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The Impact of Mental Accounting and Self-Control on the Daily Expenses of Students

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ABSTRACT

Students frequently have challenges in effectively managing their funds, particularly when it comes to daily expenses, as they play a significant role in their academic lives. It is crucial to comprehend the factors that impact students' decision-making process when it comes to controlling their everyday spending. Mental accounting and self-control are crucial psychological concepts that play a significant role in financial decision-making. This research data is classified as primary data. The research collected primary data from students at Mataram University, which was subsequently processed using software applications to transform it into quantitative data. The population for this research consists of all students enrolled at Mataram University across different study programs and academic levels. In this study, the researchers employed the Probability Sampling technique known as Simple Random Sampling for sample selection. The findings from the experimentation indicate that both mental accounting and self-control exert a favorable impact on the everyday expenditures of students. Students who possess a heightened degree of Mental Accounting have a heightened awareness of their expenditure patterns. They scrutinize their expenditures with greater attention and allocate their funds into specific categories, hence facilitating better control over their expenses. In a similar vein, pupils with a strong sense of self-control tend to have a lower daily expenditure. Additionally, they exhibit greater self-control when it comes to managing their everyday finances.

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INTRODUCTION

Higher education is an important step in building independent and responsible individuals. As the main agents in academic life, students often face financial management problems, especially in terms of daily expenses. These daily expenses can include things such as necessities, entertainment, transportation, and other necessities needed every day (Luis & MN, 2020)

This situation is critical to understanding the components that influence the decisions students make regarding managing their daily expenses. Mental accounting and self-control are two psychological concepts that may be very important for making financial decisions (Rahmadani, 2017).

Mental accounting is a cognitive process in which a person divides and groups their money into various mental "accounts" depending on the source and destination of the money. For example, students may have different thoughts about money for college, pocket money, and entertainment (Luhsasi & Sadjiarto, 2018). (Thaler, 1999) explains that mental accounting is a new model of consumer behavior that is built using cognitive psychology and microeconomics. (Silooy, 2015) also argues that mental accounting focuses more on the way a person behaves or thinks about money based on who or how they earned it. For example, money earned from work, whether daily, weekly, or monthly, will not be the same as money earned from sweepstakes, prizes, bonuses, or allowances. In his book (Amir. T, 2016:40) explains that in mental accounting, the location of money is placed in various categories so that its value can be seen as different from what it is. If the person is rational, they can manage their finances well according to categories and not make different decisions, but if the person is irrational, mental accounting is very important in financial management.

This theory is supported by research (Kusnandar et al., 2022) on "The Influence of Mental Accounting and Financial Literacy in Generation Z on Financial Behavior During the Covid-19 Pandemic, mediated by Lifestyle." This research shows that Lifestyle mediates Financial Literacy and Mental Accounting on Financial Behavior Lifestyle was found to be a significant mediator between mental accounting and financial behavior. Eva Oktavitasari (2017) believes that financial literacy is very important in influencing a person's financial behavior; better financial literacy leads to less consumption. (Silooy, 2015) also argues that mental accounting focuses more on the way a person behaves or thinks about money based on who or how they earned it. For example, money earned from work, whether daily, weekly, or monthly, will not be the same as money earned from sweepstakes, prizes, bonuses, or allowances. A person's financial behavior improves with increased mental accounting. At the same time, a person's financial literacy and mental accounting can influence a person's financial behavior by taking into account a person's lifestyle. In other words, financial literacy and mental accounting have a significant impact on financial behavior that is mediated by lifestyle.

Self-control means a person's ability to control himself. One thing that can be a tool for self-control is how we respond to money, or attitudes towards money, showing that money has many meanings according to how a person's understanding and personality about money is an important part of their life.

Attitudes toward money can also be a tool to increase self-control (Haryana, 2020).

This theory is in line with research (Rahmadani, 2017) which reveals that self-control means controlling or automatically stopping someone's habits, urges, emotions, or desires to direct their behavior. This is also explained in research (Putri, 2018) which states that students who can control themselves in the management and use of finances tend to be more frugal and prioritize purchases according to their needs. They can also set aside money for promising investments in the future. It is also said (Pradiningtyas & Lukiastuti, 2019) that students' financial attitudes will help them make decisions about budgeting, long-term savings, and managing their own money. Likewise, research (Wulandari & Lubis, 2018) states that self-control techniques can help students control themselves so that they are not influenced by advertising and avoid consumer behavior.

Based on the description above, this research aims to develop a more efficient and sustainable financial education strategy by studying more deeply how mental accounting and self-control influence students' daily expenses. Therefore, the author conducted research with the title "The Influence of Mental Accounting and Self Control on Student Daily Expenses". By understanding more deeply about these psychological components, it is hoped that there will be better ways to help students manage their finances more wisely and decisively.

LITERATURE REVIEW

Mental Accounting

Mental accounting is the cognitive process of individuals dividing and grouping their money into various mental "accounts" depending on the source and destination of the money. Mental accounting is a collection of cognitive procedures used by individuals and families to code, categorize, and analyze their financial activities (Thaler, 1999).

(Thaler, 1999) explains that mental accounting is a new model of consumer behavior that is built using cognitive psychology and microeconomics. According to this research, mental accounting should be used to analyze financial behavior in students. In this case, financial behavior refers to how students make their daily financial decisions (daily expenses), such as how they organize what expenses they have to make, and how they save money. A better understanding of students' financial management behavior can help develop better financial education strategies and support them in managing their finances more wisely.

This is in line with research (Kusnandar et al., 2022) on "The Influence of Mental Accounting and Financial Literacy in Generation Z on Financial Behavior During the Covid 19 Pandemic, mediated by Lifestyle." This research shows that Lifestyle mediates Financial Literacy and Mental Accounting on Financial Behavior Lifestyle was found to be a significant mediator between mental accounting and financial behavior. Eva Oktavitasari (2017) believes that financial literacy is very important in influencing a person's financial behavior; better financial literacy leads to less consumption. (Silooy, 2015) also argues that mental accounting focuses more on the way a person behaves or thinks about money based on who or how they earned it. For example, money earned from work, whether daily, weekly or monthly, will not be the same as money earned from sweepstakes, prizes, bonuses or allowances. A person's financial behavior improves with increased mental accounting. At the same time, a person's financial literacy and mental accounting can influence a person's financial behavior by taking into account a person's lifestyle. In other words, financial literacy and mental accounting have a significant impact on financial behavior that is mediated by lifestyle. In his book (Amir. T, 2016:40) explains that in mental accounting, the location of money is placed in various categories so that its value can be seen as different from what it really is. If the person is rational, they can manage their finances well according to categories and not make different decisions, but if the person is irrational, mental accounting is very important in financial management.

Logically speaking, mental accounting is when someone divides their money into mental "accounts" depending on how and for what they are used. Past studies show that understanding students' financial behavior can help them make better financial education plans. Mental accounting, financial literacy, and financial behavior are regulated by lifestyle. Good financial literacy tends to lead to wiser consumption behavior. On the other hand, a better understanding of mental accounting and financial literacy can help in better financial management.

Based on this description, the hypothesis formulation that can be built is as follows

H1: Mental Accounting has an influence on students' daily expenses

Self-Control

Self-control is a person's ability to control their thoughts, emotions, and behavior. The ability to control oneself, which is usually referred to as personal control, consists of three components: behavioral control (behavioral control), cognitive control (cognitive control), and decision control (decision-making control). In financial management, self-control is a person's way of encouraging savings by reducing impulse purchases. Self-control is the way a person can change himself according to the situation. This is especially true in financial management because it allows someone to be more careful when buying something or make further considerations to avoid actions that deviate from finances (Ardiana et al., 2023)

This is in line with research (Rahmadani, 2017) which reveals that self-control means controlling or automatically stopping someone's habits, urges, emotions, or desires to direct their behavior. This is also explained in research (Putri, 2018) which states that students who can control themselves in the management and use of finances tend to be more frugal and prioritize purchases according to their needs. They can also set aside money for promising investments in the future. It is also said (Pradiningtyas & Lukiastuti, 2019) that students' financial attitudes will help them make decisions about budgeting, long-term savings, and managing their own money. Likewise, research (Wulandari & Lubis, 2018) states that self-control techniques can help students control themselves so that they are not influenced by advertising and avoid consumer behavior.

It can be explained logically that a person's ability to control their thoughts, emotions, and behavior is known as self-control. Students who have self-control tend to be more frugal, prioritize purchases according to their needs, and set aside money for future investments. Previous studies also show that self-control techniques help students avoid advertising and consumer behavior that can harm their finances. Therefore, acquiring self-control skills helps students develop better personal financial management.

Based on this description, the hypothesis formulation that can be built is as follows

H2: Self-Control has an influence on students' daily expenses

Daily Expenses

Daily expenses refer to the amount of money a person spends in a day to meet their needs. For students, daily expenses can include various things, such as basic needs. Educational needs and lifestyle. Students and other young people are now more consumerist, which makes it difficult to manage their finances. In addition to these attitudes, research shows that many young people do not know how to manage money. Several financial problems arise in society, especially for students, such as the inability to support themselves, online shopping, and other problems. Students spend a lot of money to meet their needs because they naturally have broader views and mindsets, more connections, and more prestige (Arafah et al., 2023).

This is in line with the results of research (Abu Hassan & Abdul Wahid, 2023) which states that students' daily expenses are not influenced by the source of income which comes from students' monthly allowances. The research results from (Bakhtiar et al., 2020) also support this theory, which concludes that students' daily expenses are largely influenced by the students' eating and drinking shopping habits,

Logically, it can be concluded that daily expenses, or daily expenses, refer to the amount of money that a person, including students, spends every day to meet various needs, such as basic needs, education, and lifestyle. However, many students tend to be consumptive, find it difficult to manage their finances, and not many know how to manage money.

Previous studies show that things like a broad perspective, social connections, and prestige influence students' tendencies to spend a lot of money. According to several studies, students' daily expenses are not significantly influenced by their monthly income sources. Students' daily expenses are also influenced by their food and drink shopping habits.

Therefore, it is very important for students to learn about financial management so that they can manage their daily expenses better and avoid financial problems in the future.

Based on the description above, the following conceptual framework is formed:

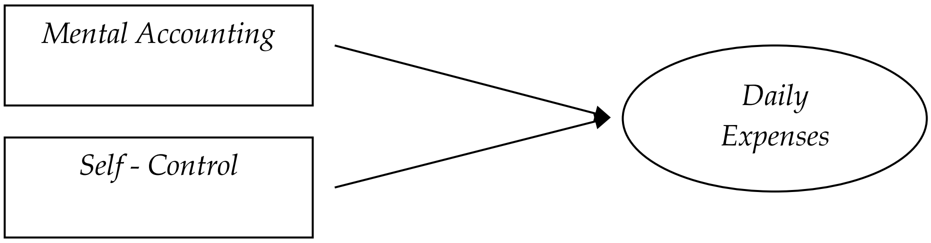

Figure 1. Coceptual Framework

METHODOLOGY

This research is descriptive, associative, and comparative research with a quantitative approach. Sugiyono (2018) states that associative research is research that aims to determine the relationship between two or more variables

The type of data for this research is primary data. Primary data was obtained directly from the results of a questionnaire containing statements made by the researcher. In this research, primary data was obtained from Mataram University students and then processed using software applications to become quantitative data. The population used in this research is all students registered at Mataram University (Unram) from various study programs and levels. In this research, researchers used the Probability Sampling sample selection method, namely Simple Random Sampling. In this sampling method, each sample is selected randomly without considering the population class.

This research instrument is a questionnaire that uses a "Likert Scale" to measure variables. This scale is used to measure individual attitudes and responses to the object to be studied. Those answering the question or statement can choose between "agree" to "disagree."

Table 1. Instrumen Penelitian

No	Variabel	Indicator	Skala	Sumber
1.	Mental Accounting (X1)	1. Uang yang dialokasikan ke dalam Pos-Pos Tertentu 2. Tidak mudah digunakan ke dalam kepentingan lain	*Likert*	(Thaler, 1999) (Rahmadani, 2017)
2.	Self – Control (X_2)	1. Melawan Keinginan Belanja 2. Pembatasan Diri	*Likert*	(Rahmadani, 2017)
3.	Daily Expenses (Y)	1. Peduli dengan pengeluaran 2. Penghematan 3. Survey harga saat belanja	*Likert*	(Rahmadani, 2017)

RESEARCH RESULT

Tabel 2. Statistic Deskriptif

	N	Maksimum	Minimum	Mean	Std Deviasi
Mental Accounting	100	1.813	-2.463	-0.000	1.000
Self-Control	100	1.695	-3.490	-0.000	1.000
Daily Expenses	100	1.649	-2.306	0.000	1.000

Source: Olahan data primer peneliti, 2024

Table 2 shows that the data has quite large variations in mental accounting ability, self-control, and daily expenses, with a mean of 0 and a standard deviation of 1,000 for each variable. The minimum value for all variables is negative, which indicates that some of the people in the data have lower-than-average mental accounting, self-control, and daily expense abilities.

The data analysis technique in this research uses associative statistical analysis with the Smart PLS application analysis tool. To test the results of the questionnaire answers filled in by respondents that meet the validity criteria, in PLS based on general rules regarding measuring convergent validity, it is seen based on the outer loading value exceeding 0.5 (Ghozali, 2015).

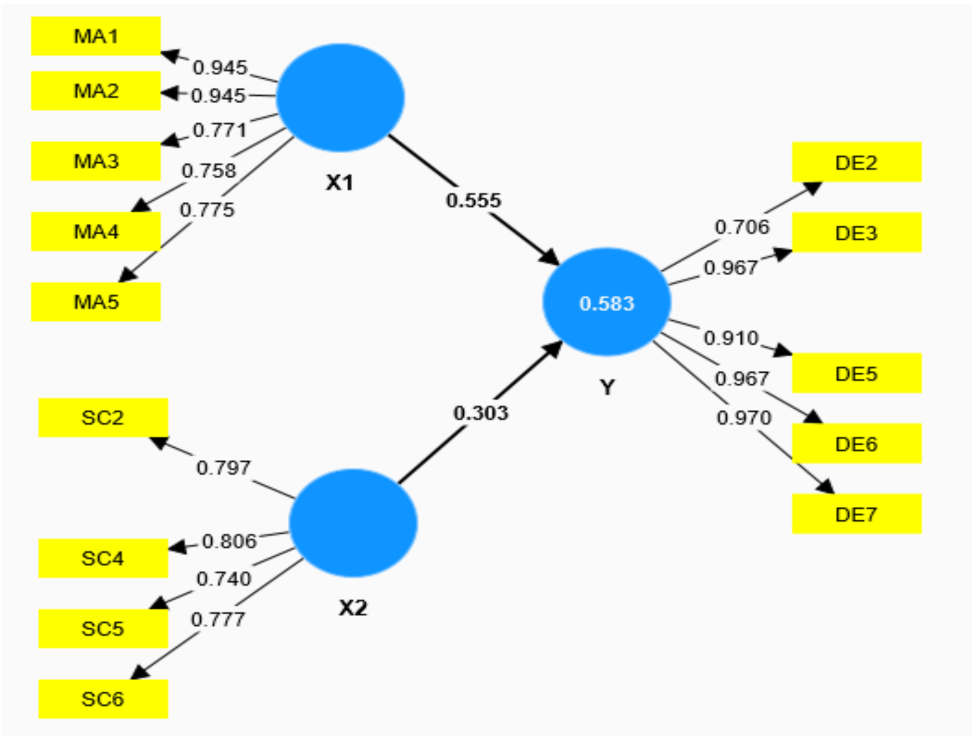

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Figure 2. Convergent Validity Test
Source: Olahan data primer peneliti, 2024

Figure 2 shows that each statement in each indicator in the research variable has reached an outer loading value exceeding 0.5. So that the statements in the research variable indicators have met the requirements for convergent validity testing.

Table2. Reability Test

Konstruk	*Cronbach's Alpha*	*Composite Reability*
X1	0.903	0.989
X2	0.786	0.790
Y	0.944	0.957

Source: Olahan data primer peneliti, 2024

Table 2 shows that all research variable constructs are in accordance with the reliability testing requirements. This is shown by the Cronbach's alpha and composite reliability values exceeding 0.5.

Tabel 3. Uji *Koefisien Determinasi*

	R- Square
Daily Expenses	**0.583**

Source: Olahan data primer peneliti, 2024

Table 3 shows that the R-Square value is 0.583, indicating that the Mental Accounting and Self Control variables can explain 58.3% of the variation in the Daily Expenses variable, the remainder being explained by other variables. This shows that the Mental Accounting and Self Control variables have a strong relationship with the Daily Expenses variable.

Table 4. Hypothesis Testing

	Original Sample	Sample Mean	Std Deviasi	T Statistik	P Values
X1-Y	0.555	0.538	0.118	4.710	0.000
X2 -Y	0.303	0.337	0.150	2.018	0.044

Source: Olahan data primer peneliti, 2024

Mental Accounting Memiliki Pengaruh Terhadap Daily Expenses Mahasiswa

Based on the calculation results shown in Table 4, it was found that the statistical value was 4,710 and the p-value was 0.000. This value shows the probability value of the t value or significance is less than 5% ($0.000 < 0.05$). Thus the test shows that H1 is accepted. This shows that the mental accounting variable has a positive effect on daily expenses.

This finding is supported by previous research which found that mental accounting can significantly influence a person's financial behavior (Kusnandar et al., 2022). In line with research (Eldista et al., 2020) which states that boarding school students on average use mental accounting to record, classify and evaluate financial accounts specifically or broadly, both in writing and just in thought. Migrant students personally manage their money, using monthly transfers or money from parents to spend on what they need or want. The financial behavior of students who are working or studying while working will be different from students who are not working because they value money more. (Silooy, 2015) in his research shows that several Ambon city government employees, especially women, tend to use mental accounting when managing their finances. (Lestari, 2013) in his research results also showed that UKSW students applied mental accounting because students sorted income accounts based on the source of income and costs based on the purpose of their use in daily expenses.

In theory, hypothesis 1 has been known that the relationship between mental accounting and students' daily costs may not be coincidental, but due to actual influence. In other words, students with a high level of mental accounting tend to have lower daily expenses.

Logically speaking, they are also more likely to delay gratification. This can Students with a high level of Mental Accounting are more aware of their spending because they look at their spending more carefully and divide their money into certain categories to help them control their spending and avoid impulsive spending. helps them reduce their overall expenses as they prefer to save rather than spend it on unimportant things.

Self-Control Has an Influence on Students' Daily Expenses

Based on the research results shown in Table 4, it was found that the statistical value was 2.018 and the p-value was 0.044. This value shows the probability value of the t value or significance is less than 5% (0.000 < 0.005). Thus the test shows that H2 is accepted. This shows that self-control has a positive influence on students' daily expenses.

This finding is supported by previous research which shows that consumptive behavior is associated with low levels of self-control, conversely, consumptive behavior will not occur in people who have high self-control (Sharma et al., 2014). In line with research (Ardiana et al., 2023) which states that self-control applies in financial management, where it allows someone to be more careful when buying something or considering further to avoid unfavorable actions. (Haryana, 2020) in his research results show that self-control has a negative and significant effect on consumptive behavior. The results of research (Wulandari & Lubis, 2018) show that there is an influence of self-control on the consumer lifestyle of students,

In theory, hypothesis 2 indicates that the relationship between Self-Control and Student Daily Expenses may occur due to actual influence, not coincidence. In other words, students with high levels of Self-Control tend to have lower daily expenditures. Students who are very self-controlled are more likely to refrain from buying something they don't need.

Logically speaking, students with a high level of self-control are not easily tempted by advertising and promotions. They are more likely to make rational financial decisions, consider carefully before buying something, and are not impulsive. They are also more disciplined in managing their budget and are not easily tempted into debt.

CONCLUSIONS AND RECOMMENDATIONS

This research tries to explain the influence of mental accounting and self-control on students' daily expenses. The results of testing these two hypotheses are that mental accounting and self-control have a positive influence on students' daily expenses. Students with a high level of Mental Accounting are more aware of their spending because they look at their spending more carefully and divide their money into certain categories to help them control their spending and avoid impulsive spending. Likewise, students who have high self-control tend to spend less money every day. They are also more disciplined in managing their daily budget.

ADVANCED RESEARCH

While conducting research, the author realized that there were limitations in this research, namely that the sample used was only specific in one research location, so to overcome these limitations, further research could expand the sample scope and use different research methods.

Teoritis

Based on the results of this research, theories that state that mental accounting and self-control influence spending behavior support these findings. It adds empirical evidence to ideas in behavioral financial decision theory (behavioral finance) and psychological theories that study self-control and decision-making.

Practice

These findings can be the basis for creating more efficient financial education programs for students. These programs can focus on teaching students about mental accounting and self-control as well as how to save money every day.

Policy

Governments and educational institutions may have to consider including material on mental accounting and self-control into higher education curricula. This will help students learn how to manage their finances wisely.

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