

Quantitative Study: Millennials Generation Against Financial Freedom

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Article History

Received: 30-10-2024

Revision: 01-11-2024

Accepted: 02-11-2024

Published: 06-11-2024

Abstract. The purpose of this study was to determine the effect of gender, age, marital status and education on financial freedom in Gen Millennials. The type of research in this study is quantitative. The population is all Millennials born between 1981 - 1996. Sampling in this study used purposive sampling with the criteria of the millennial generation who have property rental businesses such as houses and apartments or the millennial generation who have income from stock investments, bonds or mutual funds. The data collection technique in this study was carried out through an online questionnaire. The data analysis technique used in this study is multiple linear regression analysis, using the Smart PLS Version 4.0. Based on the results of the analysis that has been carried out, it can be concluded that gender affects financial freedom, age does not affect financial freedom, marital status does not affect financial freedom and education affects financial freedom.

Keywords: Gender, Age, Marital Status, Education, Financial Freedom

Abstrak. Tujuan penelitian ini adalah untuk mengetahui pengaruh gender, age, marital status dan education terhadap financial freedom pada Gen Millennials. Jenis penelitian pada penelitian ini adalah kuantitatif. Populasinya adalah semua generasi Millennials yang lahir antara tahun 1981 – 1996. Pengambilan sampel dalam penelitian ini menggunakan purposive sampling dengan kriteria generasi milenial yang memiliki usaha persewaan properti seperti rumah dan apartement atau generasi milenial yang memiliki penghasilan dari investasi saham, obligasi atau reksa dana. Teknik pengumpulan data pada penelitian ini dilakukan melalui kuesioner secara online. Teknik analisis data yang digunakan dalam penelitian ini adalah analisis regresi linier berganda, dengan menggunakan bantuan program Smart PLS Versi 4.0. Berdasarkan hasil analisis yang telah dilakukan maka dapat disimpulkan bahwa jenis kelamin berpengaruh terhadap financial freedom, usia tidak berpengaruh terhadap financial freedom, status pernikahan tidak berpengaruh terhadap financial freedom dan pendidikan berpengaruh terhadap financial freedom.

Kata Kunci: Gender, Age, Marital Status, Education, Financial Freedom.

How to Cite: Tarigan, R. et al. (2024). Quantitative Study: Millennials Generation Against Financial Freedom. *Indo-Fintech Intellectuals: Journal of Economics and Business*, 4 (5), 2466-2477.10.54373/ifijeb.v4i5.2076

INTRODUCTION

Financial freedom, the state in which individuals have sufficient income to cover their living expenses without relying on active employment, has increasingly become a focal point in the study of personal finance. Among the various demographic groups, the millennial generation is broadly defined as those born between 1981 and 1996. Millennials have unique characteristics and challenges that influence their path to financial freedom. Gender plays a significant role in shaping financial behaviors and outcomes. Gender gaps in financial literacy, income, and investment strategies can impact financial independence. Women, for example, tend to have lower financial literacy than men, which can impact their investment decisions and savings rates. Thus, gender-specific financial strategies and income gaps may impact the achievement of financial freedom among millennial men and women differently (Lusardi & Mitchell, 2014).

Age within the millennial cohort also contributes to financial freedom. Younger millennials face different financial challenges than older generations due to different stages in their careers and life events. Younger millennials are often burdened with student loan debt, while older millennials may be focused on saving for important life events such as home ownership or retirement. These age-related factors can significantly impact financial security and freedom (Herbst, 2018).

Marital status is another important variable in determining financial freedom. Single and married or partnered individuals often have different financial obligations and priorities. Married individuals can benefit from dual incomes and shared expenses, potentially increasing their financial stability and freedom. In contrast, single individuals may face greater financial stress but also have more flexibility in managing their finances. Understanding how marital status impacts financial freedom among millennials is essential for comprehensive financial planning (Warren & Tyagi, 2018).

Education is a well-documented factor that influences financial outcomes. Higher educational attainment is generally associated with higher income levels and better financial management skills. Millennials with advanced degrees tend to have better job prospects and incomes, contributing to greater financial freedom. Additionally, financial education and literacy play a critical role in enabling millennials to make informed financial decisions, which impacts their ability to achieve financial independence (Buchmann & DiPrete, 2006). The aim of this study is to determine the influence of gender, age, marital status and education on financial freedom in the Millennial Generation.

METHOD

Types of research

The type of research used in this study is quantitative research. According to Sugiyono (2019) quantitative research is defined as a research method based on the philosophy of positivism, used to research a particular population or sample, data collection using research instruments, quantitative/statistical data analysis, with the aim of testing the established hypothesis.

Population and Sample

The population in this study is all generations born between 1981 and 1996 (millennial generation). The sampling procedure used in this study is non-probability with purposive sampling technique, namely the technique of determining samples with certain considerations. The considerations used are the millennial generation who have property rental businesses such as houses and apartments or the millennial generation who have income from stock investments, bonds or mutual funds. The data collection technique in this study was carried out through an online questionnaire.

Table 1. Operational Definition

Variables	Conceptual Definition	Indicator	Scale
Financial Freedom	Financial Freedom is the ability to live according to your wishes without having to worry about financial problems.	<ol style="list-style-type: none"> 1. Have a dream for the future 2. Have great determination 3. Willingness to learn quickly 4. Have the ability to use owned assets properly 5. Know from which cashflow quadrant sector a person should earn income 	Likert scale 1-5
Gender	Gender is a visible difference between men and women when viewed from values and behavior	<ol style="list-style-type: none"> 1. Man 2. Women 	Nominal (dummy)
Age	Age is the length of time lived or existed (since birth or birth)	<ol style="list-style-type: none"> 1. 28 – 33 years 2. 34 – 39 years 3. 40 – 43 years 	Nominal
Marital Status	Marital Status is a personal identity shown on a personal identity card.	<ol style="list-style-type: none"> 1. Not Married 2. Married 3. Divorced 	Nominal

Education	Education is any effort that is planned to influence other people, whether individuals, groups or communities, so that they do what is expected by the education practitioners.	1. High School / Vocational High School or Equivalent 2. Diploma 3. Bachelor's Degree 4. Bachelor's Degree	Nominal
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Data Analysis Techniques

The data analysis technique used in this study is the multiple linear regression analysis method, carried out using the Smart PLS Version 4.0 program.

RESULTS

Respondent Profile

The characteristics of respondents in this study include gender, age, marital status and education which can be seen in the following table:

Table 2. Respondent Profile Based on Gender

Gender	Frequency	Percent
Male	54	54%
Female	46	46%
Total	100	100%

Source: Processed Primary Data (2024)

Based on table 2, it is known that the majority of respondents in this study were male, namely 54 respondents (54%) and female, namely 46 respondents (46%).

Table 3. Respondent Profile Based on Age

Age	Frequency	Percent
28 – 33 years	10	10%
34 – 39 years	60	60%
40 – 43 years	30	30%
Total	100	100%

Source: Processed Primary Data (2024)

Based on table 3, it is known that the majority of respondents in this study were aged 34-39 years, namely 60 respondents (60%), aged 40-43 years, namely 30 respondents (30%) and those aged 28-33 years, namely 10 respondents (10%).

Table 4. Respondent Profile Based on Marital Status

Marital Status	Frequency	Percent
Unmarried	27	27%
Divorced	11	11%
Married	62	62%
Total	100	100%

Source: Processed Primary Data (2024)

Based on table 4, it is known that the majority of respondents in this study had a married marital status, namely 62 respondents or 62%, had an unmarried marital status, namely 27 respondents or 27% and had a divorced marital status, namely 11 respondents or 11%

Table 5. Respondent Profile Based on Education

Education	Frequency	Percent
Diploma	34	34%
High School/Vocational High School	12	12%
Strata 1	48	48%
Strata 2	6	6%
Total	100	100%

Based on table 5, it is known that the majority of respondents in this study had a Bachelor's degree, namely 48 respondents or 48%, had a Diploma education, namely 34 respondents or 34%, had a High School/Vocational High School education, namely 12 respondents or 12% and had a Master's degree, namely 6 respondents or 6%

Inferential Statistical Test

Inferential statistics test 2 measurement models, namely the measurement model test (outer model) and the structural model test (inner model). In testing the measurement model (outer model), 2 measurements are carried out, namely the reliability test, the validity test.

Figure 1. Actual Test Track Model

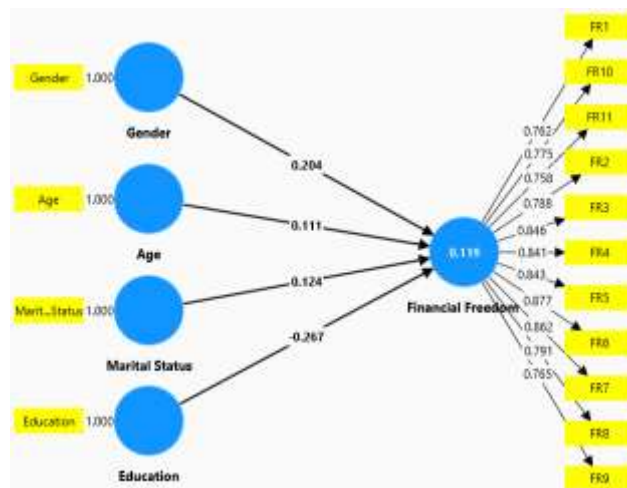


Table 6. Outer Loading Test Results

	Age	Education	Financial Freedom	Gender	Marital Status
Age	1.000				
Education		1.000			
FR1			0.762		
FR2			0.788		
FR3			0.846		
FR4			0.841		
FR5			0.843		
FR6			0.877		
FR7			0.862		
FR8			0.791		
FR9			0.765		
FR10			0.775		
FR11			0.758		
Gender				1.000	
Marital Status					1.000

Source: SmartPLS Data Processing Results (2024)

Based on Table 6, it is known that all indicators in this study are valid because they have an outer loading value greater than 0.7.

The results of the Cronbach alpha and composite reliability tests in this study can be seen based on table 7, below.

Table 7. Actual Test Reliability Results

Variable	Cronbach Alpha	Composite Reliability	Information
Financial Freedom	0.948	0.955	Reliabel

Source: SmartPLS Data Processing Results (2024)

Based on Table 7. it can be concluded that the variables in this study are reliable because they have a cronbach alpha value and composite reliability > 0.7.

The results of the Average Variance Extracted (AVE) test in this study can be seen in the table below:

Table 8. AVE Table

Variable	AVE	Information
Financial Freedom	0.658	Valid

Source: SmartPLS Data Processing Results (2024)

Based on Table 8. it is known that all variables in this study can be said to be valid because they have an AVE value > 0.5.

The results of the discriminant validity test in this study can be seen in the table below:

Table 9. Discriminant Validity of HTMT

	Age	Education	Financial Freedom	Gender	Marital Status
Age					
Education	0.141				
Financial Freedom	0.090	0.228			
Gender	0.140	0.010	0.160		
Marital Status	0.202	0.097	0.106	0.089	

Source: SmartPLS Data Processing Results (2024)

Based on Table 9, it can be seen that the results of the HTMT discriminant validity can be determined because it has a value <0.9 . Therefore, all variables can be said to be valid.

The results of the VIF test in this study can be seen based on the table below:

Table 10. VIF

	Age	Education	Financial Freedom	Gender	Marital Status
Age			1.077		
Education			1.027		
Financial Freedom					
Gender			1.025		
Marital Status			1.052		

Source: SmartPLS Data Processing Results (2024)

Based on Table 10, it is known that there is no multicollinearity in this study because each variable has a VIF value <5 .

The results of the R-Square (R²) test in this study can be seen in the table below:

Table 11. R-Square Test Results

Variable	R Square
Financial Freedom	0.119

Source: SmartPLS Data Processing Results (2024)

Based on Table 11, it is known that the Financial Freedom variable can be influenced by the variables Gender, Age, Marital Status and Education by 0.119 or 11.9% and the remaining 88.1% can be influenced by other variables not examined in this study.

To further assess the model, researchers will use the path coefficient, critical value, and p-value shown in Table 12

Table 12. Results of Path Coefficients Hypothesis Test

Hypothesis	Path Coefficient	T Statistics	P Values	Conclusion
Gender influences Financial Freedom	0.204	2.025	0.043	Supported
Age influences Financial Freedom	0.111	1.034	0.301	Not Supported
Marital Status influences Financial Freedom	0.124	1.096	0.273	Not Supported
Education influences Financial Freedom	0.267	3.221	0.001	Supported

Source: SmartPLS Data Processing Results (2024)

DISCUSSION

Hypothesis 1: Gender influences Financial Freedom

Hypothesis 1 states that Gender influences Financial Freedom with a path coefficient value of 0.204, a t statistics value of 2.025 and a p value of 0.043. Therefore, it can be concluded that H1 is supported. Gender significantly influences financial freedom, as gaps in income, employment opportunities, and financial literacy still exist. Women generally face higher barriers, including wage gaps and limited access to financial services, which hinder their financial independence (Barua & Chudik, 2020). Financial education and policies that promote gender equality can reduce this gap, thereby increasing women's financial freedom. Programs targeting women's financial literacy and entrepreneurship have been shown to be effective in improving their economic status and autonomy (Clark & Strauss, 2021).

Hypothesis 2: Age has an effect on Financial Freedom

Hypothesis 2 states that Age has an effect on Financial Freedom with a path coefficient value of 0.111, a t statistics value of 1.034 and a p value of 0.301. Therefore, it can be concluded that H2 is not supported. Age has a minimal direct impact on financial freedom. Financial freedom is more closely related to factors such as income level, financial literacy, and access to financial resources than age itself. Younger individuals may be less experienced but can achieve financial freedom through education and good financial practices (Clark & Strauss, 2021). In contrast, older individuals may face challenges due to outdated skills or fixed incomes. Policies that promote financial education and equitable access to resources can reduce

age-related disparities, emphasizing that age alone does not determine financial freedom (Suryanarayana, 2023).

Hypothesis 3: Marital Status has an effect on Financial Freedom

Hypothesis 3 states that Marital Status has an effect on Financial Freedom with a path coefficient value of 0.124, a t statistics value of 1.096 and a p value of 0.273. Therefore, it can be concluded that H3 is not supported. Marital status alone does not have a significant impact on financial freedom. Financial independence is more influenced by factors such as income, financial literacy, and personal financial management skills. Both single and married individuals can achieve financial freedom through effective budgeting, saving, and investing strategies (Fatur Rahman et al., 2024). While marriage can bring shared financial responsibilities, it can also offer dual incomes and shared financial goals. In contrast, single individuals may have fewer financial obligations. Thus, financial freedom depends more on an individual's financial behavior and access to resources than on marital status (Dew & Xiao, 2019).

Hypothesis 4: Education has an effect on Financial Freedom

Hypothesis 4 states that Education has an effect on Financial Freedom with a path coefficient value of 0.267, a t statistics value of 3.221, and a p value of 0.001. Therefore, it can be concluded that H4 is supported. Education significantly impacts financial freedom by equipping individuals with essential skills for managing finances and accumulating wealth. Higher educational attainment often results in better job opportunities, higher incomes, and better financial literacy, all of which contribute to greater financial stability and freedom (Van Rooij et al., 2020). Individuals with higher education tend to have better investment knowledge and are more adept at planning for retirement and managing debt. As a result, education plays a significant role in achieving financial independence and security (Lusardi & Mitchell, 2018).

CONCLUSION

Based on the results of the analysis that has been done, the conclusion of this study is that gender affects financial freedom, age does not affect financial freedom, marital status does not affect financial freedom and education affects financial freedom. For the millennial generation, increasing financial literacy programs tailored to women can bridge the gender gap in terms of financial freedom. In addition, educators and policy makers should focus on improving financial education to address the gap and empower women with financial skills. Financial planning strategies must take into account the various life stages and marital statuses of the

millennial generation. Programs must meet the specific needs of young singles and those starting families, including investment, savings plans and debt management.

RECOMMENDATIONS

Based on the research results, it is recommended for the millennial generation to increase financial literacy and apply appropriate financial management principles. This can help them achieve financial freedom faster through a better understanding of investing, saving and debt management. Educational institutions and related parties should strengthen financial literacy programs that are relevant for the millennial generation. Financial education material from an early age will provide better insight into managing personal finances thereby supporting the achievement of financial freedom in the future. Future research can expand the number and variety of respondents, such as considering other demographic factors, to obtain more comprehensive results. The addition of other variables that influence financial freedom, such as consumption and investment behavior, can also provide deeper insights

ACKNOWLEDGMENTS

I would like to express my deepest thanks to all parties who have contributed to the preparation of this journal. Thank you to the respondents who took the time to participate in this research and provided valuable data. I would also like to express my thanks to my colleagues and parties who have provided moral and intellectual support throughout the process of this research. Don't forget, thank you to the institution and family who always provide full support in this academic journey. Hopefully the results of this research can be useful for the development of knowledge in the field of management, especially in understanding the phenomenon of financial freedom among the millennial generation.

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