. This refers to the level of self-efficacy exhibited by students at East Java State University. The correlation between students and economic literacy indicates that the enhancement of self-efficacy will lead to a rise in the advancement of economic literacy. On the other hand, if a student has low self-efficacy in economic literacy, it will hinder their ability to improve their economic literacy skills. Students that possess a favorable Self-Efficacy relationship are capable of effectively demonstrating economic literacy, which encompasses both

organizational skills and knowledge. Conversely, students with a poor Self-Efficacy relationship will have suboptimal levels of control and knowledge, leading to a decrease in economic literacy.

The findings of this study align with previous research indicating that self-efficacy plays a pivotal role in determining individuals' inclination to persist in learning or develop economic literacy. This is because students' motivation to engage in ongoing learning and absorb information directly impacts their subsequent behavior.

The findings of this study align with the Theory of Reasoned Action (TRA), indicating that literacy is one of the characteristics that can impact Self Efficacy, as suggested by Fishbein and Ajzen (1990). Bandura (1997) shown that an individual's Self Efficacy can be impacted by their decisions, beliefs, or expectations about doing specific tasks or actions necessary to attain desired outcomes. This is corroborated by empirical findings (Narmaditya et al., 2023).

According to the prior hypothesis, the statement item "I easily give up when facing challenges with economic behavior" has the highest contribution to Self-Efficacy, with an outer loadings value of 0.789. When students experience a tendency to quickly surrender when managing their finances, it is essential for them to enhance their personal resilience. Students who effectively manage their finances will exert a favorable impact on their economic conduct.

### **Family Economics Education Affects Economic Behavior Through Economic Literacy of Students of East Java State University**

The results of hypothesis testing demonstrate that family economic education has a substantial impact on economic behavior via enhancing economic literacy. The statistical analysis revealed a significant result, as indicated by the p-value of  $<0.002$ , which is below the threshold of 0.05. The path coefficient was found to be positive, with a value of 0.146. Therefore, the null hypothesis  $H_0$  was rejected in favor of the alternative hypothesis  $H_3$ , while the alternative hypothesis  $H_2$  was accepted. Economic education has a notable and beneficial impact on economic behavior among students at East Java State University by enhancing their economic literacy. Previous results indicate that family economic education has a substantial impact on economic conduct. Additionally, family economic education has a considerable influence on economic literacy, which in turn affects economic behavior. As students apply or explain family economic education more frequently, their demand for economic literacy will proportionally grow. Increasing economic literacy, among students can inspire them to expand their knowledge and skills ultimately improving their decision making abilities in matters. Therefore it can be deduced that economic literacy plays a role in bridging the gap between family education and financial behavior as outlined in this study.

These research findings align with studies that have shown a link between economic education and students financial management (Amagir et al., 2020; Georgescu & Herman, 2020; Johan et al., 2021). A solid grasp of literacy by students has the potential to influence how they effectively manage their finances (Amagir et al., 2020; Dewi et al., 2020; Hamid & Loke, 2021).

The insights from this study are reinforced by the Theory of Reasoned Action (TRA) which emphasizes the importance of attitudes, subjective norms and perceived control influenced by the intentions, under examination (Fishbein & Ajzen, 1990). According to the Theory of Reasoned Action (TRA) family economic education is linked to norms as evidenced by Murti et al. (2022).

The study findings suggest that the influence of P Value, on behavior due to family education is more significant compared to its impact on economic literacy. In contrast the coefficient indicating the effect of family education on behavior is greater than the coefficient showing the impact of economic conduct, on economic behavior outcomes through economic literacy. Consequently, the impact of family economic education on economic behavior is more significant than its impact on economic literacy. This demonstrates that the instruction of family economics has a greater impact on cultivating economic behavior in kids compared to teaching them economic literacy. Essentially, the primary focus of education lies in comprehending the familial context via the lens of sound financial education.



## **Self-Efficacy Affects Economic Behavior Through Economic Literacy of East Java State University Students**

The results of hypothesis testing indicate that Self Efficacy has a substantial impact on economic behavior by means of economic literacy. The statistical significance of the results is supported by p-values of  $<0.001$  and  $<0.002$ , both of which are below the threshold of 0.05. The path coefficient is positive, with a value of 0.348 and passes through 0.156. Based on these findings, we reject hypothesis H1 and accept hypotheses H3 and H2. Self-efficacy has a notable and favorable impact on economic behavior in students of the State University of East Java by way of enhancing their economic literacy. Previous findings indicate that self-efficacy has a substantial impact on economic behavior and economic literacy. Additionally, economic literacy significantly influences economic behavior. There is a direct correlation between the level of self-efficacy and economic behavior in students. As the relationship between self-efficacy and economic behavior becomes more positive, the level of self-efficacy in students' behavior will increase proportionally. Positive self-efficacy in pupils fosters an improvement in economic literacy and promotes consistently excellent behavior by enhancing self-control. Students' self-efficacy is enhanced by economic knowledge. Thus, this study demonstrates that economic literacy plays a role in modulating the impact of self-efficacy.

The findings of this study align with previous research on economic literacy, which has been shown to influence individuals' behavior and self-efficacy. Therefore, the level of literacy among students is likely to have an impact (Wardana et al., 2020). According to Narmaditya et al. (2023), literacy has a crucial role in shaping an individual's behavior as it provides them with fundamental knowledge to effectively manage their income and expenses.

This study proved one of the components that affect Self-efficacy in economic conduct through economic literacy are based on Theory Reasoned Action (TRA) which found by Fishbein and Ajzen, (1990). Self-efficacy is a component of Bandura's research that can be influenced by choices, beliefs or expectations; specifically in relation to the performance of an activity/behavior expected to produce desired outcomes and based on structured learning (Bandura, 1997). This is supported by research done its precedent study with the relationship between PLS shown in same pattern Narmaditya et al. (2023). These results suggest that, as far as economic behavior is concerned and compared to student attitudes towards their ability in economics P-value computer-driven education has an impact on self-efficacy more than it does on financial literacy. While the level of dependency through which Self-efficacy depends on economic behavior outcomes via economic literacy is lower compared to its direct effect, a coefficient value indicating the impact of self-E efficacy over economic behavior is higher than that measured as indirectly acting by means of influencing economically behavioral consequences.

This indicates that the direct impact of self-efficacy on economic behavior is more significant than the indirect impact of economic conduct on economic literacy. This demonstrates that family economic education has a greater impact on promoting economic conduct in students compared to their level of economic literacy. Put simply, it is important for individuals to possess information in order to exhibit sound economic behavior.

## **CONCLUSION**

From the study and analysis, it is evident that there is a substantial correlation between economic education. This is evident from the outcomes of the hypothesis testing involving both direct and indirect factors. The research revealed that economic conduct plays a crucial role in managing the economy. An individual's behavioral process is invariably influenced by economic conduct facilitated by economic literacy. Hence, it is advisable for individuals to develop reading skills in order to effectively manage their finances.

Family economic education has a direct and beneficial influence on economic conduct. There is a positive correlation between a student's family's level of economic education and their early acquisition of economic information, which in turn impacts their economic conduct. Similarly, self-efficacy has a beneficial impact on economic behavior. There is a positive correlation between the level of self-efficacy in students and their performance in economics. This, in turn, has an impact on their economic behavior. Economic literature exerts a beneficial impact on economic conduct. Greater economic literacy in students leads to increased economic understanding, hence influencing their economic conduct. Teaching families about economics has a beneficial

impact on their understanding of economic concepts. There is a favorable correlation between a student's family's economic education and their knowledge and interest in learning economics from a young age. This correlation ultimately affects their economic literacy. Additionally, self-efficacy has a beneficial influence on economic literacy. Greater self-efficacy in pupils correlates with increased knowledge and motivation to learn economics from a young age, resulting in improved economic literacy.

Family economic education indirectly influences economic literacy by positively affecting it. There is a direct correlation between a student's family's economic education and their economic conduct. As the level of economic knowledge increases, so does the motivation to be economically literate. Additionally, self-efficacy has a beneficial impact on economic literacy. There is a positive correlation between students' level of self-efficacy and their economic behavior. As self-efficacy increases, so does economic literacy.

## REFERENCES

- Ajzen, I. (2005). Attitudes, Personality and Behavior (by I Ajzen (z-lib.org).pdf (p. 191).
- Ajzen, I., & Fishbein, M. (1970). The prediction of behavior from attitudinal and normative variables. *Journal of Experimental Social Psychology*, 6(4), 466–487.
- Amagir, A., Groot, W., van den Brink, H. M., & Wilschut, A. (2020). Financial literacy of high school students in the Netherlands: knowledge, attitudes, self-efficacy, and behavior. *International Review of Economics Education*, 34, 100185.
- Bandura, A. (1997). Self-Efficacy. In *The Routledge Handbook of the Psychology of Language Learning and Teaching* (pp. 100–111). <https://doi.org/10.1177/0032885512472964>
- Baumeister, R. F. (2002). Yielding to temptation: Self-control failure, impulsive purchasing, and consumer behavior. *Journal of Consumer Research*, 28(4), 670–676.
- Dewi, V., Febrian, E., Effendi, N., & Anwar, M. (2020). Financial literacy among the millennial generation: Relationships between knowledge, skills, attitude, and behavior. *Australasian Accounting, Business and Finance Journal*, 14(4), 24–37.
- Efendi, R., Indartono, S., & Sukidjo, S. (2019). The Mediation of Economic Literacy on the Effect of Self Control on Impulsive Buying Behaviour Moderated by Peers. *International Journal of Economics and Financial Issues*, 9(3 SE-Articles), 98–104. <https://www.econjournals.com/index.php/ijefi/article/view/7738>
- Erjavšek, M. (2021). Modern Aspects of Home Economics Education and Slovenia. *Center for Educational Policy Studies Journal*, 11(4), 33–62. <https://doi.org/10.26529/CEPSJ.1191>
- Fishbein, M., & Ajzen, I. (1990). Intention and Behavior: An introduction to theory and research. In *Journal of Business Venturing* (Vol. 5, Issue 3, pp. 177–189).
- Frederiks, E. R., Stenner, K., & Hobman, E. V. (2015). Household energy use: Applying behavioural economics to understand consumer decision-making and behaviour. *Renewable and Sustainable Energy Reviews*, 41, 1385–1394.
- Frisancho, V. (2020). The impact of financial education for youth. *Economics of Education Review*, 78, 101918.
- Georgescu, M. A., & Herman, E. (2020). The impact of the family background on students' entrepreneurial intentions: An empirical analysis. *Sustainability (Switzerland)*, 12(11). <https://doi.org/10.3390/su12114775>
- Grunert, K. G., Chimisso, C., Lähteenmäki, L., Leardini, D., Sandell, M. A., Vainio, A., & Vranken, L. (2023). Food-related consumer behaviours in times of crisis: Changes in the wake of the Ukraine war, rising prices and the aftermath of the COVID-19 pandemic. *Food Research International*, 173(April). <https://doi.org/10.1016/j.foodres.2023.113451>
- Hakim, L., Anwar, M. K., Kurniawan, R. Y., & Pahlevi, T. (2020). Integrating Sharia Economics into the High School Economics Curriculum. *International Journal of Instruction*, 13(4), 117–132. <https://doi.org/10.29333/iji.2020.1348a>
- Hamid, F. S., & Loke, Y. J. (2021). Financial literacy, money management skill and credit card repayments. *International Journal of Consumer Studies*, 45(2), 235–247.
- Haryanto, B., Purwanto, D., Dewi, A. S., & Cahyono, E. (2019). How does the type of product moderate consumers' buying intentions towards traditional foods?(Study of consumer behavior in Indonesia). *Journal of Asia Business Studies*, 13(4), 525–542.
- Ibrohim, D. M. (2020). Pengaruh Instagram Social Media Marketing Terhadap Perilaku Konsumtif Mahasiswa.
- Ismail, S., Faique, F. A., Bakri, M. H., Zain, Z. M., Idris, N. H., Yazid, Z. A., Daud, S., & Taib, N. M. (2017). The role of financial self-efficacy scale in predicting financial behavior. *Advanced Science Letters*, 23(5), 4635–4639.
- Jaffe, K. (2013). The relevance of science in development: Scientific development favors economic prosperity, but not necessarily through its effect on technological knowledge in middle income countries. In *Economic Behavior, Game Theory, and Technology in Emerging Markets* (pp. 1–17). <https://doi.org/10.4018/978-1-4666-4745-9.ch001>
- Jamilah, E. M. T., Maulana, A., & Hermanto, O. (2020). The analysis of economic literacy and social environment on lifestyle and its impact on students' consumption behavior. In *Advances in Business, Management and Entrepreneurship* (pp. 576–579). CRC Press.
- Johan, I., Rowlingson, K., & Appleyard, L. (2021). The effect of personal finance education on the financial knowledge, attitudes and behaviour of university students in Indonesia. *Journal of Family and Economic Issues*, 42, 351–367.

- Kálmán, B., Bárczi, J., & Zéman, Z. (2021). The impact of the first wave of COVID-19 on the financial security of economics students in higher education. *Public Finance Quarterly*, 66(3), 359–380. [https://doi.org/10.35551/PFQ\\_2021\\_3\\_3](https://doi.org/10.35551/PFQ_2021_3_3)
- Koskelainen, T., Kalmi, P., Scornavacca, E., & Vartiainen, T. (2023). Financial literacy in the digital age—A research agenda. *Journal of Consumer Affairs*, 57(1), 507–528.
- Kurniawan, R. Y., Trisnawati, N., Soesatyo, Y., & Jusoh, O. (2019). Comparative Study of Student Entrepreneurship UNESA Indonesia and UPSI Malaysia. *Int. J. Sup. Chain. Mgt Vol*, 8(4), 802. <https://ojs.excelingtech.co.uk/index.php/IJSCM/article/view/3494>
- Lin, C.-A., & Bates, T. C. (2022). Smart people know how the economy works: Cognitive ability, economic knowledge and financial literacy. *Intelligence*, 93, 101667.
- Luukkanen, L., & Uusitalo, O. (2019). Toward financial capability—empowering the young. *Journal of Consumer Affairs*, 53(2), 263–295.
- Lyn, S. H. M., & Sahid, S. (2021). Economic literacy and its effects on students' financial behavior at Malaysian Public University. *Sciences*, 11(8), 736–750.
- Mayasari, I., Chris Haryanto, H., Abdillah, W., Wiadi, I., & A Wijanarko, A. (2020). A Quantitative Investigation on Understanding Consumer Behavior Regarding Counterfeit Luxury Brands of Fashion in Indonesia.
- Mulyono, K. B., & Rusdarti, R. (2020). How psychological factors boost compulsive buying behavior in digital era: A case study of Indonesian students. *International Journal of Social Economics*, 47(3), 334–349.
- Muñoz-Murillo, M., Álvarez-Franco, P. B., & Restrepo-Tobón, D. A. (2020). The role of cognitive abilities on financial literacy: New experimental evidence. *Journal of Behavioral and Experimental Economics*, 84, 101482.
- Murti, A. W., Widjaja, S. U. M., & Rahayu, W. P. (2022). The Influence of Family Economic Education, Lifestyle On Consumption Behavior Through Economic Literacy In FEB UM Students. *International Journal Of Humanities Education and Social Sciences*, 2(3).
- Na, D. E. C., & Hipertensiva, C. (2022). Analisis Pola Pendidikan Ekonomi Dalam Keluarga Pada Siswa SMA Negeri 1 KAYAN HULU.
- Narmaditya, B. S., Sahid, S., & Hussin, M. (2023). How does family economic education foster students' economic behavior? The mediating role of economic and entrepreneurial literacy. *Heliyon*, 9(5), e15608. <https://doi.org/10.1016/j.heliyon.2023.e15608>
- Ningsih, A. W., Shara, A. M., Andriani, D., & Kisno, K. (2021). Reading duration and financial literacy in vocational high school. *Jurnal Education and Development*, 9(1), 561976.
- Paywala, R. J., & Utomo, S. H. (2021). The Influence of Economic Literacy, Economic Rationality, and Peer Groups on Consumptive Behavior of Economic Education Students Universitas Negeri Malang.
- Pendergast, D. (2021). The Role of Home Economics Education in the 21st Century: The Covid-19 Pandemic as a Disruptor, Accelerator, and Future Shaper. *Center for Educational Policy Studies Journal*, 11(4), 13–32. <https://doi.org/10.26529/CEPSJ.1205>
- Rangga, A. E. D. (2022). the Influence of Family Economic Education, Self-Control, and Individual Modernity on Consumptive Behavior Through Financial Literacy in Bachelor Students of the Faculty of Economics and Business, Universitas Negeri Malang Class of 2020. *LITERACY: International Scientific Journals of Social, Education, Humanities*, 1(3), 65–79. <https://doi.org/10.56910/literacy.v1i3.319>
- Saptono, A., Wibowo, A., Narmaditya, B. S., Karyaningsih, R. P. D., & Yanto, H. (2020). Does entrepreneurial education matter for Indonesian students' entrepreneurial preparation: The mediating role of entrepreneurial mindset and knowledge. *Cogent Education*, 7(1), 1836728.
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2021). Partial least squares structural equation modeling. In *Handbook of market research* (pp. 587–632). Springer.
- Sartika, N. Y., & Sugiharsono, S. (2020). Self-Efficacy and Intensity of the Use of Social Media on Consumption Behavior: Case Study in the Economics Faculty of Yogyakarta State University. *Jurnal Economia*, 16(1), 71–85. <https://doi.org/10.21831/economia.v16i1.27067>
- Schmeiser, M., Stoddard, C., & Urban, C. (2015). Does Salient Financial Information Affect Academic Performance and Borrowing Behavior Among College Students? (Vol. 75). Division of Research & Statistics and Monetary Affairs, Federal Reserve Board.
- Sedliáčiková, M., Aláč, P., & Moresová, M. (2020). How behavioral aspects influence the Sustainable Financial decisions of shareholders: an empirical study and proposal for a relevant decision-making Concept. *Sustainability*, 12(12), 4813.
- Struckell, E. M., Patel, P. C., Ojha, D., & Oghazi, P. (2022). Financial literacy and self employment—The moderating effect of gender and race. *Journal of Business Research*, 139, 639–653.
- Suratno, & Narmaditya. (2021). Family economic education, peer groups and students' entrepreneurial intention: the mediating role of economic literacy. *Heliyon*, 7(4), e06692. <https://doi.org/10.1016/j.heliyon.2021.e06692>
- Surindra, B. (2022). The Influence of Economic Literacy and Digital Literacy on Consumptive Behaviour of Students. *International Journal Of Humanities Education and Social Sciences (IJHESS)*, 1(5), 696–703. <https://doi.org/10.55227/ijhess.v1i5.143>

*Transforming Financial Futures: The Impact of Family Economic Education and Self-Efficacy on Student Economic Behavior Through Economic Literacy*

- Susetyaning, T. (2022). A Psychological Model of Competitive Behavior: Social Comparison as a Mediator of The Critical Thinking, Self-Efficacy, and Adaptation Ability Prediction Among College Students. *Heliyon*, 8(12), e12205. <https://doi.org/10.1016/j.heliyon.2022.e12205>
- Umar, A., Che Cob, C. M. S., Che Omar, C. M. Z., & Gani Hamzah, M. S. (2018). Determinants of Entrepreneurial Competencies Development in Small and Medium Enterprises. *International Journal of Business and Management*, 14(1), 147. <https://doi.org/10.5539/ijbm.v14n1p147>
- Wangi, L., & Baskara, I. G. K. (2021). The effect of financial attitude, financial behavior, financial knowledge, and sociodemographic factors on individual investment decision behavior. *American Journal of Humanities and Social Sciences Research (AJHSSR)*, 5(2), 519–527.
- Wardana, L. W., Narmaditya, B. S., Wibowo, A., Mahendra, A. M., Wibowo, N. A., Harwida, G., & Rohman, A. N. (2020). The impact of entrepreneurship education and students' entrepreneurial mindset: the mediating role of attitude and self-efficacy. *Heliyon*, 6(9).
- Wibowo, S. F., Najib, M., Sumarwan, U., & Asnawi, Y. H. (2022). Rational and moral considerations in organic coffee purchase intention: Evidence from Indonesia. *Economies*, 10(12), 308.
- Wiranti, Y., Goso, G., & Halim, M. (2023). the Influence of Financial Literacy, Lifestyle, and Social Environment on Student Financial Behavior. *SCIENTIFIC JOURNAL OF REFLECTION : Economic, Accounting, Management and Business*, 6(4), 898–909. <https://doi.org/10.37481/sjr.v6i4.751>
- Wuepper, D., & Lybbert, T. J. (2017). Perceived self-efficacy, poverty, and economic development. *Annual Review of Resource Economics*, 9(1), 383–404.
- Wulandari, F. (2021). Pengaruh Pendidikan Ekonomi Dalam Keluarga, Literasi Keuangan Dan Gaya Hidup Terhadap Perilaku Konsumtif Mahasiswa Universitas Sebelas Maret Surakarta. 7(2), 1–12.
- Yudiatmaja, W. (2021). Financial Literacy in Family and the Economic Behavior of University Students: A Systematic Literature Review. *The Journal of Behavioral Science*, 16(1), 85–100.