



Lifestyle, Financial Literacy, and Financial Management of Young Civil Servants (ASN) at The Badung Provincial Regional Office

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Overview

Background: Young civil servants (ASN) at the Badung Regional Office face challenges in personal financial management due to low financial literacy and consumptive lifestyles. Most spend over half of their income on consumption, leaving little for savings and investment.

Objective: This study aims to analyze the impact of *lifestyle* and *financial literacy* on the *financial management* of young civil servants (ASN) in the *Badung Provincial Regional Office*, clarifying the relative magnitude of the impact of each variable and the contribution of novelty in research on public sector financial behavior.

Methods: Using a quantitative descriptive design, 70 respondents (Slovin method, $e=10\%$) were randomly selected from 230 ASN staff by simple random sampling. Data were collected using a validated questionnaire (Cronbach alpha = 0.977) and analyzed using multiple linear regression, t-test, F-test, and the coefficient of determination. Classical assumption tests (normality, multicollinearity, heteroscedasticity) verified the validity of the model.

Results: *Lifestyle* habits had a significant impact on *financial management* ($\beta = 0.609$, $t = 9.876$, $p < 0.001$). *Financial literacy* also showed significant positive effects ($\beta = 0.173$, $t = 3.060$, $p = 0.003$). Simultaneously, both variables significantly influenced *financial management* ($F = 1265.800$, $p < 0.001$), accounting for 97.4% of the variance ($R^2 = 0.974$).

Conclusion: Both *lifestyle* and *financial literacy* have a significant and positive impact on the *financial management* of young civil servants at the *Badung Provincial Regional Office*. Improving financial literacy programs and promoting a responsible *lifestyle* are recommended to foster the economic well-being of young workers.

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INTRODUCTION

The emergence of financial management is the result of an individual's strong desire to meet their living needs according to their income level (Di Domenico et al., 2022; Goyal et al., 2021). Several studies by the Zigi Katadata Insight Center (2021) have shown that many of the monthly expenses of young workers exceed their incomes. Meanwhile, up to 51.1% of millennial income is spent on consumption, savings, and investment needs, with only 10.7%, or merely 2%, allocated to long-term savings. In other words, only a small fraction of the younger generation is preparing an emergency fund and planning for future finances (Yuen et al., 2025).

Generally, each individual has an infinite level of needs and wants. The majority of today's young generation lives with the belief that life only happens once and the fear of missing out on trends (Satriawan & Hidayat, 2023). This has changed the lifestyle of young workers, who often neglect future financial planning. They also become the most experienced consumers,

unknowingly neglecting the basic needs they must meet. Employees who earn a certain amount of income must know where their rupiah income is allocated (Utami & Marpaung, 2022).

Several studies show that consumer lifestyle affects the lack of financial literacy (Zarate, 2015). A sense of satisfaction in a lifestyle that cannot be measured by actual needs can deplete income without a trace. The higher the financial knowledge and the ability to apply it, the wiser the financial management, which can lead to prudent decision-making (Iram et al., 2024; Sari & Widodoatmodjo, 2023). However, some studies indicate otherwise; in other words, lifestyle does not necessarily affect financial management (Utami & Marpaung, 2022). Nevertheless, if individuals merely follow trends and spend all of their income on temporary gratification without saving for the future, their lifestyle can be negatively impacted. These contradictions in past findings create significant research gaps that require further investigation, especially in the context of local government officials.

The phenomenon observed among young workers in the Badung Provincial Regional Office shows that their financial literacy is still insufficient. Most of their income is spent on consumption, and only a small portion of the workforce saves the rest. Initial on-site observations indicate that many young ASN employees have not started investing, and their awareness of long-term financial planning is still limited. This condition reflects a global trend noted by Fong (2021), which found that low financial literacy correlates with poor economic outcomes among the working-age population. They need to create a vision for responsible personal financial management, enabling individuals to be more productive and to save and invest for a better future.

Financial management plays an important role in helping young workers make more accurate financial planning decisions and should be learned throughout their lives (R. Chowdhury, 2023; Chunying et al., 2024). A dynamic lifestyle, combined with a lack of literacy and knowledge about financial management, makes it difficult to manage finances according to priority levels (Shi et al., 2025). Both good and poor financial management inevitably affect the social and economic life of the workers themselves. Debt accumulation, shortages of basic necessities, and decreased productivity are chain reactions caused by poor management. The novelty of this research lies in its focus on young civil servants (ASN), who are underrepresented in personal finance management research, especially in the context of Balinese local government. This study aims to identify the impact of lifestyle and financial literacy on the financial management of young workers in the Badung Provincial Regional Office.

METHOD

The design of this study quantitatively illustrated the impact of lifestyle and financial literacy on the financial management of young workers in Badung Province (Badung Regional Secretary District). The target population of this study consisted of young workers who served as regional clerks in Badung Province, totaling 230 individuals. The sampling method used was simple random sampling based on the Slovin formula, with a margin of error of 10% (90% confidence level):

$$n = \frac{N}{1 + Ne^2} = \frac{230}{1 + 230 \times 0.01} \approx 70 \text{ respondents}$$

(Winarni, 2021). This sample size aligned with Hair et al. (2019), who recommended at least 50 respondents for multiple regression analysis with up to five predictor variables, suggesting that the sample size was adequate.

The inclusion criteria for subjects in this study were as follows: 1) Not taking leave from work during the entire study period (due to annual leave, marriage, childbirth, or illness). 2) Not taking leave during assignment or training. 3) Respondents who could provide written consent to participate as research subjects.

According to survey respondents, the data used in this study consisted of primary data related to lifestyle, financial literacy, and financial management.

Data Collection Procedures include: 1) Administrative Procedures: The administrative steps undertaken to conduct this investigation included. 2) Ethics approval from KEPK STIKES Bina Usaha Bali. 3) Submission of an application and research permit to the Regional Secretary of Badung Province. 4) Ensuring data integrity, preparing research tools, and establishing reference

frameworks.

Technical Procedures: 1) Coordination with the Personnel Department of the Provincial Secretary of Badung. 2) Selecting a sample that met the inclusion criteria. 3) Formally approaching the young workers through the Regional Secretary of Badung Province, explaining the research background, objectives, processes, and benefits. 4) Asking respondents to provide written consent to participate in the study. If respondents declined, their decision was respected to protect their rights. 5) Distributing the survey questionnaire and asking respondents to complete it. The completed questionnaires were then collected by the research team. 6) Compiling all collected data and analyzing it according to the research objectives. 7) Summarizing and reporting the research conclusions, preparing the manuscript, submitting it to a journal, and disseminating the research results.

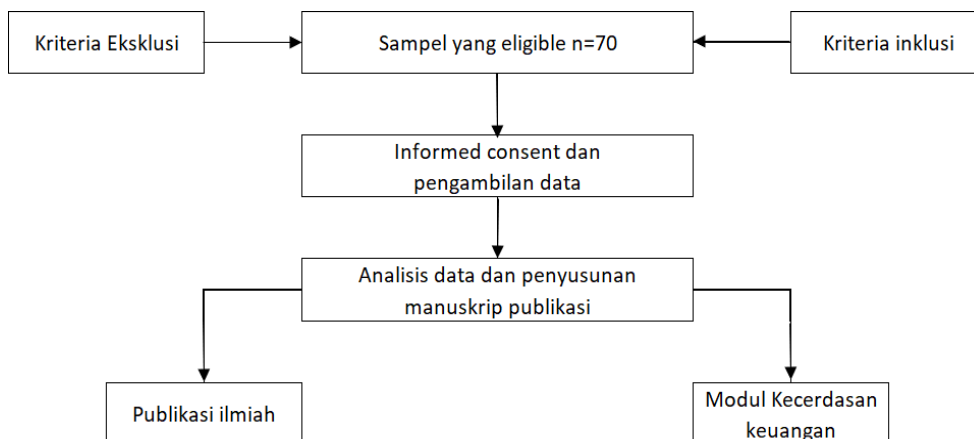


Figure 1. Research Flow Chart

The tool used in this study was a questionnaire that included a list of questions based on indicators for each variable. It consisted of 17 lifestyle variables, 19 financial literacy variables, and 15 financial management variables. To prevent respondents from giving neutral answers, the survey employed a 4-point Likert scale in its scoring system, with ratings ranging from "strongly oppose" (1) to "strongly agree" (4). This questionnaire was validated and found reliable, with a Cronbach's alpha coefficient of 0.977, which is greater than the R-table value of 0.3610.

The researchers adhered to research ethics based on five principles: the right to self-determination, anonymity and confidentiality, privacy and dignity, fair treatment, and protection from discomfort and harm.

The data analysis method used in this study was linear regression, which observed the impact of the independent variables—namely lifestyle and financial literacy—on the financial management of young workers. Hypothesis testing employed the T-test to assess the significance of independent variables, the F-test to evaluate the overall effect of independent variables, and determination coefficients to measure how much the independent variables contributed to the dependent variable. Test results showed that when the calculated t-values exceeded the t-table values and the calculated F-value exceeded the F-table value, it indicated that lifestyle and financial literacy affected the financial management of young workers. Conversely, if the calculated t-value was less than the t-table value and the calculated F-value was less than the F-table value, there was no significant impact of lifestyle or financial literacy on the financial management of young workers in the Ba Doun Provincial Regional Office.

RESULTS AND DISCUSSION

Results

Bilinear Regression Analysis

The study used multiple linear regression analysis to examine the extent to which lifestyle and financial literacy affect the financial management of young workers. The results of the calculation are shown in the table below.

Table 1. Bilinear Regression Analysis Results

	Non-standard Coefficients	Standard errors	Standard coefficients	t	Sig.
	B	Beta version			
(Definitely)	1.039	.856		1.215	.229
Gaya_Hidup	.609	.062	.758	9.876	.000
Literasi_Keuangan	.173	.056	.235	3.060	.003

The table above shows that the coefficient of the financial literacy variable is 0.173 and the lifestyle variable is 0.609, both of which are positive signs. The regression formula is as follows: $Y = 1.039 + 0.609X_1 + 0.173X_2$ (Y = financial management, X_1 = lifestyle, X_2 = financial literacy). Lifestyle had a stronger relative impact compared to financial literacy ($\beta = 0.235$) (standard $\beta = 0.758$). For every 1 unit increase in the Lifestyle Score, Financial Management increases by 0.609 units. A diagnosis of multicollinearity ($VIF = 1.847$) ensures that the estimate is not biased by collinearity (Field, 2018).

T-test

The t-test compares the importance of financial literacy and lifestyle with the importance of constant and variable financial management variables. The t-test is performed by comparing the calculated t-value with the t-value of a table with a significance level of 5%. The results of the t-test in this study are as follows.

Table 2. T-Test Results

	Non-standard Coefficients	Standard errors	Standard coefficients	t	Sig.
	B	Beta version			
(Definitely)	1.039	.856		1.215	.229
Gaya_Hidup	.609	.062	.758	9.876	.000
Literasi_Keuangan	.173	.056	.235	3.060	.003

The results of the t-test (t -table = 1.996, $df = 67$, $\alpha = 0.05$) are as follows: Lifestyle: t -calculation = 9.876 > 1.996, Sig. = 0.000 < 0.05 $\rightarrow H_1$. Financial literacy: t calculation = 3.060 > 1.996, Sig. = 0.003 < 0.05 $\rightarrow H_2$. In addition to the statistical significance, the practical significance is also clear. If one unit of lifestyle improvement is assessed, it is equivalent to an increase of 0.609 units in financial management, and one unit in financial literacy corresponds to an increase of 0.173 units.

Test F

The F test is used to determine the simultaneous or simultaneous impact of financial literacy and lifestyle variables on financial management variables. The following F-test calculation results are as follows.

Table 3. Test F Results

Models	Number of boxes	DF	average square	F	Sig.
Back	1435.773	2	717.887	1265.800	000b
residue	37.998	67	.567		
Quantity	1473.771	69			

The measurement table for the results of the F test shows the calculation value $F = 1265.800 >$ the table $F = 3.13$, Sig. = 0.000 < 0.05. H_3 Acceptance: Lifestyle and financial literacy simultaneously have a significant impact on financial management. The very high F-value reflects the strong explanatory power of the two predictor variables in this homogeneous collaborative sample of ASN, supporting the overall suitability and validity of the model.

Kufi Identification

This determination coefficient aims to measure as a percentage the extent to which financial literacy and lifestyle variables affect financial management variables in the research regression model. The results of the determination coefficient test in this study are as follows.

Table 4. Yield coefficient

Models	R	R Square	Custom R-square	Standard Estimation Errors
1	.987a	.974	.973	.753

The table above shows that the value of the determination coefficient of the ÷ R squared is 0.974. In other words, 97.4% of variables in personal financial management can be explained by variables related to financial literacy or lifestyle. The remaining 2.6% is associated with variables not found in this model, such as income levels, peer influence, and self-control. This R² is very high, but given the homogeneity of the sample (all respondents have similar work and institutional environments), it makes sense contextually. To validate generalizations, reproduction using a wider sample is recommended.

Discussion

Lifestyle with financial management

The lifestyle of young workers in the Badung Provincial Secretary has a significant impact on financial management. As lifestyle improves, financial management also tends to improve. Previous research indicates that lifestyle contributes positively and significantly to financial management (Sari & Widodoatmodjo, 2023). Theoretically, lifestyle influences financial management through consumption patterns. Individuals with a structured, needs-based lifestyle allocate their income more efficiently (Kotler, 2016). These findings empirically support the behavioral finance perspective, suggesting that lifestyle orientation is a key determinant in financial allocation decisions.

Lifestyle refers to individual activity patterns, interests, opinions, and approaches to money and time management (Lusardi & Mitchell, 2014). A sound lifestyle promotes spending money prudently. Young workers in the Badung Regency Secretary area maintain a lifestyle driven largely by personal desires. Most prioritize basic necessities first, then save to manage their finances. This behavior aligns with the concept of financial self-regulation, whereby individuals consciously monitor their spending and adjust according to income constraints. Sari (2023) confirm that moderation in lifestyle—distinguishing between needs and wants—is the primary predictor of positive financial management behavior among young Indonesian government officials.

Lifestyle strongly influences monthly spending. Individuals who adopt a lifestyle compatible with their financial capacity and allocate income effectively tend to manage their finances well. Conversely, lifestyles characterized by excessive social spending or status-based consumption can undermine economic stability, particularly among young workers on fixed salaries. Institutional interventions, such as lifestyle counseling and peer financial planning groups, help young civil servants develop healthier spending habits.

Approach from Financial Literacy to Financial Management

The financial literacy of young workers in the Badung Provincial Regional Secretary significantly affects financial management. Young employees with high financial literacy exhibit better financial management. Financial literacy refers to the knowledge and understanding workers possess when managing finances and making decisions. Greater familiarity with financial factors leads to wiser management of personal finance. Financial literacy encompasses knowledge of financial concepts, products, and instruments, as well as the ability to apply them to actual decision-making (Lusardi & Mitchell, 2014). This understanding underpins the mechanisms through which financial literacy shapes individual financial management behavior.

Previous studies show that financial literacy affects personal financial management (Bado et al., 2023). Among young workers, financial literacy manifests in expense management, with most demonstrating knowledge of saving. Investment knowledge remains the weakest area, with

staff under-researched and perceiving high investment risks. This reflects a national trend where Indonesian workers are more familiar with savings products than investment tools. Targeted investment literacy programs can bridge this gap and improve long-term financial stability among young ASN employees (Ameliawati & Setiyani, 2018).

Financial literacy impacts nearly all aspects of financial management (Safitri & Dewa, 2022; Sari & Widoatmodjo, 2023). High financial literacy enables individuals to manage budgets effectively, avoid excessive debt, and build emergency funds—a core component of sound financial management (Lusardi & Mitchell, 2014). It is essential for responsible expense prioritization, future planning, and overall personal financial governance.

From Lifestyle and Financial Literacy to Financial Management

Lifestyle and financial literacy jointly influence the financial management of young workers in the Badung Provincial Office ($F = 1,265,800$, $p < 0.001$, $R^2 = 0.974$). Financial literacy serves as a crucial foundation for a prosperous life, and when supported by sound lifestyle choices, it fosters financial security (Elbanna et al., 2025). The interaction between lifestyle and financial literacy generates a synergistic effect. Individuals who combine high financial literacy with responsible lifestyle choices exhibit stronger financial management behaviors. This aligns with Arifin's (2017) integrated model, which posits that financial behavior is best predicted by the combination of financial literacy and lifestyle, rather than by a single factor.

High levels of financial literacy influence engagement with familiar financial products and reflect the quality of personal financial management. Effective financial management relies on foundational knowledge provided by financial literacy, aiding decisions that shape personal money management. Lifestyle governs spending behaviors to cover living expenses. The high R^2 of 97.4% in this study indicates that, within this institutional context, the combination of lifestyle and financial literacy accounts for nearly all systematic variations in financial management, underscoring the importance of dual-focused interventions in civil servant financial well-being programs. Effective financial management requires both financial literacy and disciplined lifestyle choices. Poor spending habits deteriorate financial status, whereas prudent behavior enhances it.

CONCLUSION

Based on the survey conducted, the following conclusions can be drawn: (1) Lifestyle has a significant partial positive impact on the financial management of young civil servants (ASN) at the Badung Provincial Regional Office ($\beta = 0.609$, $t = 9.876$, $p < 0.001$); (2) Financial literacy has a significant partial positive effect on financial management ($\beta = 0.173$, $t = 3.060$, $p = 0.003$); (3) Lifestyle and financial literacy together have a significant impact on financial management ($F = 1265.800$, $p < 0.001$), accounting for 97.4% of the variance ($R^2 = 0.974$). This theoretical contribution strengthens the theory of financial behavior in the context of Indonesian local government. Limitations of this study include a cross-sectional design, self-reported data, and generalizations based on a single sample.

Based on these conclusions, the following are recommended: (1) Young ASN employees, especially in the fields of investment and long-term planning, should improve their financial literacy; (2) the Badung Provincial Regional Office should routinely hold financial welfare workshops, including financial literacy and lifestyle management; (3) future researchers should integrate adjustment and mediation variables, such as income, self-control, and peer influence, to develop a more comprehensive model of civil servant financial management behavior.

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AUTHOR CONTRIBUTION STATEMENT

I Gede Wirajaya: Conceptualization, methodology, investigation, data curation, formal analysis, writing—original draft preparation, and corresponding author. Ni Putu Cyntia Maseni: Validation, supervision, writing—review and editing, and interpretation of results. Ni Komang Parwati: Literature review, data collection support, visualization, manuscript editing, and final

approval of the manuscript. All authors have read and approved the final version of the manuscript and agreed to be accountable for all aspects of the work

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