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Demographic Factors, Financial Self-Efficacy, and Financial Independence of Young Adults in Surabaya

Calvin Julianto, Evelyn*
Finance & Investment Program, School of Business & Management, Petra Christian University
Jl. Siwalankerto No.121-131, Siwalankerto, Kec. Wonocolo, Surabaya, Jawa Timur 60236
Corresponding Author*: evelyn@petra.ac.id

ABSTRACT

Purpose: One of the key characteristics that can indicate a person's maturity is financial independence. Unfortunately, not many young adults in Indonesia are successful to become financially independent. Thus, the purpose of this study is to examine the variables that may have an impact on young adults' financial independence.

Design/methodology/approach: 118 Surabaya-based young adults served as the study's respondents. Distribution of questionnaires was used to collect data, which was then processed using logistic regression. Findings: The findings of this study demonstrate that age, education, marital status, and self-efficacy all have an impact on young adults' financial independence. It is expected that the findings of this study will help those involved in the attempt to increase financial independence among Indonesian young adults. Furthermore, it is expected that this research will contribute to ongoing studies on financial independence.

Paper type: Research Paper

Keyword: *Financial Independence, Demographic Factors, Financial Self-Efficacy, Young Adult*

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I. INTRODUCTION

People naturally go through five stages throughout their lives, commencing with birth, followed by childhood, adolescence, adulthood, and finally old age. All of a person's financial needs will still be met by parents from the time of birth until puberty. However, a person must be capable of providing for his own requirements while beginning to approach young adulthood (Hill et al., 2017; Ricci, 2018; Cui et al., 2019).

A person is believed to reach the young adult phase between the ages of 20 and 40, according to Hurlock, who was referenced by Yulfa and Herawati (2017). A person must be more responsible and independent throughout this period, as well as be able to take care of the majority of his own demands, particularly those related to money (Settersten et al., 2015). Financial independence is one of the primary requirements for adulthood, according to Arnett (2000), who was cited in Kim and Torquati (2016) and Cepa and Furstenberg (2020).

Young adults reach financial independence when they are able to support themselves through work and income alone, without the help of others (Xiao et al., 2014; Butterbaugh et al., 2019). A person is said to be entirely financially independent when the earnings from his work may be used to support him throughout his whole life. The necessities of daily life go beyond basic needs like food and clothing and also involve things like shelter, entertainment, and other wants without the need for external financial assistance (Vosylis and Klimstra, 2020).

The ability to be autonomous is typically discovered when a person enters young adulthood (Hasanah, 2017). This is due to the fact that a person's perspective toward independence is still unformed at this age. When one adopts this perspective, they can start to adjust and find ways to become independent, one of which is characterized by financial independence.

Unfortunately, a large number of young adults in Indonesia still lack financial independence. According to Dini (2012), more over half of Indonesia's young adults still depend on their parents for financial support. Even though he is already employed, his family is able to provide the necessary financial support to pay his bills and

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meet his living expenses. The primary reason parents continue to support their young adult children financially once they have entered this period of life is the rising expense of living, even when the child gets married and starts a family of his own. Moreover, it takes longer to become financially independent due to the high standard of living, particularly in urban regions.

The pandemic's impacts have also made Indonesia's young people' financial situation worse. The Central Statistics Agency's data also reveals that Indonesia's young adult unemployment rate in 2020 rose to the highest level in ASEAN. The "Financial Fitness Index 2021" study was carried out in 2021 in Jabodetabek, Surabaya, and Medan by Bank OCBC NISP and Nielsen IQ. The survey's findings revealed that only 37.72 percent of the 1027 participants were financially stable. Despite having a sizable income, nearly 30% of respondents say they have frequently had to incur debt because their fundamental necessities have not been met. In fact, 55% of respondents say their expenses are more than their income.

Young adults will suffer unfavorable consequences if financial independence is not attained, both for themselves and for those around them (Taroza, 2020). Bea and Yi (2018) suggested that parents' continued interference in providing for their kids' financial needs may be motivated by attachment. However, both parents and their children may experience financial insecurity as a result of these circumstances in the future. The future of the parents themselves may be affected if they continue to worry about their children's financial issues. Because their income is spent on providing for their children, parents do not have the chance to save for their later years.

According to study findings by Junaidy and Surjaningrum (2014), working and taking care of one's financial needs are crucial for those who are just entering adulthood. A person's quality of life is greater and happier if they can support themselves financially through work. Contrarily, a person who is unemployed and unable to cover his expenses may face a number of negative consequences on both a psychological and social level, along with financial ones.

Every parent therefore hopes and wishes for their children to be financially independent (Xiao et al., 2014; LeBaron et al., 2018; Cui et al., 2019). This is also consistent with the findings of Kim et al.'s (2011) study, which suggests that as a child transitions into young adulthood, he or she should work to fulfill all of his or her requirements and financial obligations autonomously.

Financial independence is influenced by demographic characteristics and young adults' financial self-efficacy, according to Xiao et al.'s (2014) research. Gender, age, education, income, and marital status are all demographic variables that can impact financial independence (Mahdzan and Tabiani, 2013).

A person will start to develop a sense of responsibility for the attitudes and wants they have when they enter the young adult period, particularly those linked to money, according to research by Settersten et al. (2015) and Butterbaugh et al. (2019). Men are especially impacted by this. In the future, men will serve as the family's head and foundation. Men are encouraged to become financially independent more quickly than women in this profession.

Age, gender, and income are additional factors that influence a young adults' financial independence. According to Borjas et al. (2020), a person's education can determine whether or not they become financially independent sooner. A person is more likely to have a higher salary the more academic achievement he receives. A person will find it easier to meet his or her own financial needs and acquire financial independence if they have an adequate income.

Marital status has an impact on a young adults' ability to make financial decisions. The pressure for young families to become financially independent increases because having a child will raise the family's financial burden (Addo et al., 2018).

Financial self-efficacy is another factor that has an impact on young adults' financial independence. According to Lee and Mortimer (2009), financial self-efficacy is the confidence a person has in his or her capacity to attain their financial objectives. A young adult who is confident that he will succeed in reaching his financial objectives will carefully study and work to get ready early. Young adults will have a greater chance of achieving financial independence if they are enthusiastic and well-prepared (Ranta et al., 2019).

In order to gain an initial picture of young adults' financial independence, a pre-survey of 30 adults was undertaken in Surabaya. Results from the pre-survey revealed that 19% of young adults lacked financial independence. This group still relies on their parents or other close relatives for financial support to cover everyday expenses.

The objective of this study is to examine how young adults' financial independence is impacted by demographic parameters such as age, gender, education level, income, and marital status as well as financial self-efficacy. Due to the fact that Indonesia, a developing nation, served as the research site, it is interesting. The findings of this research are expected to help key stakeholders in developing a number of strategies that can boost young adults' financial independence in Indonesia.

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A. Theoretical Review

1. Financial Independence

According to KBBI, independence is the capacity to act independently without relying on others, whereas finance is anything related to money. Thus, being financially independent can be defined as the state of being able to meet all of one's own financial requirements without the assistance of others. A person can be considered financially independent if they can live alone in a residential environment, enlist in the military, or leave home to be married, according to one of the initial research studies on the topic. According to Whittington and Peters (1996) in Xiao et al. (2014), a person who earns a living but continues to reside with his parents cannot be regarded as being financially independent. However, it has been argued in more recent studies that a person's financial independence can be determined by the percentage of living costs coming from his or her own income or savings or from a spouse's income and/or savings (Lee and Mortimer, 2009 in Xiao et al., 2014).

Financial independence among young adults, according to Xiao et al. (2014), can be seen as a stage where they are able to meet their basic needs on their own money. The ability to live independently, pay for his own residence, manage his debt independently, and maintain solid financial management independently were the four factors used in the study to measure financial independence. The investigations by Taroza (2020) and Bea and Yi (2017) both used this measurement.

For young adults, financial independence is regarded as a crucial component. Young adults' financial security is crucial for their own well-being, the wellbeing of their families, and the growth of the economy as a whole. Young adults can positively influence both themselves and the environment when they are financially independent. A person who is financially independent no longer bothers their parents because they are now responsible for their own daily requirements and necessities. As a result, parents are free to focus on retirement planning without having to worry about their kids' welfare (LeBaron et al., 2018; Allsop et al., 2020).

2. Demographic Factors

According to Xiao et al. (2014), the transition to financial independence is influenced by demographic characteristics amongst young adults, such as gender, income, and educational attainment. Because a number of elements in demographics can also have an impact on a person's psychological state, they play a significant part in determining a person's level of financial independence. Additionally, it is impossible to separate a person's demographic features from their financial responsibility.

a. Age

In a person's life, there are five stages of development: birth, childhood, adolescence, adulthood, and old age. Young adulthood, middle adulthood, and late adulthood are the three stages of adulthood, according to Hurlock (1990), who cited Putri (2019). Young adults are those who are between the ages of 20 and 40.

Young adulthood is a stage characterized by a sense of responsibility for the activities made, according to Putri (2019). A person will need to start letting go of his or her social, psychological, and financial dependence on other people when they enter young adulthood, especially parents. It is required of an adult to start taking responsibility for his actions and start assuming a role in society.

The research of Lee and Mortimer (2009), quoted by Xiao et al. (2014), explained that a person's level of financial independence increases with age. It is determined by a person's level of psychological development, which includes their financial maturity. According to Handi and Mahastanti's (2012) research, when a person becomes older, meeting necessities takes precedence over satisfying wants when it comes to spending money. A person can finance his requirements and reach financial independence with the appropriate priorities.

According to Nguyen, Trinh, and Tran's research (2021), a person's level of financial independence rises with age. This is true since being older is associated with better financial management, higher income and status, and less of a desire to buy things that are not necessities.

H1: Age has a significant positive effect on financial independence.

b. Gender

The biological distinction between men and women is based on gender. Women grow and develop with a guiding, empathic, compassionate, helpful, and gentle attitude, while men do so with a firm, straightforward, tough, and unemotional independence. According to Woodyard and Robb (2012), men and women in various age groups have varied levels of financial literacy. The finding that men have higher levels of financial responsibility and awareness than women is supported by research by Lalonde and Schmidt (2010) and Taroza (2020).

According to Ariadi (2015), gender differences have an impact on a person's ability to manage their finances. This is so because women choose to exclusively address the most significant demands, but males pick which requirements can be used as a yardstick for success. As a result, men put in more effort than women to meet their obligations.

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Men will become financially independent more quickly than women, according to research by Alsemgeest and Grobbelaar (2015), Bea and Yi (2017), Nguyen, Trinh, and Tran (2021), Bea and Yi, and others. This is influenced by men's psychological state because they will subsequently choose their own life route independently of others. According to the research by Falahati and Piim (2011), women only view money as a personal strength, whereas males view it as a strength and responsibility for life. For men, this means that the more wealth they own, the more power and responsibility they have.

H2: Gender has a significant positive effect on financial independence.

c. Education

Education is a person's action and effort in nurturing and releasing his personal potentials, according to Naziev (2017). Each person will subsequently have a mindset, behavior, and attitude that are consistent with the education he got as a result of the knowledge they have formalized.

According to research by Taroza (2020) and Lee and Mortimer (2009), gaining financial independence will take a little longer for someone with a higher level of education. However, the education received can be employed as capital to accelerate income, making it simpler for the individual to reach financial independence after his or her studies are complete. It is guaranteed that a person is knowledgeable and an expert in their industry by looking at their educational credentials. According to Lee and Mortimer (2009), someone who has not worked but is still in school does not necessarily have a delayed path to financial independence. The need of being financially independent from a young age is something that education can help a person understand (Amato and Kane, 2011). Education can also affect one's financial literacy and perception.

H3: Education has a significant positive effect on financial independence.

d. Income

Personal income is defined as a person's annual total gross income from wages, businesses, and other investments (Hilgert et al., 2003). Personal income is used to determine an individual's adjusted gross profit for tax purposes, and is frequently referred to as a person's "pretax profit". Wages and salaries make up the majority of overall revenue, but there are many other types of income as well, including rental income, gifts, government subsidies, interest income, and dividend income.

According to Hilgert et al.'s research, a person has a larger financial responsibility when their income is higher than when it is lower. According to Mahdzan and Tabiani (2013), the more a person's income, the more they will endeavor to be responsible in satisfying necessities and making better use of their money. This research supports their claim.

According to Bea and Yi's research from 2017, a person's salary has an impact on how much of his or her duties and expenses are on him or her. Of course, the more money someone makes, the simpler it is for them to become financially independent. On the other hand, if a person's salary is typically low, it will be challenging for them to become financially independent.

H4: Income has a significant positive effect on financial independence.

e. Marital Status

A married people has more obligations than a single person. After being married, a person is responsible for providing for their family as well as themselves. The weight of a person's personal life is their own financial duty for an unmarried person, on the other hand, as stated by Settersten et al. (2015).

How to become financially independent was discussed in the research by Xiao et al. (2014). The marriage is a factor. When a person gets married, it signals the start of his independent life with his new family. The newly formed family will need to be independent, which in this context means having financial independence. When a young adult has established themselves as the family's breadwinner, they are not only responsible for supporting themselves but also their spouse, children, and other dependents. As opposed to someone who is not married, prefers to rely on his parents for support, and has more than one source of income, this individual nevertheless receives financial assistance from his family (Praba and Malarmathi, 2015).

H5: Marital status has a significant positive effect on financial independence.

f. Financial Self Efficacy

According to Farrell et al. (2016), self-efficacy is the conviction that one can plan and carry out actions to accomplish specific goals, such as emotions, methods of thinking, and motives. It also aims to evaluate the level and strength across various settings and activities. Self-efficacy, according to Tsang et al. (2012), is a person's assessment of his competence or capacity to carry out a task, achieve goals, and overcome obstacles. According to these two definitions, self-efficacy is the confidence a person has in his or her capacity to accomplish a certain goal.

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Financial self-efficacy is the name for the self-efficacy idea that has to do with money. The ability to attain one's financial goals is referred to as financial self-efficacy (Lown, 2011). The following are the indicators of financial self-efficacy found in Lown's (2011) research:
1. Have confidence in the spending plan that has been made
2. Have confidence to achieve financial goals that have been made
3. Have the confidence to solve financial problems when unexpected expenses occur
4. Have confidence to anticipate when faced with financial problems
5. Have confidence in yourself when managing finances
6. Have confidence that you won't run out of money in retirement

According to Xiao et al. (2014), developing actions that are relevant to young adults' economic goals depends on perceptions of one's own financial self-efficacy. Someone who is positive that he can become financially independent from a young age will undoubtedly make an extra effort to work harder and longer hours in order to achieve financial independence right away. The spirit necessary to make it happen will be produced by the confidence held.

When conducting research Financial self-efficacy is critical for persuading someone to act in a way that makes them believe things will go as planned, according to Lee and Mortimer (2009). The study also outlined how self-assurance and financial independence relate to one another. The responders' self-assurance Respondents were quickly forced to switch from someone who is financially reliant to someone who is financially independent (Lee and Mortimer, 2009).

H6: Young adults' financial self-efficacy has a significant positive effect on financial independence.

II. METHODS

The objective of this associative study is to determine how demographic variables and financial self-efficacy affect young adults' ability to manage their finances independently in Surabaya. The information used is primary data, which was gathered by sending a closed questionnaire using a Google Form link to young individuals in Surabaya City who met the requirements for the sample, as assessed by the researcher.

A. Population and Sample

The demographic group of choice for this study was young adults. A young adult is a person between the ages of 20 and 40 (Putri, 2019). The young adult population was chosen for this study because, at this time, it is increasingly responsible for its own behaviors, especially those related to the economy, freedom of self-determination, and outlook on the future.

A person is expected to take independent financial action once they have passed the transitional stage and have attained adulthood because it is difficult for someone to always rely on his parents for all of his financial needs. There is no doubt that the influence is felt on the person's quality of life. If you don't focus about becoming financially independent right away, it will be tough to improve later in life (Navickas et al., 2014).

Purposive sampling is the technique utilized in this study to choose the study's sample. The study's consideration criteria were as follows:
1. Domiciled in Surabaya
2. Have a Surabaya KTP
3. 20 years old – 40 years old

Surabaya is the second most populous city in Indonesia. Based on data taken from BPS Surabaya city, in 2020, the population of Surabaya was 2,904,751 people. Of these, 36% are young adults. Based on Slovin's formula, the number of samples assigned to this study was 100 people.

B. Variable Definition

The independent variable in this study is financial independence, and the dependent variables are demographic factors and financial self-efficacy.

In this study, financial independence is defined as the age at which Surabaya's young adults are capable of supporting themselves financially without assistance from anyone. Four factors—namely, the following—are used to measure a young adults' financial independence, according to Xiao et al. (2014):
1. Financing living needs independently
2. Independent housing financing
3. Debt financing independently

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4. Good financial management independently.

Age, gender, education, income, and marital status were among the demographic characteristics considered in this study. Respondents will be divided into four main age groups according to their actual age: those between the ages of 20 and 25; 26 and 30; 31 and 35; and 36 and 40. Respondents will be divided into male and female respondents based on gender. There are three groups of respondents based on their educational background: those with a high school diploma or equivalent, those with a diploma or a bachelor's degree, and those with a postgraduate degree. Respondents can be divided into three categories based on their marital status: single, married but without children, and married but with children already.

The term "income" as used in this study refers to the total gross monthly income of young adults in Surabaya, which includes earnings from jobs, businesses, and other investments. The respondents in this study were divided into six income groups, including those making less than Rp. 4,200,000, between IDR 4,201,000 and IDR 10,000,000, between IDR 10,000,001 and IDR 20,000,000, between IDR 20,000,001 and IDR 30,000,000, between IDR 30,000,001 and IDR 42,000,000, and above IDR 42,000,000.

In this study, financial self-efficacy was defined as the confidence of young adults in Surabaya in their own capacity to meet their financial objectives. The Financial Self-Efficacy Scale (FSES), which Lown (2011) suggests can be used to evaluate financial self-efficacy, includes*:*

1. Unexpected expenses
2. Financial goals
3. Credit
4. Solutions to financial problems
5. Personal financial management
6. Pension funds

C. Data Analysis Techniques

With the use of SPSS software, a binary logistic regression hypothesis test was performed as the analysis approach in this study. The dependent variable is dichotomous, hence binary logistic regression technique is used. The models used are:

$$KF = \alpha + \beta 1U + \beta 2JK + \beta_3 P + \beta_4 I + \beta_5 SP + \beta_6 FSE + e$$

KF = Financial Independence
α = Constant
β = Coefficient
U = Age
JK = Gender
P = Education
I = Income
SP = Marital Status
FSE= Financial Self-efficacy
e = *Error*

III. RESULTS AND DISCUSSION

A. Overview of respondents

The respondents to this study are Surabaya-based young adults between the ages of 20 and 40. The data collected was 156 respondents. Then, 118 respondents who met the sample requirements were chosen after the researchers filtered the respondents based on the sample criteria. The characteristics of the responders are described in the paragraphs that follow.

Table 1. Descriptive Statistics of Respondents

Demographic Factors		*Financial Independence*		*Total*
		Not Financially Independent	*Financially Independent*	
Age	*20 Years - 25 Years*	*24*	*7*	*31 (26%)*
	26 Years - 30 Years	*23*	*24*	*47 (40%)*
	31 Years - 35 Years	*0*	*29*	*30 (25%)*
	36 Years - 40 Years	*2*	*9*	*10 (9%)*
Gender	*Woman*	*19*	*29*	*48 (41%)*
	Man	*30*	*40*	*70 (59%)*
Education	*High School ≤*	*18*	*6*	*24 (20%)*
	Diploma and Bachelor	*31*	*58*	*89 (76%)*
	Graduate	*0*	*5*	*5 (4%)*
Income	*<=IDR 4.200.000*	*20*	*10*	*30 (25%)*
	IDR 4,201,000-IDR 10,000,000	*21*	*33*	*54 (46%)*
	IDR 10,000,001-IDR 20,000,000	*4*	*10*	*14 (12%)*
	IDR 20,000,001-IDR 30,000,000	*2*	*9*	*11 (9%)*
	IDR 30,000,001-IDR 42,000,000	*1*	*2*	*3 (3%)*
	>IDR 42,000,000	*1*	*5*	*6 (5%)*
Marital Status	*Unmarried*	*48*	*38*	*86 (73%)*
	Married Don't Have Children	*1*	*11*	*12 (10%)*
	Married and Have Children	*0*	*20*	*20 (17%)*

Source: Results of data analysis, processed, 2023

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According to table 1, respondents in this study were predominately male, between the ages of 26 and 30, with a diploma or bachelor's degree, a monthly income between Rp. 4.201.000 and Rp. 10.000.000, and no marital status.

Young adults between the ages of 20 and 25 have a low level of financial independence, according to the findings of cross-tabulations of their financial independence by age in table 1. Age will increase financial independence. The cross-tabulation of young adults' financial independence by gender revealed that there were not many differences in the degree of financial independence between men and women. Up to 60% of all the female respondents and 57% of all the men have achieved financial independence.

The results of the financial independence and education cross-tabulation indicate that respondents with postgraduate degrees had been entirely financially independent. This demonstrates that a person's financial independence increases with increased education.

The largest proportion of financial independence is found in incomes larger than Rp. 42,000,000 per month, according to the results of a cross-tabulation of young adults' financial independence based on income. Additionally, the data indicates that as income increases, so does the percentage of people who are financially independent.

When financial independence and marital status are cross-tabulated, it is revealed that single people are more likely to be non-financially independent. While the proportion of married people who are financially independent is rising for both those without children and those who already have children.

Table 2. Financial Self-Efficacy of Respondents

FSE	*Score*					*Average*	*Category*
	1	*2*	*3*	*4*	*5*		
It's easy for me to stick to my spending plan despite sudden needs	*3*	*17*	*43*	*33*	*22*	*3,46*	*Tall*
	2,54%	*14,41%*	*36,44%*	*27,97%*	*18,64%*		
It was easy for me to make progress on my financial goals	*2*	*19*	*32*	*44*	*21*	*3,53*	*Tall*
	1,69%	*16,10%*	*27,12%*	*37,29%*	*17,80%*		
When unexpected expenses occur, I will not use debt to solve problems.	*5*	*21*	*38*	*21*	*33*	*3,47*	*Tall*
	4,24%	*17,80%*	*32,20%*	*17,80%*	*27,97%*		
I have no trouble finding solutions when faced with financial problems	*2*	*25*	*38*	*31*	*22*	*3,39*	*Tall*
	1,69%	*21,19%*	*32,20%*	*26,27%*	*18,64%*		
I am confident in my ability to manage my own finances	*3*	*12*	*30*	*40*	*33*	*3,75*	*Tall*
	2,54%	*10,17%*	*25,42%*	*33,90%*	*27,97%*		
I am not afraid that I will run out of money in my retirement.	*3*	*28*	*44*	*27*	*16*	*3,21*	*Tall*
	2,54%	*23,73%*	*37,29%*	*22,88%*	*13,56%*		

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	Average	*3,47*	*Tall*

Source: Results of data analysis, processed, 2023

The Likert scale is used to gauge one's financial self-efficacy. When people give a statement a score of 1, they strongly disagree with it. This means that if the respondent selects 1, his financial self-efficacy is low. When a statement in the questionnaire receives a score of 5, it means that the respondent's financial self-efficacy is high and the statement closely matches their condition.

A class interval division formula is utilized to get the mean category of the financial self efficacy variable's Likert scale values. Respondents with a mean score between 1 and 3 will be categorized as having low financial self-efficacy, while those with a mean score between 3 and 5 will be categorized as having high financial self-efficacy.

Table 2's responses from respondents reveal that young adults in Surabaya City have a high level of financial self-efficacy, as indicated by the mean score of 3.47. This demonstrates that young individuals in Surabaya already have solid ideas and beliefs about managing money and providing for diverse requirements or an emergency fund when necessary. Additionally, Surabaya City's youth are prepared for old age without worrying about financial constraints.

Table 3. Financial Independence of Respondents

Financial Independence	*Score*					*Average*	*Category*
	1	*2*	*3*	*4*	*5*		
How much do you contribute to financing your needs with your own income?	*5*	*21*	*25*	*22*	*44*	*3,67*	*Tall*
	4,24%	*17,80%*	*22,03%*	*18,63%*	*37,29%*		
How much do you contribute to financing your residence with your own income?	*42*	*24*	*21*	*10*	*21*	*2,53*	*Low*
	35,59%	*20,34%*	*17,80%*	*8,47%*	*17,80%*		
How much do you contribute to paying debts or bills with your own income?	*9*	*18*	*32*	*13*	*46*	*3,58*	*Tall*
	7,63%	*15,25%*	*27,12%*	*11,02%*	*38,98%*		
How much can you manage your own finances?	*2*	*12*	*35*	*23*	*46*	*3,84*	*Tall*
	1,69%	*10,17%*	*29,66%*	*19,49%*	*38,98%*		
			Average			*3,40*	*Tall*

Source: Results of data analysis, processed, 2023

The Likert scale is used to measure a variable that represents respondents' financial independence. A score of 1 represents people who are neither independent nor wholly dependent on others financially (the range of this reliance is 80%–100%). A score of 5 reflects respondents who are completely financially independent (the percentage of respondents who rely on others for financial support is 0%–20%).

Using the class interval division formula created by Simamora (2000), the mean category of the financial independence variable's Likert scale results is calculated. Respondents classed as not yet financially independent

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have a mean value between 1 and 3 whereas those classified as financially independent already have a mean value between 3 and 5.

According to table 3, the majority of respondents already have financial independence thanks to their ability to pay for their basic necessities, pay off debt or obligations, and manage their money. However, the majority of respondents are still unable to independently finance housing.

The average response from respondents is 3.40, indicating that the respondent's level of financial independence falls inside the high score category. With the exception of housing financing, a high score suggests that young adults in Surabaya City already enjoy financial independence.

B. Data Analysis

Before doing a logistic regression test, validity and reliability tests are conducted to make sure the research instrument is appropriate.

The validity test for this study has been carried out using Pearson's correlation. In this study, the validity test result for each variable was 0.000. This indicates that each variable has successfully met the requirements for validity testing and can proceed to the following test after being approved for use as a research measuring tool.

The Cronbach Alpha (α) statistical test was employed in this study to assess dependability. The financial self-efficacy variable had a Cronbach Alpha value of 0.843 and the financial independence variable had a value of 0.815, according the test results. When Cronbach's Alpha exceeds the minimum level (> 0.7), the research may proceed to the next stage.

Table 4. Test the hypothesis

		Type	
		β	*Sig*
Demographic Factors	*Age*	*0,905*	*0.022***
	Gender	*0,229*	*0,684*
	Education	*0,845*	*0.011***
	Income	*-0,120*	*0,653*
	Marital Status	*2,356*	*0.017***
Financial Self-Efficacy		*1,839*	*0.002*
Constant		*-7,523*	*0.000*
Nagelkerke's R Square		*0,599*	
Hosmer and Lemeshow Test		*0,300*	
Classification Matrix Test		*83,1%*	

Remarks: * p<.05. ** p <.025. p <.005.
Source: Results of data analysis, processed, 2023

Table 4's research findings demonstrate that age significantly increases financial independence. These findings are consistent with Lee and Mortimer's (2009) study, which found that a young adult's likelihood of becoming financially independent increases with age. According to the data collected from respondents, with increasing age, their level of financial independence also rises.

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The findings of the study indicate that gender influences financial independence positively but not significantly. This is contrary to Bea and Yi's (2017) research, which found that males will, on average, achieve financial independence sooner than women. According to evidence gathered by researchers, disparities between genders do not indicate a person's level of financial independence. This is due to the fact that a substantial percentage of respondents—both men and women—are financially independent.

Financial independence is significantly influenced positively by education. This is consistent with Lee and Mortimer's (2009) study, which found that obtaining a higher education increases a person's likelihood of becoming financially independent. This is also shown in the survey results, which indicate that a person's percentage of financial independence increases with their level of education.

The findings of the study indicate that income has a unsignificant negative impact on financial independence. According to research by Bea and Yi (2017), the higher a person's income, the more independent they are in managing their financial responsibilities. This contradicts the findings of their study. According to the responses from the respondents, a person's lifestyle as well as life's expenses are factors to consider. According to studies, a person's income should be matched with good financial behavior so that it does not have a negative financial impact (Hilgert et al., 2003). A person will find it harder and harder to become financially independent if they behave irresponsibly with their finance.

Financial independence is significantly influenced positively by marital status. This is consistent with study findings by Xiao et al. (2014) that marriage symbolizes the beginning of an individual's independent life with their new family. According to research findings, a person's financial independence increases from being single to being married without children to being married with children.

Financial independence is significantly positively impacted by financial self-efficacy. These findings are consistent with a study conducted by Xiao et al. (2014), which found that young adults' financial self-efficacy plays a significant role in encouraging behavior that is related in achieving their financial objectives. According to this study, a person who has a high level of financial self-efficacy will have a greater opportunity of being financially independent.

C. Discussion

Age, education, marital status, and financial self-efficacy all have an impact on young individuals' financial independence in Surabaya. Based on the findings in table 1, it is clear that a person's percentage of financial independence increases with age and with the level of education attained. Table 1 also shows that young adults who are married are more likely to be financially independent than those who are single. Additionally, young adults with children are more financially independent than young adults without children. The research findings for the financial self-efficacy variable have a significant impact on a person's financial independence, similar to age, education, and marital status. According to the test's findings, a person's level of financial independence increases with their level of financial self-efficacy.

The amount of financial independence of respondents is unaffected by gender or income, according to the data processing results of the respondents' responses. Financial independence tends to be high for both men and women. This study found that a person's degree of financial independence is unaffected by their income. One of the explanations is that each person has a different lifestyle or set of responsibilities. For instance, certain participants earn more money than those who are married, despite not being married. It will be easier for someone to use money for numerous unnecessary wants if you don't have a family. When a person is married, things change. When you have a family, both your spouse and kids also share financial responsibilities with you.

In addition to the abovementioned factors, social culture also affects a person's financial independence. According to study by Taylor and Walker (2013), young individuals in their early stages are urged to work part-time jobs in the US in order to generate revenue and become financially independent as soon as possible. What's happening in Indonesia is at contradiction with this. A person entering young adulthood still depends heavily on his parents because, on average, this stage of life is spent in education and does not allow for the option of job (Indonesia Millennial Report, 2020). According to Siwi's 2009 research, which is consistent with the results of the Indonesia Millennial Report, Most Indonesian parents, especially those in East Java, prefer that their children finish their university studies before beginning employment. Children's financial independence is therefore delayed because they do not yet earn a living in their early adolescent years.

V. CONCLUSION

A. Conclusion

Age, education, marital status, and financial self-efficacy are demographic factors that have an impact on the ability of young adults to manage their finances in Surabaya City. Regardless of their gender or wealth, young adults in Surabaya are seen as being financially independent.

It is expected that this research will be beneficial to the numerous stakeholders involved. This study is expected to help young adults better understand the value of achieving financial independence and the necessity of having financial self-efficacy in order to do so. Young adults are therefore expected to continue managing their money wisely so they can achieve financial independence without offending those around them, especially their parents and other relatives.

B. Suggestion

This study is anticipated to give parents of young adults more knowledge about how to guide and educate their children as they make the transition to financial independence. Therefore, it is hoped that this study's findings would alert parents to the importance of teaching their children how to be independent, especially financially, and help further reduce their reliance on their own parents. Parents can offer a variety of suggestions, counsel, and life experiences in the commercial and professional worlds to help children gain the understanding they need to continue managing and managing their finances effectively.

Because the information the researchers gathered in this study came through questionnaires, respondents were less receptive to the facts that already existed on financial independence. In order to include more specific and deeper phenomena and enable respondents to be more receptive to the truth about their financial independence, it has been proposed that future research would collect data through in-depth interviews. Researchers might also expand on this research by include additional relevant variables, such as children characteristics, parental roles, and an individual's socioeconomic security, particularly for young adults.

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