

# Socio-Economic Status Of Parents And Lifestyle Of State High School Students In Indonesia

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**ABSTRACT**--The purpose of this study is to examine the influence that parents' socioeconomic level and lifestyle have on their children's consuming behavior. This is a descriptive quantitative research design. The variables examined were the socioeconomic condition of the parents (X1), their lifestyle (X2), and their spending behavior (X3) (Y). The population studied in this study consisted of 2267 high school students in Gowa Regency, South Sulawesi, Indonesia for the 2019/2020 academic year. Proportional random sampling was used to choose a sample of 340 pupils. Collecting data with a google form-based quiz. Amos was used to test and assess hypotheses. The study's findings demonstrate that parents' socioeconomic status and lifestyle have a significant effect on students' consumption behavior, that parents' socioeconomic status has a significant effect on lifestyle, and that parents' socioeconomic status has a significant effect on students' consumption behavior via lifestyle.

**Keywords:** Students' financial level, lifestyle, and consumption habits are influenced by their parents.

## INTRODUCTION

Humans frequently experience economic difficulties in meeting their requirements as a result of an imbalance between endless human demands and restricted means of satisfying those needs, or what is referred to as scarcity. This issue obstructs persons from accomplishing their life goals. Humans are occasionally unaware of their economic restrictions, resulting in illogical human consumption patterns, because human consumption behavior is not rational, but is motivated by want and pleasure (hedonic motivation).

This illogical consuming behavior impacts not just adult individuals, but also the economic activities of students, particularly when it comes to consumption. Students' conduct is often more consumptive and less concerned with the priority scale. This is a result of technology advancements and the

psychological state of kids still seeking self-identity. As we all know, kids enrolled in high school are in a period of transition from youth to maturity. Their thinking is still insecure and susceptible to outside influence.

Students desire to be noticed by the surroundings by attempting to integrate themselves into it. As was the case in the economic operations of Gowa Regency, South Sulawesi, Indonesia, high school pupils. This fact demonstrates that pupils frequently make mistakes when it comes to spending their pocket money. Their pocket money is primarily used to purchase items that are enjoyable but not necessary for their educational needs, such as acquiring cellphone credit, playing games, traveling, or hanging out at cafés. For them, purchasing is no longer motivated by a genuine need for the goods; rather, it is motivated by trends, a desire to try new items, and a desire to get social status.

Adolescents' need to be liked and to be like other individuals and their group leads them to attempt to emulate certain popular characteristics. Despite the fact that these characteristics do not justify their presence as pupils.

Consumer behavior is described by Engel, J. F., G. Blackwell, and P. W. Miniard (1994) as the actions of persons directly involved in obtaining and utilizing economic goods and services, as well as the decision processes that precede and decide these actions. Three major factors influence the consumer purchase decision-making process: "(1) involvement, knowledge, attitude, personality, lifestyle, and demographics; (2) environmental factors such as culture, social class, personal influence, family, and situation; and (3) psychological processes such as information processing, learning, and changing attitudes/behavior. Additionally, Kotler & Keller (2008) state that "the primary elements influencing consumer purchasing behavior are cultural, social, personal, and psychological aspects."

According to numerous theories of consumption behavior, it is well established that parents' socioeconomic status has an effect on their children's consumption behavior. Santrock (2011: 194) defines socioeconomic status as "the classification of individuals based on their economic, educational, and vocational attributes." Students from affluent socioeconomic backgrounds are often provided with adequate material conditions; they receive more pocket money than they require. This will provide them with some purchasing power and the ability to purchase anything they want, which may prompt them to engage in excessive or illogical consuming behaviors.

Along with societal variables, there is a personal element called lifestyle that

influences consumption behavior. A person's lifestyle is reflected in his activities, interests, and attitudes. According to Mowen and Minor (2002), a person's lifestyle may be determined by how they live, how they spend their money, and how they manage their time.

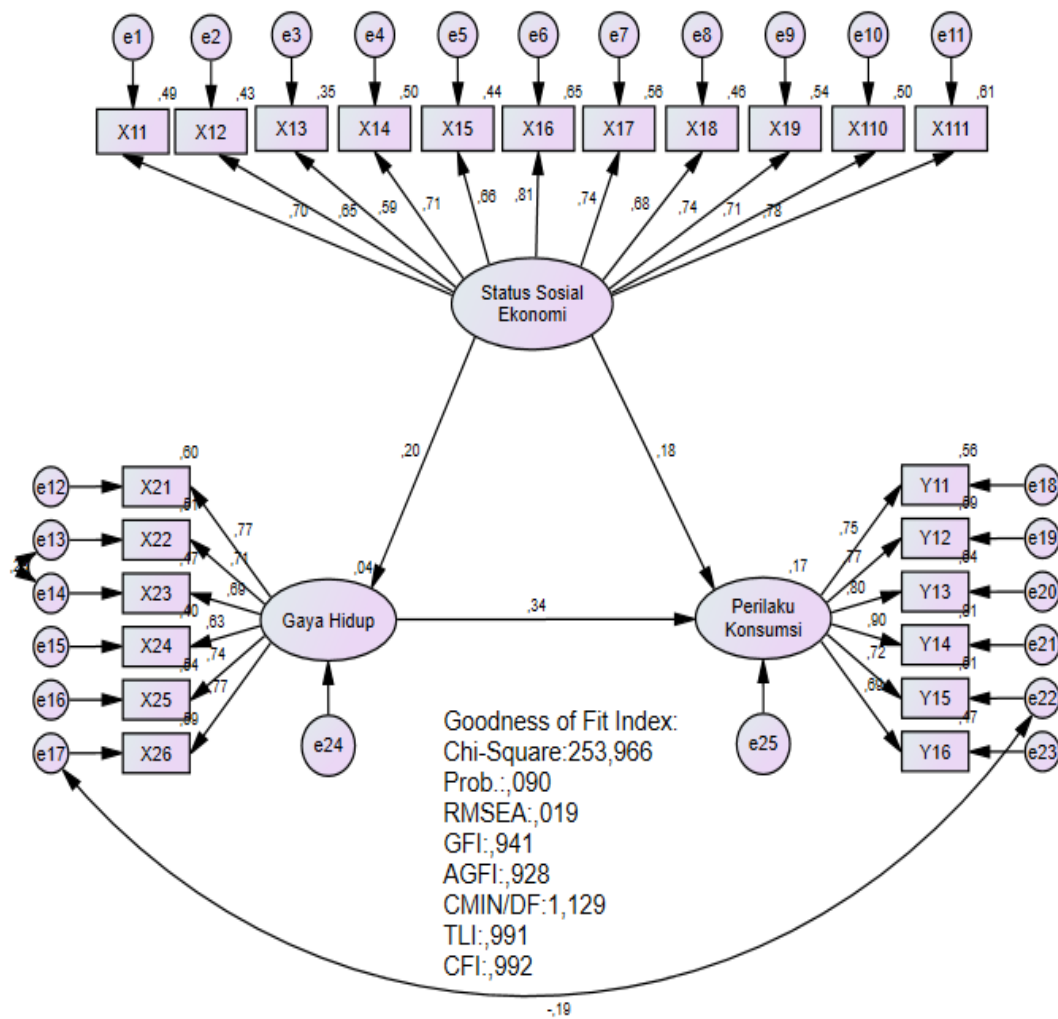
The objectives of this study were to examine the following: (1) the impact of parents' socioeconomic status on students' consumption behavior; (2) the impact of lifestyle on students' consumption behavior; (3) the impact of parents' socioeconomic status on students' lifestyles; and (4) the impact of parents' socioeconomic status on students' consumption behavior via lifestyle.

## **METHOD**

This is a descriptive quantitative research design. The variables examined were the socioeconomic condition of the parents (X1), their lifestyle (X2), and their spending behavior (Y). The demographic for this study was the social studies class at a public high school in Gowa Regency, South Sulawesi, Indonesia, which had a total of 2267 students for the 2019/2020 academic year. Proportional random selection was used to choose a sample of 340 students from thirteen public high schools in Gowa Regency. Collecting data via a questionnaire issued to students as the unit of analysis using an online medium google form, the scale utilized is the Likert scale model, with five potential responses supplied for each item of the questionnaire. Amos was used to test and assess hypotheses.

## **RESULT AND DISCUSSIONS**

Figure 1 illustrates the structural equation model of the test findings created using the AMOS computer software.



As seen in Figure 1, the structural model satisfies the requirements for structural model appropriateness. The model's applicability is shown by the value of the coefficient that fits

the criterion for determining goodness of fit. Table 1 contains the goodness of fit results for this study model.

Table 1. Goodness of fit test

Goodness of fit indices	Cut off value	Research Result	Description
	Smaller is preferable.		
X <sup>2</sup>		253,966	
Significance Probability (p)	≥ 0,05	0,090	Good fit
RMSEA	≤ 0,08	0,019	Good fit
GFI	≥ 0,90	0,941	Good fit
AGFI	≥ 0,90	0,928	Good fit
CMIN/DF	≤ 2,00	1,129	Good fit
TLI	≥ 0,95	0,991	Good fit
CFI	≥ 0,95	0,992	Good fit

Source: Results of Primary Data Processing using Amos 23

The loading factor value provides insight into the validity of the study construct. The loading factor employed in this study's validity test is 0.50, which means that items with a loading factor less than 0.50 are considered invalid and are omitted from the assessment. Along with examining the loading factor for each item, the validity of each construct is determined by computing the Average Variance Extracted (AVE) value. The AVE

score of 0.50 implies a strong convergent relationship.

Construct Reliability was used to assess reliability in this study (CR). Construct Reliability (CR) 0.70 implies high reliability, whereas CR 0.60 – 0.70 is considered acceptable if the model's indications are genuine. The findings of the validity and reliability tests for each concept are summarized in Table 2.

Table 2. CFA Test Results

Indicator	$\Lambda$	$\lambda^2$	E	CR	AVE
X11	0,697	0,486	0,514		
X12	0,652	0,425	0,575		
X13	0,587	0,345	0,655		
X14	0,710	0,504	0,496		
X15	0,663	0,440	0,560		
X16	0,807	0,651	0,349	0,917	0,502
X17	0,745	0,555	0,445		
X18	0,679	0,461	0,539		
X19	0,736	0,542	0,458		
X110	0,710	0,504	0,496		
X111	0,784	0,615	0,385		
X21	0,762	0,581	0,419		
X22	0,745	0,555	0,445		
X23	0,719	0,517	0,483	0,868	0,523
X24	0,628	0,394	0,606		
X25	0,728	0,530	0,470		
X26	0,750	0,563	0,438		
Y11	0,751	0,564	0,436		
Y12	0,768	0,590	0,410		
Y13	0,797	0,635	0,365	0,898	0,597
Y14	0,898	0,806	0,194		
Y15	0,719	0,517	0,483		
Y16	0,686	0,471	0,529		

Source: Primary Data Processing Results with Amos 23

As can be seen from the table above, each indication in the CFA of each variable has a standardized loading estimate value larger than 0.5, indicating that each indicator is legitimate; additionally, the AVE value obtained is greater than 0, 5, indicating that the CFA of all

variables is convergent. If the CR value is more than 0.7, the CFA of all variables is considered credible.

As seen in the model above, the link between exogenous and endogenous variables is summarized in Table 3 below:

Table 3 Summary of Partially Tested Hypotheses

	Standardized	S.E.	C.R.	P	Description
Y <--- X1	,175	,057	3,011	,003	Significant
Y <--- X2	,339	,059	5,411	***	Significant
X2 <--- X1	,198	,063	3,221	,001	Significant

Source: Results of Primary Data Processing using Amos 23

To investigate the mediation hypothesis, a Sobel test was calculated using an online calculator at <http://quantpsy.org/sobel/sobel.htm>, using the data in table 4 below as a partial test summary.

Table 4 Partial Test Summary

	Unstandardized	S.E.
X2 <--- X1	,204	,063
Y <--- X2	,321	,059
Y <--- X1	,171	,057

Source: Primary Data Processing Results with Amos 23

The following findings are produced using the data in Table 4:

Input:	Test statistic:	Std. Error:	p-value:
a 0.204	Sobel test: 2.7825629	0.0235337	0.00539314
b 0.321	Aroian test: 2.74849184	0.02382543	0.00598701
s <sub>a</sub> 0.063	Goodman test: 2.81793328	0.02323831	0.00483339
s <sub>b</sub> 0.059	Reset all	Calculate	

Figure 2. Sobel test of the socioeconomic level of parents (X1) on their children's spending behavior (Y) via lifestyle (X2)

**I. The Influence of Parents' Socio-Economic Status on Students' Consumption Behavior**

In this study, the socioeconomic status of parents was determined using eleven indicators, including their occupation as farmers, laborers, civil servants/Indonesian National Army, self-employed, level of education from elementary school to junior high, high school, and college, as well as their low, medium, and high income. The findings of hypothesis testing indicate that a parent's socioeconomic level has a positive and substantial influence on their children's consumption behavior. This is demonstrated by the positive coefficient value of 0.175, the CR

value of 3.011 > 1.96, and the significance value of 0.003 < 0.05.

According to the statistical analysis of the respondents' responses to each indication of their parents' socioeconomic position, 39.39 percent fell into the poor group. Meanwhile, 39.77 percent of consumption is similarly classified as low. As a consequence of these findings, it is concluded that the socioeconomic position of parents of public high school students in Gowa Regency is poor, as is the rationality of consumption behavior.

Among the eleven indicators examined, the indicator "junior high school education" had the greatest loading factor value of 0.81. This suggests that education is the primary determinant of social level. Meanwhile, the

indication "very interested in commercials and promotions in print and electronic media" with a loading factor of 0.90 is more predictive of students' consumption behavior. From the influence of the two constructs and the primary indicators, it was discovered that among public high school students in Gowa Regency who had a socioeconomic status with parental education and had graduated from junior high school, it was discovered that it was possible to influence students' consumption behavior, specifically their very rapid interest in advertisements and promotions in print and electronic media. The findings of this study are corroborated by research conducted by Rakib, M (2015), which demonstrates that a family's socioeconomic circumstances have a substantial and beneficial influence on consuming behavior. Soesilo & Yunikawati (2016) and Chang, Liu, Lin, & Wen (2008) also established a substantial relationship between parents' socioeconomic position and consumption behavior.

## **2. The Effects of Student Lifestyles on Consumption Behavior**

Six indicators are used to quantify lifestyle variables: hobbies, entertainment, shopping, family, accomplishment, and media. The analytical test findings indicate that lifestyle has a substantial impact on students' consumption behavior. It is demonstrated by the positive coefficient value of 0.339, the CR value of  $5.411 > 1.96$ , and the significance value of  $0.000 < 0.05$ . According to the statistical description of the data, 41.36 percent of respondents answered in the moderate group and tended to be low on each lifestyle indicator. These findings indicate that the quality of living for public high school students in Gowa Regency is moderate to low.

Among the six indicators examined, the hobby indicator has the greatest loading factor value at 0.76. This indicates that a student's lifestyle is more heavily influenced by his or her activities. Meanwhile, the indication "very interested in commercials and promotions in print and electronic media" with a loading

factor of 0.90 is more predictive of students' consumption behavior. The effect of the two constructs and the primary indicators revealed that hobbies among State Senior High School students in Gowa Regency may genuinely influence students' consumption behavior, which is very susceptible to ads and promotions in print and electronic media.

The reason people shop for branded things is to appear more fashionable, even if it is beyond their financial means, along with the quick promotion on social media, which is one of the marketing tactics used by manufacturers to entice customers to purchase the promoted product. Consumption by students is becoming increasingly illogical. The findings of this study effectively corroborate Saira and Mohamed's (2011) research, which indicates that lifestyle has an effect on a person's consuming behavior.

## **3. The Effects of Parents' Socioeconomic Status on the Lifestyles of Students.**

The findings of this study's analytical test reveal that parents' socioeconomic level has a substantial influence on their children's lifestyle. It is demonstrated by the positive coefficient value of 0.198, the CR value of  $3.221 > 1.96$ , and the significance value of  $0.001 < 0.05$ . According to the statistical description of the data on respondents' replies, which were quantified by respondents' responses to each indication of their parents' socioeconomic position, the aggregate result was 39.39 percent in the poor group. In terms of lifestyle, 41.36 percent were classified as moderate. According to these findings, the socioeconomic standing of parents of public high school pupils in Gowa Regency is poor, with a moderate level of lifestyle.

The indicator with the greatest loading factor value for the socioeconomic status variable of parents is the junior secondary education indicator, at 0.81, while the indicator with the lowest loading factor value is the hobby indicator, at 0.76. This suggests that education has a role in determining the

socioeconomic level of parents, but hobbies have a larger role in determining their lifestyle. The effect of the two constructs and the primary indicators revealed that among public high school students in Gowa Regency with socioeconomic level and parental education having completed junior high school, it was discovered that it might affect students' hobbies as an indication of lifestyle.

The majority of public high school students in Gowa Regency, South Sulawesi, Indonesia have parents with a standard socioeconomic status, and most students are unaware or unconcerned, as evidenced by the majority of students who frequently have fun, frequent hang out in cafes, and create school brand competition arenas, no longer competing academically. The majority of them do so based on the current trend, not on the inherent value of an item or thing. Not only can teens with medium and upper socioeconomic rank own a hedonistic lifestyle, but even youngsters with low socioeconomic position possess one. The findings of this study corroborate those of Soesilo and Yunikawati (2016), who concluded that "parents' socioeconomic level has a considerable impact on lifestyle."

#### **4. The Effects of Parents' Socioeconomic Status on Their Children's Consumption Behavior through Lifestyle.**

The study's findings indicate that parents' socioeconomic level has a considerable influence on their children's consuming behavior, which is mediated through lifestyle. This is demonstrated by the fact that the t-count value of 2.783 is more than the t-table value of 1.960, as well as the significance value of 0.005 < 0.05. The findings of this study demonstrate that the presence of a lifestyle can amplify the socioeconomic level of parents' effect on pupils' spending behavior. According to Soesilo and Yunikawati (2016), there is a substantial correlation between parents' socioeconomic level and lifestyle-mediated consuming behavior. In theory, the poor socioeconomic position of parents of high

school students in Gowa Regency contributes to the bad quality of their children's lifestyles.

According to research findings, the bad quality of life of adolescents with low socioeconomic position of their parents is a result of their parents' low level of education, with 39 percent of respondents with fathers' educational status only graduating from junior high school. The economic education of the parents has a significant impact on the child's mentality. Parents who have appropriate education and information will be able to teach their children to always behave and act rationally. This is consistent with Cude et al. (2006)'s assertion that parents play a critical role in socializing their children's money.

#### **CONCLUSION**

The study's findings demonstrate that (1) parents' socioeconomic status has a significant effect on their children's consumption behavior; (2) lifestyle has a significant effect on students' consumption behavior; (3) parents' socioeconomic status has a significant effect on their child's style; and (4) parents' socioeconomic status has a significant effect on students' consumption behavior via lifestyle.

According to the research findings, it is advised that (1) students be able to make better use of pocket money provided by their parents, maximize their time as students, and exercise self-control so they are not readily enticed to make purchases made by others or adopt their lives. other. Not prioritizing lifestyle above less essential things, such as pleasure and status; (2) For parents, increasing control over their children. Instill in them moral ideals that will benefit them. For instance, developing a thrifty mindset, guiding them toward healthy relationships, and educating them to be self-sufficient.

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