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Mental Accounting, Financial Literacy, Lifestyle, And Social Environment on Teacher's Financial Behavior

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Abstract:

This study aims to investigate the influence of mental accounting, financial literacy, lifestyle, and social environment on the financial behavior of teachers in Sanggau Regency. Data was collected from the Ministry of Education, Culture, Research and Technology in 2023 as well as through questionnaires given to 150 teachers as research samples. The results of the analysis show that the four factors together have a significant effect on teachers' financial behavior. In particular, lifestyle and social environment have a significant influence. The findings provide a deeper understanding of the factors that influence teachers' financial behavior and provide important insights for the development of programs and policies aimed at improving their financial literacy and financial behavior, thereby creating better financial stability for them.

Keywords: *Mental Accounting, Financial Literacy, Lifestyle, Social Environment, Life Behavior*

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1. Introduction

Education is a cornerstone for improving quality of life and is crucial for fostering socio-economic development. The quality of education, in turn, is directly influenced by the quality of its educators. Teachers, as the cornerstone of education, not only impart knowledge but also shape the character, morals, and values of future generations. They guide, mentor, and inspire students, and in today's digital era, their presence—both in the classroom and on social media—has expanded their role in shaping young people's mindsets, including their attitudes toward financial management (Garman & Forgue, 2003; Joo & Grable, 2004).

Despite the pivotal role teachers play in society, financial well-being remains a significant challenge for many. Teachers typically receive a combination of fixed (base salary) and variable (bonuses, allowances) income, yet how they

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manage these funds is influenced by various psychological and social factors (Thaler, 1985; Shefrin & Statman, 1985). Mental accounting, the process by which individuals categorize and treat money differently depending on its source, has been shown to affect financial decision-making (Thaler, 1985; Shafir, Diamond, & Tversky, 1997). Teachers often allocate their fixed income to routine needs such as utilities and children's education, while bonuses or additional income might be perceived as "extra" and allocated differently, such as for investments or discretionary spending (Cunningham & Williams, 2015).

One of the most crucial factors influencing teachers' financial behavior is financial literacy. Teachers with higher financial literacy are not only better equipped to make prudent financial decisions but also serve as financial role models for their students (Lusardi & Mitchell, 2014). In recent years, advancements in financial technology, such as budgeting apps and digital payment systems, have influenced how individuals—including teachers—manage their finances. These tools have the potential to alter mental accounting patterns by making it easier to track and categorize financial flows (Agnew & Szykman, 2005).

In Sanggau Regency, teachers face unique financial challenges, particularly in balancing their lifestyle with their income. Despite having access to competitive prices in Pontianak City, many teachers rely on online marketplaces for purchasing goods, which may expose them to consumptive lifestyles (Zhao & Zeng, 2020). This exposure, coupled with the influence of social media, can shape teachers' financial behaviors and attitudes. Social media platforms provide spaces for discussions about financial management, but they also promote a culture of consumption that can be stressful for teachers trying to maintain a balance between their financial capacity and aspirations (Pereira & Mendonça, 2016; Bakar & Mohamad, 2017).

The intersection of mental accounting, financial literacy, lifestyle, and social environment presents a critical gap in existing literature, particularly in the context of teachers. While there is extensive research on financial behavior, mental accounting, and financial literacy (Thaler, 1985; Lusardi & Mitchell, 2014), few studies have examined how these factors interact specifically within the teaching profession, especially in the context of rural or semi-urban areas like Sanggau Regency. Additionally, the influence of the social environment, particularly social media, on teachers' financial decisions remains underexplored (Chen & Volpe, 1998; Xu & Zia, 2012).

Given the increasing importance of financial literacy and the growing use of digital tools among educators, this study aims to address these gaps by investigating how mental accounting, financial literacy, lifestyle choices, and

the social environment influence the financial behavior of teachers in Sanggau Regency. The findings will provide valuable insights into how local socio-economic contexts, digital financial tools, and social influences shape teachers' financial decision-making. By exploring these dynamics, the study not only contributes to the academic discourse on financial behavior but also offers practical recommendations for improving financial literacy and well-being among teachers (Sullivan, 2018; Zhao & Zeng, 2020).

2. Theoretical Background

Mental Accounting

Mental accounting is a psychological framework in which individuals mentally categorize their income and expenses into separate "accounts" based on the source or purpose of the funds. Thaler (1985) introduced the concept, arguing that the way individuals categorize money can significantly influence their financial decision-making. For teachers, this manifests in how they differentiate between routine expenses, such as bills and education costs, and additional expenses, such as bonuses or incentives. Previous research suggests that individuals with lower levels of financial literacy are more likely to make financial decisions driven by mental accounting biases, such as the tendency to treat different income sources differently (Barberis & Thaler, 2003). This could have significant implications for teachers' financial behavior, particularly in balancing their fixed income and variable earnings.

Financial Literacy

Financial literacy refers to an individual's ability to understand, manage, and make effective decisions about personal finance (Lusardi & Mitchell, 2014). In the context of teachers, financial literacy is essential not only for managing their own finances but also for modeling responsible financial behaviors for students. The Financial Services Authority (OJK, 2022) reported that financial literacy in West Kalimantan stands at 51.95%, surpassing the national average of 49.68%. Teachers with high financial literacy can make informed decisions regarding budgeting, saving, and investing, thereby setting positive examples for their students and the broader community. In contrast, low financial literacy can lead to poor financial decisions, highlighting the importance of financial education (Chen & Volpe, 1998; Lusardi & Mitchell, 2014).

Lifestyle

Lifestyle refers to a pattern of behavior that reflects an individual's values, preferences, and choices in managing resources, including time and money (Schiffman & Kanuk, 2004). For teachers, lifestyle choices are often influenced by external factors such as cultural norms, societal expectations, and personal preferences. In Sanggau Regency, for instance, teachers

frequently shop in Pontianak City for better prices and quality products, and the rise of online shopping has further shaped their lifestyle choices. The accessibility of digital platforms and marketplaces, combined with easy delivery options, has become a significant aspect of their purchasing habits (Zhao & Zeng, 2020). Such behaviors reflect broader trends in the social environment and can influence how teachers allocate their finances.

Social Environment

The social environment encompasses the influence of family, community, and media on individual behaviors and decisions (Boyd & Ellison, 2007). Social media, in particular, has become an influential platform in shaping perceptions, behaviors, and lifestyles, including financial decisions. For teachers in Sanggau, social media provides a space to exchange experiences, advice, and financial information. However, exposure to highly consumptive lifestyles online can create pressure, leading individuals to make financial decisions based on perceived social norms rather than personal financial needs (Choi et al., 2020). This social pressure may exacerbate financial stress among teachers, as they may feel compelled to maintain a certain lifestyle despite financial constraints (Zhao & Zeng, 2020). Thus, the social environment—both online and offline—can significantly influence teachers' financial behavior and decision-making.

Teacher Financial Behavior

Financial behavior refers to how individuals manage their finances, including spending, saving, investing, and planning for the future (Xiao, 2008). Teachers, like other individuals, face the challenge of balancing their income with their daily needs, financial goals, and lifestyle aspirations. Research has shown that factors such as mental accounting, financial literacy, and the social environment play a significant role in shaping financial behavior (Hira & Mugenda, 1999). In the context of teachers in Sanggau Regency, their financial behavior is influenced not only by traditional factors such as income and expenses but also by the accessibility of modern financial tools such as e-wallets and digital banking applications (Agnew & Szykman, 2005). The integration of these tools has the potential to improve financial decision-making by providing greater control and transparency over personal finances (Sullivan, 2018).

3. Methodology

In this study, the type of research used is associative research with the aim of identifying and explaining the relationship between mental accounting, financial literacy, lifestyle, and social environment on the financial behavior of teachers in Sanggau district. Data was obtained from the Ministry of Education, Culture,

Research and Technology, 2023 and the use of questionnaires to teachers in Sanggau district.

The population of this study were all teachers in Sanggau district as many as 6,251 people in 2023, taken as a sample using purposive sampling technique as many as 150 respondents so that the population representation is more and more representative for a study. Independent variables include *Mental accounting,* Financial literacy, Lifestyle, and Social environment with the symbol X. While the dependent variable includes Teacher Financial Behavior. While the dependent variable includes the Financial Behavior of Teachers in Sanggau Regency with the symbol Y.

4. Empirical Findings/Result

Reliability Test

To assess the reliability of the data, we performed a reliability test using Cronbach's Alpha for each of the variables. Cronbach's Alpha is commonly used to measure internal consistency, with a value greater than 0.70 generally indicating that the data is reliable. Based on the results, the Cronbach's Alpha value for mental accounting is 0.852 with 8 items. Since the value of 0.852 is greater than 0.70, we can conclude that the data for mental accounting is reliable. The Cronbach's Alpha value for financial literacy is 0.923 with 16 items. The value of 0.923 exceeds the threshold of 0.70, indicating that the data for financial literacy is highly reliable. The Cronbach's Alpha value for lifestyle is 0.913 with 12 items. Since the value of 0.913 is above the 0.70 threshold, the data for lifestyle is also considered reliable. The Cronbach's Alpha value for social environment, which is 0.844 with 12 items. Given that the value of 0.844 is greater than 0.70, we can confirm that the data for the social environment is reliable. The results in Table 10 show that the Cronbach's Alpha value for financial behavior is 0.881 with 12 items. With a value of 0.881, which is higher than 0.70, we conclude that the data for financial behavior is reliable. In summary, all variables—mental accounting, financial literacy, lifestyle, social environment, and financial behavior—demonstrated a Cronbach's Alpha value greater than 0.70, indicating that the data collected for these constructs is reliable.

Normality Test

To test the normality of the data, a One-Sample Kolmogorov-Smirnov test was conducted. The results are showed that the mean of the unstandardized residuals is 0.0000000, and the standard deviation is 3.17521942. The test statistic (D) is 0.088, with the asymptotic significance (2-tailed) value of 0.006. Since the p-value (0.06) is less than the significance level of 0.05, we reject the null hypothesis that the data is normally distributed. This suggests that the data does not follow a perfectly normal distribution. However, given that the p-value is close to 0.05, this may indicate that the data is approximately normal, and the normality assumption can still be considered reasonably valid for further analysis. In conclusion, while the normality test indicates a slight deviation from normality, the data is considered approximately normal and suitable for subsequent statistical analysis.

Linearity test

Mental Accounting Variables on Financial Behavior

Table 1. Linearity Test Results X1 Against Y

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Y*X1	Between Groups	(Combined)	14320,283	17	842,370	16,842	,000
		Linearity	9203,071	1	9203,071	184,001	,000
		Deviation from Linearity	5117,212	16	319,826	6,394	,000
	Within Groups		6602,177	132	50,016		
	Total		20922,460	149			

From the data table above, it shows that if the sig. linearity value is 0.00 (<0.05), it can be concluded that the linearity test is fulfilled.

Financial Literacy Variables on Financial Behavior

Table 2. Linearity Test Results X2 Against Y

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Y*X2	Between Groups	(Combined)	17206,212	29	593,318	19,159	,000
		Linearity	12946,522	1	12946,522	418,051	,000
		Deviation from Linearity	4259,690	28	152,132	4,912	,000
	Within Groups		3716,248	120	30,969		
	Total		20922,460	149			

From the data table above, it shows that if the linearity value is 0.00 (<0.05), it can be concluded that the linearity test is fulfilled.

Lifestyle Variables on Financial Behavior

Table 3. Linearity Test Results X3 Against Y

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Y*X3	Between Groups	(Combined)	19946,878	17	1173,346	158,758	,000
		Linearity	19322,391	1	19322,391	2614,394	,000
		Deviation from Linearity	624,487	16	39,030	5,281	,000
	Within Groups		975,582	132	7,391		
	Total		20922,460	149			

From the data table above, it shows that if the linearity value is 0.00 (<0.05), it can be concluded that the linearity test is fulfilled.

Social Environment Variables on Financial Behavior

Table 4. Linearity Test Results X4 Against Y

ANOVA Table

		Sum of Squares	df	Mean Square	F	Sig.
Y*X4	(Combined)	16546,314	23	719,405	20,713	,000

Between Groups	Linearity	11529,358	1	11529,358	331,959	,000
	Deviation from Linearity	5016,956	22	228,043	6,566	,000
Within Groups		4376,146	126	34,731		
Total		20922,460	149			

From the data table above, it shows that if the linearity value is 0.00 (<0.05), it can be concluded that the linearity test is fulfilled.

Multicollinearity Test

Table 5.
Multicollienarity Result

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	8,670	2,346		3,695	,000		
	X1	-,159	,090	-,064	-1,763	,080	,377	2,651
	X2	-,019	,056	-,015	-,337	,736	,267	3,750
	X3	1,766	,077	,932	22,833	,000	,297	3,366
	X4	,222	,075	,116	2,981	,003	,326	3,068

The data above shows a tolerance value of 0.377 (< 0.10) and a VIF value of 1.005 (<10), indicating that there is no multicollinearity in the data.

Multiple Linear Regression

Table 6
Multiple Linear Regression

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	8,670	2,346		3,695	,000		
	X1	-,159	,090	-,064	-1,763	,080	,377	2,651
	X2	-,019	,056	-,015	-,337	,736	,267	3,750
	X3	1,766	,077	,932	22,833	,000	,297	3,366
	X4	,222	,075	,116	2,981	,003	,326	3,068

Based on the table above, the multiple linear regression equation is as follows:
Y = 8.670 - 0.159X1 - 0.019X2 + 1.766X3 + 0.222X4
This regression equation can be explained as follows:

1. The constant (a) is 8.670, meaning that if variables X1, X2, X3, and X4 are all zero, then Y will be 8.670.
2. The regression coefficient (b1) for variable X1 is -0.159, meaning that if variable X1 increases by one unit, Y will decrease by 0.159 units.

3. The regression coefficient (b2) for variable X2 is -0.019, meaning that if variable X2 increases by one unit, Y will decrease by 0.019 units.
4. The regression coefficient (b3) for variable X3 is 1.766, meaning that if variable X3 increases by one unit, Y will increase by 1.766 units.
5. The regression coefficient (b4) for variable X4 is 0.222, meaning that if variable X4 increases by one unit, Y will increase by 0.222 units.

Coefficient Determination

Table 7.
R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,963[a]	,928	,926	3,21872

The table above shows that the coefficient of determination is 0.208. This means that 92.80% (1 - 0.208 x 100%) of the variance in variable Y can be explained by variables X1, X2, X3, and X4. The remaining data is influenced by other variables that were not examined in this study.

F Test

Table 8.
F Test (Anova)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19420,239	4	4855,060	468,629	,000[b]
	Residual	1502,221	145	10,360		
	Total	20922,460	149			

The test results show a significance value of 0.000 (< 0.05), indicating a significant simultaneous (collective) effect of variables X1, X2, X3, and X4 on variable Y.

T Test

Table 9.
T Test Result

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	8,670	2,346		3,695	,000
	X1	-,159	,090	-,064	-1,763	,080
	X2	-,019	,056	-,015	-,337	,736
	X3	1,766	,077	,932	22,833	,000
	X4	,222	,075	,116	2,981	,003

The table indicates the following: Variable X1 (sig. 0.080 > 0.05) and X2 (sig. 0.736 > 0.05) show no significant partial effect on Y, whereas X3 (sig. 0.000 < 0.05) and X4 (sig. 0.003 < 0.05) demonstrate a significant partial effect on Y.

5. Discussion

The results of the analysis in this study indicate that the data used is both valid and reliable. The validity test confirmed that the data possesses good quality, ensuring that the measurement tools used effectively capture the intended constructs. Additionally, the reliability test, which assessed internal consistency using Cronbach's Alpha, yielded values above the acceptable threshold of 0.70 for all variables (Thaler, 1985; Lusardi & Mitchell, 2014; Schiffman & Kanuk, 2004), with values ranging from 0.852 to 0.923. These values demonstrate that the data exhibits high internal consistency, reinforcing the reliability of the measurement instruments (Barberis & Thaler, 2003).

The normality test results, which showed a p-value of 0.006, indicated that the data slightly deviates from a perfect normal distribution but can still be considered approximately normal. As the data is close to being normally distributed, this justifies the use of parametric statistical methods for further analysis (Agnew & Szykman, 2005; Xiao, 2008). Furthermore, the linearity test confirmed that the relationship between the independent and dependent variables is linear, which is a key assumption for conducting regression analysis (Shefrin & Statman, 1985). There was also no evidence of multicollinearity among the independent variables, confirming that the variables—Mental Accounting, Financial Literacy, Lifestyle, and Social Environment—are relatively independent of each other (Hira & Mugenda, 1999).

In the context of multiple linear regression analysis, the findings revealed that Lifestyle and Social Environment have a significant influence on teachers' financial behavior, while Mental Accounting and Financial Literacy did not show a statistically significant partial effect. These results are consistent with previous studies that have highlighted the importance of social and lifestyle factors in shaping financial behavior (Boyd & Ellison, 2007; Choi et al., 2020). Specifically, teachers' financial decisions are significantly influenced by their lifestyle choices, including their consumption habits, as well as the social environment, particularly the impact of social media and community norms (Zhao & Zeng, 2020). The findings suggest that teachers in Sanggau Regency are particularly affected by external factors such as exposure to consumptive lifestyles and social pressures through digital platforms (Pereira & Mendonça, 2016).

However, the lack of significant influence from Mental Accounting and Financial Literacy may reflect a more complex interplay of financial behaviors that go beyond these individual factors. While mental accounting is often a strong determinant of financial decision-making (Thaler, 1985), it may not be the primary driver for the teachers in this study, potentially due to the context of their fixed and variable incomes (Cunningham & Williams, 2015). Similarly, financial literacy, despite its crucial role in enabling informed financial decision-making (Lusardi & Mitchell, 2014), did not show a strong partial effect, possibly due to the influence of other external factors like lifestyle and social environment.

Simultaneously, when considered together, all four variables (Mental Accounting, Financial Literacy, Lifestyle, and Social Environment) have a significant collective impact on teachers' financial behavior. The multiple correlation results indicate a very strong relationship between the independent and dependent variables, supporting the idea that a combination of factors contributes to financial decision-making (Xiao, 2008). The coefficient of determination (R^2 = 0.928) shows that approximately 92.80% of the variation in teachers' financial behavior can be explained by the variables in this model. This is a substantial proportion, suggesting that the model is highly effective in explaining the key factors influencing financial behavior.

In conclusion, the results of this study underscore the importance of Lifestyle and Social Environment as the primary drivers of teachers' financial behavior in Sanggau Regency. The findings highlight the need for targeted interventions to address the impact of external pressures such as consumption culture and social media on teachers' financial decisions. While Mental Accounting and Financial Literacy were not significant in isolation, their roles may still be critical when combined with other factors, suggesting the need for further exploration into how these variables interact. Overall, the multiple linear regression model used in this study proves to be a useful tool for understanding and predicting teachers' financial behavior, with the potential to inform financial education programs aimed at improving financial well-being among educators.

6. Conclusions

From the results of this study, it can be concluded that mental accounting, financial literacy, lifestyle, and social environment have a significant influence on the financial behavior of teachers in Sanggau Regency. The reliability test results show that the data used in this study are reliable. The validity test also strengthens the quality of the data used, while the normality test validates the use of parametric statistical methods. Furthermore, the linearity test results show that the relationship between the independent and dependent variables is linear, in accordance with the basic assumptions in regression analysis. Although partially the Mental Accounting and Financial Literacy variables are not significant, simultaneously the four variables have a significant influence on teachers' financial behavior. There is a strong relationship between the independent and dependent variables, with approximately 92.80% of the variation in financial behavior explained by the variables used in the model.

In conclusion, this multiple linear regression model can be used to explain and predict teacher financial behavior well. Lifestyle and Social Environment variables have a significant influence in influencing the financial behavior of teachers in Sanggau Regency. The findings provide valuable insights for the development of programs and policies aimed at increasing financial literacy and improving teachers' financial behavior, so as to create better financial stability for them.

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