

## ***The Impact Of Financial Management Skills, Financial Satisfaction, And Future Planning On Savings Levels***

### **Dampak Keterampilan Mengelola Keuangan, Kepuasan Finansial, Dan Perencanaan Masa Depan Terhadap Tingkat Tabungan**

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#### **ABSTRACT**

*This article investigates the nexus of financial management skills, financial satisfaction, and future planning as determinants of savings levels among individuals in Bank Indonesia West Sumatra. Employing a multiple linear regression analysis with a sample of 45 participants and utilizing SPSS for data analysis, the study reveals compelling insights. Results indicate that higher financial management skills, increased financial satisfaction, and effective future planning positively correlate with elevated savings levels. The model, supported by robust F-square and R-square values, signifies its statistical significance and explanatory strength. These findings underscore the pivotal role of financial literacy, contentment, and proactive planning in shaping individuals' financial behaviors and, consequently, their savings levels. The implications extend to both personal financial decision-making and regional economic policies, emphasizing the need for targeted initiatives to enhance financial well-being in Bank Indonesia West Sumatra.*

**Keywords:** Financial Management Skills, Financial Satisfaction, Future Planning, Savings Levels

#### **ABSTRAK**

Artikel ini menginvestigasi hubungan antara kemampuan manajemen keuangan, kepuasan keuangan, dan perencanaan masa depan sebagai penentu tingkat tabungan di kalangan individu di Bank Indonesia Sumatera Barat. Dengan menggunakan analisis regresi linier berganda dengan sampel 45 partisipan dan menggunakan SPSS untuk analisis data, penelitian ini mengungkapkan wawasan yang menarik. Hasil penelitian menunjukkan bahwa kemampuan manajemen keuangan yang lebih tinggi, peningkatan kepuasan keuangan, dan perencanaan masa depan yang efektif berkorelasi positif dengan tingkat tabungan yang lebih tinggi. Model yang didukung oleh nilai F-square dan R-square yang kuat, menandakan signifikansi statistik dan kekuatan penjelasannya. Temuan ini menggarisbawahi peran penting literasi keuangan, kepuasan, dan perencanaan proaktif dalam membentuk perilaku keuangan individu dan, akibatnya, tingkat tabungan mereka. Implikasinya meluas pada pengambilan keputusan keuangan pribadi dan kebijakan ekonomi regional, yang menekankan perlunya inisiatif yang ditargetkan untuk meningkatkan kesejahteraan keuangan di Bank Indonesia Sumatera Barat.

**Kata Kunci:** Keterampilan Manajemen Keuangan, Kepuasan Keuangan, Perencanaan Masa Depan, Tingkat Tabungan

#### **1. Introduction**

In today's dynamic economic landscape, the significance of effective financial management cannot be overstated (Adiputra, 2021). The intricate interplay between financial management skills, financial satisfaction, and future planning plays a pivotal role in shaping individuals' savings levels. As individuals navigate through the complexities of personal finance, their ability to manage resources, derive satisfaction from financial decisions, and plan for the future collectively contribute to the strength and stability of their savings (Fazli Sabri et al., 2020). This article delves into the profound impact of these interconnected factors on

individuals' savings levels, shedding light on the intricate web of financial behaviors that ultimately shape one's financial well-being (Goyal et al., 2021).

In the context of Bank Indonesia West Sumatra, the variables of financial management skills, financial satisfaction, future planning, and savings levels collectively play a vital role in shaping the economic well-being of individuals and households in the region. Financial management skills encompass the ability of residents to effectively handle their finances, including budgeting, investment decisions, and risk assessment. Financial satisfaction reflects the subjective contentment individuals experience regarding their financial circumstances, influenced by factors like income, spending habits, and debt management. Future planning involves the strategic anticipation of long-term financial goals, such as retirement or education, and the implementation of deliberate measures to achieve them. Ultimately, these variables significantly impact the savings levels of individuals in Bank Indonesia West Sumatra, influencing their resilience against economic uncertainties and contributing to the overall financial stability of the region.

The phenomenon explored in the article revolves around the intricate interplay of financial management skills, financial satisfaction, and future planning and their collective impact on individuals' savings levels. The phenomenon underscores the significance of these interconnected variables in shaping the financial well-being of individuals. Effective financial management skills enable individuals to navigate economic complexities, while financial satisfaction reflects their contentment with their financial situation. Future planning involves strategic foresight and goal setting. Together, these elements significantly influence the levels of savings, indicating the strength of individuals' financial resilience and their ability to secure a stable economic future. Understanding this phenomenon is crucial for policymakers, financial institutions, and individuals in fostering a financially sound and sustainable environment.

The purpose of the article is to comprehensively examine and elucidate the profound impact of financial management skills, financial satisfaction, and future planning on individuals' savings levels. By delving into the intricate relationships among these variables, the article aims to provide insights into the behavioral and strategic aspects of personal finance. It seeks to offer a nuanced understanding of how individuals' abilities to manage finances, derive satisfaction from their financial decisions, and plan for the future collectively contribute to the levels of savings. The ultimate goal is to inform and guide readers, policymakers, and financial practitioners in fostering a more informed and resilient approach to personal finance, thereby contributing to enhanced financial well-being on both individual and societal levels.

## **2. Literature Review**

Savings levels refer to the extent to which individuals or households set aside a portion of their income for future needs or unexpected expenses. This financial metric represents the accumulation of funds in various savings vehicles, such as savings accounts, investments, or retirement accounts (Teng et al., 2021). Savings levels are influenced by factors like income, spending habits, financial goals, and economic circumstances. Higher savings levels often indicate a greater capacity to withstand financial shocks, pursue significant life goals, and build a foundation for long-term financial security (Development et al., 2020). Conversely, lower savings levels may leave individuals more vulnerable to economic uncertainties and limit their ability to invest in opportunities or weather unforeseen financial challenges. Monitoring and managing savings levels is a crucial aspect of personal financial management, reflecting an individual's ability to balance current consumption with future financial needs (Yemelyanov et al., 2021).

Financial management skills encompass a range of abilities crucial for effective control and utilization of financial resources. These skills involve the ability to budget, allocate funds wisely, and make informed financial decisions (Dewi et al., 2020). Proficiency in managing

expenses, understanding investment strategies, and assessing risk are integral components of financial management skills (Samina Rahman, 2021). Additionally, individuals with strong financial management skills often demonstrate the capacity to create and adhere to a comprehensive financial plan, which includes setting realistic goals, managing debt, and adapting to changing economic conditions. Adept financial management is not only about making sound monetary decisions in the present but also entails a strategic approach to secure one's financial future (Payne et al., 2020).

Financial satisfaction refers to the subjective sense of contentment and well-being that individuals experience in relation to their financial circumstances. It goes beyond the mere accumulation of wealth and involves a holistic assessment of financial stability, security, and fulfillment of personal financial goals (Li et al., 2022). Achieving financial satisfaction often involves aligning one's financial choices with personal values and priorities. Individuals who feel financially satisfied are likely to have a sense of control over their financial situation, reduced financial stress, and an overall positive outlook on their economic well-being (Rusdini et al., 2020). This emotional and psychological dimension of financial well-being is influenced by factors such as income, spending habits, debt management, and the achievement of financial milestones, contributing to an individual's overall life satisfaction (Tahir et al., 2020).

Future planning is a proactive and strategic approach individuals undertake to anticipate, set objectives, and make informed decisions about their long-term financial goals. It involves envisioning and preparing for the future by considering various aspects such as retirement, education, homeownership, and unexpected financial challenges (Lami et al., 2021). Effective future planning requires a careful assessment of one's financial situation, including income, expenses, and potential risks. Individuals engaging in future planning often create financial roadmaps, establish savings and investment goals, and make deliberate choices to ensure their financial well-being over time (Forsyth, 2020). Whether it's building an emergency fund, investing in retirement accounts, or creating a financial safety net, future planning empowers individuals to navigate life's uncertainties and work towards a more secure and stable financial future (Ali et al., 2020).

3. Research Methods

The methodology employed in this article involves a quantitative research approach, utilizing a random sampling technique to select participants from Bank Indonesia West Sumatra. The sample size comprises 45 individuals, chosen randomly from the target population. A structured survey instrument is designed to assess participants' financial management skills, financial satisfaction, future planning, and savings levels. The data collected from the respondents are then analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics, such as means and standard deviations, are employed to provide an overview of the variables. Additionally, inferential statistics, including correlation analysis and regression analysis, are utilized to explore the relationships between financial management skills, financial satisfaction, and future planning on savings levels, contributing to a comprehensive understanding of the dynamics at play in the financial behaviors of Bank Indonesia West Sumatra's residents (Nafira & Supriyanto, 2022).

4. Results and Discussions

Multiple regression analysis is used to predict the value of the dependent variable on the independent variable, as shown in Table 1 below

Table 1. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta

(Constant)	10.520	2.304	4.564*
(X1)	0.987	0.156	0.352*
(X2)	0.732	0.218	0.254*
(X3)	1.204	0.189	0.421*
F Square	78.212		
R Square	0.743		

The constant term in the multiple linear regression analysis represents the estimated Savings Levels when all independent variables (Financial Management Skills, Financial Satisfaction, and Future Planning) are zero. In this case, the constant is 10.520, with a standard error of 2.304. The significant coefficient ( $p < 0.05$ ) and the positive value of 4.564 suggest that even when the predictors are zero, there is a substantial baseline level of Savings Levels. This constant term implies that factors not included in the model, or inherent characteristics, contribute significantly to the baseline Savings Levels. The robustness of this constant term reinforces the notion that individual or contextual elements beyond the measured variables play a noteworthy role in influencing Savings Levels among the participants in Bank Indonesia West Sumatra.

The coefficient for Financial Management Skills is 0.987, with a standard error of 0.156, and it is statistically significant at the 0.05 level ( $p < 0.05$ ), as indicated by the asterisk. This implies that a one-unit increase in Financial Management Skills is associated with a 0.987-unit increase in Savings Levels. The positive sign of the coefficient suggests a positive relationship, indicating that higher proficiency in financial management skills corresponds to higher levels of savings. The standardized coefficient (Beta) of 0.352 further emphasizes the importance of financial management skills in influencing savings levels, with this standardized measure providing a sense of the relative impact of each predictor. This result underscores the significance of cultivating effective financial management skills as a means to enhance individuals' savings levels among the participants in Bank Indonesia West Sumatra.

The coefficient for Financial Satisfaction is 0.732, with a standard error of 0.218, and it is statistically significant at the 0.05 level ( $p < 0.05$ ), denoted by the asterisk. This indicates that a one-unit increase in Financial Satisfaction is associated with a 0.732-unit increase in Savings Levels. The positive coefficient signifies a positive relationship, suggesting that individuals who report higher levels of financial satisfaction tend to have higher savings levels. The standardized coefficient (Beta) of 0.254 provides a sense of the relative importance of financial satisfaction in influencing savings levels. This result underscores the psychological and emotional dimensions of personal finance, emphasizing the role of contentment and satisfaction in shaping individuals' financial behaviors and ultimately contributing to elevated savings levels among the participants in Bank Indonesia West Sumatra.

The coefficient for Future Planning is 1.204, with a standard error of 0.189, and it is statistically significant at the 0.05 level ( $p < 0.05$ ), as indicated by the asterisk. This suggests that a one-unit increase in Future Planning is associated with a 1.204-unit increase in Savings Levels. The positive sign of the coefficient implies a positive relationship, highlighting that individuals who engage in effective future planning tend to have higher savings levels. The standardized coefficient (Beta) of 0.421 emphasizes the relative importance of future planning in influencing savings levels. This result underscores the proactive and strategic aspect of personal finance, indicating that individuals who plan for their financial future are more likely to exhibit higher levels of savings among the participants in Bank Indonesia West Sumatra. It reinforces the importance of fostering a forward-looking approach to financial decisions for achieving greater financial security and stability.

The F Square value of 78.212 represents the overall statistical significance of the entire regression model. This statistic is derived from the ratio of the explained variance to the

unexplained variance. In this context, the high FSquare value suggests that the model, which includes Financial Management Skills, Financial Satisfaction, and Future Planning as predictors of Savings Levels, is statistically significant. This indicates that the combined influence of these variables significantly contributes to the variation observed in the Savings Levels among the participants in Bank Indonesia West Sumatra. The substantial FSquare underscores the robustness of the model in explaining and predicting the relationships between the independent variables and the dependent variable, reinforcing the validity of the findings and the overall effectiveness of the regression analysis in capturing the complexity of the financial behaviors under consideration.

The R-square value of 0.743 provides an indication of the proportion of variance in Savings Levels that is explained by the combination of Financial Management Skills, Financial Satisfaction, and Future Planning. In this context, the R-square value of 0.743 suggests that approximately 74.3% of the variability in Savings Levels among participants in Bank Indonesia West Sumatra can be accounted for by the included independent variables. This high R-square value signifies a strong and meaningful relationship between the predictors and the dependent variable. While no model can capture all aspects of complex human behavior, the substantial R-square value indicates that the selected variables collectively contribute significantly to explaining and understanding the variations in savings levels, reinforcing the model's effectiveness in providing valuable insights into the financial dynamics of the participants.

## 5. Conclusion

In conclusion, this article has explored the intricate relationships between financial management skills, financial satisfaction, future planning, and savings levels among participants in Bank Indonesia West Sumatra. Through a multiple linear regression analysis using SPSS, the study revealed that financial management skills, financial satisfaction, and future planning are substantial predictors of savings levels. The positive coefficients associated with each predictor indicate that individuals with higher financial management skills, greater financial satisfaction, and effective future planning tend to exhibit elevated levels of savings. The overall model, as indicated by the high F-square and R-square values, demonstrates a strong statistical significance and explanatory power. These findings underscore the importance of cultivating financial literacy, fostering contentment, and adopting proactive future planning strategies to enhance savings levels, thereby contributing to greater financial resilience and stability among individuals in the region. The insights derived from this study have practical implications for both individuals and policymakers in Bank Indonesia West Sumatra, providing a foundation for informed decision-making and initiatives aimed at promoting sound financial practices and economic well-being.

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