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The Effect of Financial Knowledge and Materialism on Pension Fund Planning Behavior with Impulsive Buying as a Mediation Variable

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Abstract

The objective of this research is to examine the influence of financial knowledge and materialism on retirement planning behavior with impulsive buying as the mediation variable. The object of this study is the person or individual who manages family finances. These respondents were selected with the criteria of having a minimum income of 4 million rupias and having 2 years of experience in Surabaya, Gresik, and Sidoarjo. Based on these criteria, there are 321 selected respondents will be analyzed. The partial Least Square (PLS) Structural Equation Model was used to analyze the data. The results showed that financial knowledge has a significant positive effect on retirement planning behavior. But materialism has an effect that is not negative and insignificant to retirement planning behavior. The results also indicate that impulsive buying mediates the influence of materialism on retirement planning behavior.

Keywords: Financial Knowledge, Materialism, Impulsive Buying, and Retirement Planning Behavior

1. Introduction

1.1 Introduce the Problem

Good financial planning is something that must be implemented in the family from an early age, which later is to fulfill their life needs so that they can survive safely and prosper in old age. In order for this to be achieved, proper planning and action are needed so that they can meet their needs in retirement.

An important factor in the life of every human being is financial management. And a factor that is no less important is preparing funds for retirement, especially for those of age who are no longer productive, where at that age humans still need money to meet their needs. The low level of financial knowledge in the family can affect planning for retirement funds. It can also cause financial problems if the family does not have proper financial management. The importance of studying financial knowledge is very useful for preparing for a prosperous retirement. Every community needs to plan a pension fund from an early age by setting future goals, determining sources of funding, and developing a savings program for retirement welfare (Hartoyo and Johan, 2009).

Research conducted by Ida and Cinthia Yohana (2010) suggests that respondents who have good financial knowledge will be appropriate in managing the funds they already have, then they will be applied according to the needs needed and will be properly responsible in allocating the funds. On the other hand, there are those who state that financial knowledge does not have more influence on the financial behavior of respondents in Surabaya (Naila Al Kholilah and Rr. Iramani, 2013). This is because researchers in distributing questionnaires only in the Surabaya area,- so Surabaya area respondents do not understand financial knowledge which will later be useful for planning and making financial decisions in the future.

Research by Perry and Morris (2005) shows that in distributing questionnaires to respondents in the United States with a more appropriate level of financial knowledge, the results show that financial knowledge influences financial behavior. We can see that the level of financial knowledge held by respondents in the Surabaya area is different from the level of financial knowledge held by respondents in the United States.

Income is one of the factors that can influence retirement planning. People who have more income will be able to influence their behavior in managing their finances more precisely (Hilgert *et al*, 2003).

Naila Al Kholilah and Rr. Iramani (2013) explains that a person or respondent will show more prudent financial behavior if the respondent has a larger income because having more income will be used to fulfill his/her life needs.

1.2 Explore the Importance of the Problem

In the era of globalization, with the growing pattern of people's lives, it will have an impact on the pattern of financial management in the general public, the cause is an increase in people's living needs which are not matched by an increase in the cost of their needs so that it will affect the community in planning pension funds in the future (Norma and Mellyza, 2013) . The Indonesian population has characteristics with different lifestyles. Judging from the characteristics of the Indonesian people's lifestyle that is very prominent is their consumptive attitude, this attitude is also a factor in planning pension funds.

Solomon and Rabolt (2009) explain that *impulsive buying* is a condition in which individuals experience a sudden feeling of urgency that cannot be resisted. With this sudden buying tendency, consumers believe that sudden buying actions are common (Solomon and Rabolt, 2009). In fact, Indonesia is positioned as a country with the second-largest consumption level after Singapore. And this statement is also supported by data on the total value of credit card transactions of 250 trillion annually (forum.idws.id, accessed March 18, 2017).

Indah Imawati, Sulsilaningsing and Elvia Ivada (2013) explained that consumerism is a culture that becomes a social disease of society which can cause society to become a materialistic society and even hedonistic society. With things like this, it can cause family financial planning to become out of control because income is only used to buy unplanned goods or services but not for planning retirement funds. By preparing for family financial management from an early age, you will be able to obtain welfare in the future, especially during retirement.

1.3 Describe Relevant Scholarship

Pension Fund Planning Behavior

The pension program is a program that has efforts to benefit the people of Indonesia, with the aim of making payments given to people who are entitled to receive funds at retirement. This program regarding pension funds is regulated in Law Number 11 of 1992.

According to M. Khrisna Moorthy *et al* (2012), the age of a person from the range of 26-35 is still relatively young, and the younger the age, the greater the probability that the worker has the correct behavior and the right views for planning retirement funds from the start, workers have more free time to prepare for retirement planning. Topa *et al* (2009) also stated that workers who are more diligent in planning retirement funds from an early age, these workers will get more welfare when they retire later.

M.Khrisna Moorthy *et al* (2012) states that there are four indicators used to measure the behavior of planning pension funds, namely: (1) Provision of funds for old age, (2) Products or insurance for old age, (3) Preparation or effort done for old age, (4) Welfare for old age.

Retirement Benefits and Purpose

Based on Permen 45 of 2015 article 16, pension benefits are various kinds of benefits in the form of routine payments, access to facilities, health benefits, other benefits, and many others.

Pension benefits: (1) Normal Pension: Pension benefits for participants that start to be paid when the retired participant has reached normal retirement age or thereafter, (2) Accelerated Pension: Pension benefits for participants that are paid when the retired participant has reached the age of before the normal retirement age, (3) Disability Pension: Pension benefits for participants that are paid if the participant has a disability.

The purpose of retirement is that the funds set aside for planning a retirement fund will provide a sense of well-being in the future because even though you have reached retirement, you will still have income at that time. Each party has its own goals, namely the goals of employers, management institutions, and employees which are regulated in Ministerial Regulation 45 of 2015 article 16.

Financial Knowledge

Financial knowledge is a tool used to make financial decisions, by knowing things like this, financial knowledge cannot be separated from one's life. According to the explanation of Lusardi and Mitchel (2010) that financial knowledge is a person's ability to control and manage economic information, financial planning, and decisions regarding wealth accumulation, pension funds, and debt.

Chen and Volpe (1998), argue that financial knowledge can be measured using several things, in the form of General knowledge, Financial Management, Insurance, and Investment.

According to Sohn, *et al* (2012), financial literacy refers to financial knowledge and skills that are used to solve financial problems and make decisions in life.

Vol. 7, No.01; 2023

ISSN: 2456-7760

Materialism

Materialism is a person's view of life in viewing possessions and possessions as important for well-being and happiness in life. Richins & Dawson (1992) argues that materialism is divided into 3 dimensions, namely: (1) *Acquisition centrality* is the dimension in which a person attaches importance to wealth in life with the aim of measuring a person's belief that possessions and possession of goods are important in life, (2) *Acquisition as the pursuit of happiness*, the dimension where property ownership is a source of life happy with the aim of measuring the belief of someone who considers that property ownership is an important thing for life happiness which will later lead to prosperity, (3) *Possession differed success*, the dimension where Ownership is a measure of success in life with the aim of measuring a person's confidence in determining the size of the level of success in life based on the amount and good quality of property ownership.

Impulsive Buying

The definition of *Impulsive buying* is an unplanned shopping pattern, meaning that in purchasing any need there is no planning in advance so such buying behavior can be detrimental to personal finances and will have an impact on financial management. Impulse buying occurs when someone when buying experiences a sudden urge, wanting to buy something immediately (Assael, 2000).

Blackwell (1995) argues that there are several characteristics of impulsive buying, namely Having a spontaneous desire to behave immediately accompanied by urgency, Low objective evaluation, Paying little attention to the consequences, Unbalanced psychological state because someone can be out of control.

1.4 State Hypotheses and Their Correspondence to Research Design

The Effect of Financial Knowledge on Pension Fund Planning Behavior

Research by Ida and Cinthia Yohana Dwinta (2010), states that financial knowledge is fundamental in making financial decisions.

Financial knowledge has a significant effect on student financial behavior (Nujmatul Laily, 2013). Likewise research by Mahzan and Tabiani (2013) explains that financial literacy has an effect on financial management, which means that the highest level of financial literacy has a positive effect on individual savings or savings. According to Hastings and Mitchell (2011) it is explained that financial literacy has a weak effect on financial management, this means that financial literacy is weakly correlated with wealth in the act of making investment decisions.

Naila Al Kholilah and Rr. Iramani (2013) states a statement in his research that there is no direct effect of financial knowledge and income on financial management behavior, this means that financial literacy does not significantly affect financial management. Although there are several opinions from the results of different studies regarding the effect of financial literacy on financial management, until now there are still many studies that are more dominant in providing results stating that financial literacy has a significant effect on financial management.

To the results of research from Vincenntius Andrew and Nanik Linawati (2014), financial knowledge has a significant effect on financial behavior, meaning that if someone has better financial knowledge then managing their finances will be better and wiser too, but it will be inversely proportional to someone who do not have more financial knowledge.

This is supported by the statement that if someone has mature financial knowledge and understands it, someone who has financial needs will be met and in making financial decisions there will be fewer mistakes (Elvira Unola and Nanik Linawati, 2014).

Based on this description, in this study the hypothesis can be formulated as follows:

H1: Financial knowledge has a positive effect on retirement fund planning behavior.

The Effect of Materialism on Pension Fund Planning Behavior

According to Scott H. Payne, Jeremy B. Yorgason and Jeffrey P. Dew (2014) states that someone who has a high attitude of materialism will have a negative effect on his retirement fund planning behavior, as a result someone who receives income will find it difficult to set aside his income for savings on the parents (pension funds) and will prioritize their personal needs by buying goods at high prices and value with unplanned spending patterns (compulsive purchases).

Someone considers that worldly possessions are very important which comes from having material goods to achieve the main goal of life (Pete and Cinnamon, 2013). This study also states that the more a person has a high materialism attitude, the person will behave to consume more goods. As a result, someone will allocate their money only to buy valuable items so that long-term investment is not planned.

Society in today's era is increasingly materialistic and is starting to leave the habit of *saving,* this is shown by the behavior of individuals who shop in unplanned patterns. Therefore, materialistic people will have feelings of worry if they have poor financial management, excess finances, and spending in the form of goods of value with a large capacity (Dittmar, 2012).

Based on this description, in this study the hypothesis can be formulated as follows:

H2: Materialism has a negative effect on retirement fund planning behavior.

H3: *Impulsive buying* mediates the effect of materialism on retirement fund planning behavior.

2. Method

2.1 Identify Subsections

Sample Classification

The population in this study is people with domiciles in Surabaya, Gresik, and Sidoarjo Indonesia. Sampling in this study was based on *non-probability sampling* (non-random/non-opportunity sampling), namely, each existing population was not given the same opportunity to be selected as a sample (Supriyanto, 2009: 125). The sampling technique used in this study was *purposive sampling* where researchers took samples according to the desired criteria (Juliansyah

Noor, 2009:155). The sample criteria are (1) Family financial management domiciled in Indonesia (2) Having a minimum income of Rp. 4,000,000 per month for those with fixed and irregular income, (3) Work experience for at least 2 years.

Furthermore, respondents who met the criteria were selected using a convenience sampling technique in which this technique was used with the consideration that it was easy to achieve (Juliansyah Noor, 2009:155).

Research data

The type of data used in this study is quantitative data and can be analyzed with parametric statistics. Collecting data in this study uses a survey with a questionnaire as an instrument, so the data source used is primary data. Based on the time dimension, this research is included in one-shot or *cross-sectional research*, namely, data used for research is collected in daily, weekly or monthly periods.

2.2 Participant (Subject) Characteristics

The sample criteria are (1) Family financial management domiciled in Surabaya, Gresik, and Sidoarjo, (2) Having a minimum income of 4,000,000 IDR per month for those with fixed and irregular income, (3) Work experience for at least 2 years.

2.3 Sampling Procedures

The population in this study are people with domiciles in Surabaya, Gresik, and Sidoarjo in Indonesia. Sampling in this study was based on *non-probability sampling* (non-random/non-opportunity sampling), namely, each existing population was not given the same opportunity to be selected as a sample (Supriyanto, 2009: 125).

2.3.1 Sample Size, Power, and Precision

The sample criteria are (1) Family financial management domiciled in Surabaya, Gresik, and Sidoarjo, (2) Having a minimum income of 4,000,000 IDR per month for those with fixed and irregular income, (3) Work experience for at least 2 years *with 321 respondents*.

2.3.2 Measures and Covariates

The variables used in this study are the independent variables or the influencing variables (X) are financial knowledge and materialism. The dependent variable or the affected variable (Y) is the behavior of planning pension funds. The mediating variable is *impulsive buying*.

Variable Operational Definitions

Pension Fund Planning

Pension fund planning behavior is planning behavior regarding pension funds in the form of how to manage investments, manage debt, and how to set aside funds in the future, namely for old age or retirement (M. Khrisna Moorthy, *et al*, 2012).

Pension fund planning behavior variables are measured by the statements contained in the questionnaire. This variable is measured based on statements that strongly disagree to strongly agree in dealing with certain conditions. The Likert scale is the scale used in this variable, which is a scale with a range of 1 to 5. 1 for strongly disagree answers, 2 for disagree answers, 3 in the form of doubtful answers, 4 for agreed answers, up to 5 in the form of strongly agree answers.

Financial Knowledge

Financial knowledge is the ability or skill to understand basic financial concepts so that a person can apply them appropriately and wisely in planning future financial decisions for retirement welfare and will avoid detrimental financial problems (Yopie Kurnia and Dewi Astuti, 2015).

This variable is measured using the statements in the questionnaire. The statement is in the form of a statement regarding financial knowledge, debt management, investment management, financial experience, and insurance. The ratio scale will be used to measure this variable, namely by comparing the correct answers from respondents with the number of questions that have been provided.

Financial knowledge = Number of correct answer/number of quations

The following is a table regarding the measurement of financial knowledge variables:

Table1

MEASUREMENT OF FINANCIAL KNOWLEDGE VARIABLES

Interval Value	Criteria
< 60%	Low
60% - 80%	Currently
>80%	Tall

Source: Chen and Volpe (1998)

Materialism

Materialism is an attitude that is owned by a person with a lifestyle that is solely desired for goods and services in order to meet their needs in the short term. Goods or services that have been spent have a fantastic shopping value, with unplanned shopping patterns or compulsive shopping.

The materialism variable is measured based on statements agreeing to disagree in dealing with certain conditions. The Likert scale is the scale used in this variable, which is a scale with a range of 1 to 5. 1 for strongly disagree answers, 2 for disagree answers, 3 in the form of doubtful answers, 4 for agreed answers, up to 5 in the form of strongly agree with answers.

Impulsive Buying

Impulsive buying is someone who when buying experiences a sudden urge, wanting to buy something immediately so that in purchasing any need there is no planning in advance which results in unplanned shopping patterns.

The Likert scale is the scale used in this variable, which is a scale with a range of 1 to 5. 1 for never answers, 2 for sometimes answers, 3 for frequent answers, 4 for very often answers, and up to 5 for always answers.

Analysis Tool

In this study, the statistical test tool used is *Partial Least Square* (PLS), which is an alternative method for structural equation modeling (*Structural Equation Modeling*), namely to simultaneously test the relationship between latent constructs in linear or non-linear relationships with many indicators of both form mode A (reflexive), mode B (formative) and or mode M (MIMIC) (Imam Ghozali, 2014:3). The analytical tool used in this study uses the *WarpPLS* 6.0 program.

Based on the *Partial Least Square* (PLS) used in this research, there are several testing steps, namely: (1) Evaluation of the Outer Model, (2) Evaluation of the Inner Model (*Structural Model*).

$$DP = \beta + \beta_1 PK + \beta_2 MA + e \qquad (1)$$

DP= Pension Fund Planning

PK = Financial Knowledge

MA = Materialism

$$DP = \beta + \beta_1 PK + \beta_2 MA + \beta_3 MA \times IB + e \qquad (2)$$

DP= Pension Fund Planning

PK = Financial Knowledge

MA = Materialism

IB = Impulsive buying

3. Results

Inferential Analysis

The analysis is used to answer problems and prove hypotheses. In this study, using the *Partial Least Square (PLS)* statistical test tool, which is an alternative method for *Structural Equation Modeling*, namely to simultaneously test the relationship between latent constructs in linear or non-linear relationships with many indicators in either the A mode form (reflexive), B mode (formative) and/or M mode (MIMIC). The analytical tool used in this study uses the *WarpPLS* 6.0 program.

Partial Least Square **Test (PLS) the results of the** *Structural Equation Modeling* test analysis can be seen as follows:

ISSN: 2456-7760

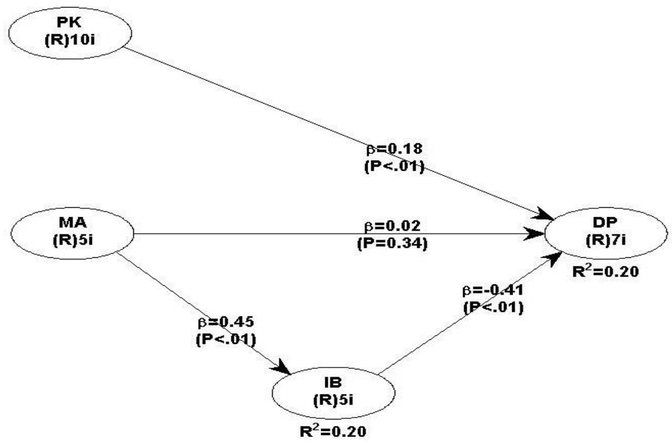

Figure 2

MODEL ESTIMATION RESULTS

Structural Equation Modeling test analysis can be seen in the following table:

Table 2
MODEL ESTIMATION RESULTS

Variable	Coefficient (β)	P value	Result
PK→DP	0.18	< 0.01	H1 accepted
MA→ DP	0.02	0.34	H2 rejected
MA→ IB	0.45	<0.01	H3 accepted
IB→ DP	-0.41	<0.01	
R^2=0.20	MA → IB, MA toward IB 20%		
R^2=0.20	MA, IB and PK toward DP 20%		

Source: Appendix

Based on Figure 2, it shows the results of the estimation model that can obtain several results, including the following: (1) Financial knowledge (PK) has a significant positive effect on Pension Fund Planning Behavior (DP). This shows that the higher the financial knowledge of an individual, the better the planning behavior of retirement funds. (2) Materialism (MA) has no negative and insignificant effect on Pension Fund Planning Behavior (DP). This shows that the higher the level of materialism possessed by an individual, the better his retirement fund planning behavior will be, but an individual with high materialism does not always have good financial management of pension funds. (3) *Impulsive buying* (IB) mediates fully (*Full*), the materialism variable on the behavior of planning pension funds. Because if you go through the *direct route*, namely the Materialism (MA) path, it has a non-negative and insignificant effect on the behavior of planning pension funds (DP), but if you go through the *indirect route*, namely through the path of the relationship of materialism (MA) to *Impulsive Buying* (IB), it has a significant and *impulsive effect. Buying* (IB) has a significant effect on Pension Fund Planning (DP) Behavior.

Discussion

This study aims to test the hypotheses that have been made before and in order to find solutions to the problems posed in the research so that it can be clearly described that the research objectives can be achieved.

The Effect of Financial Knowledge on Pension Fund Planning Behavior

The test results show that financial knowledge has a positive and significant effect on pension fund planning behavior. This means that the higher or the better the level of financial knowledge of an individual, the better the behavior in planning retirement funds. Insight into the finances of the respondents will make individuals behave better in planning for their old age. So that it can also be said, with the high financial knowledge of respondents, encourages respondents to manage their finances for the welfare of pension funds, by saving or investing.

Increasing financial knowledge also increases the behavior of pension fund financial managers. Financial knowledge makes individuals manage their pension fund finances more wisely and appropriately in order to make financial decisions for well-being in old age.

It can be said that the higher the level of education, the better the financial knowledge possessed. This is because higher education is a source of financial knowledge that can be implemented in managing family finances to prepare for retirement funds. The level of education obtained by some respondents, it shows that financial knowledge that has been learned from universities has provided the financial knowledge needed in managing finances for planning retirement funds. On the other hand, financial managers also know that delaying retirement funds is an inappropriate decision.

With the various sources of financial knowledge that have been obtained, it is hoped that respondents can apply it and develop financial skills in order to achieve the expectations that have been planned for today and even the next day when they reach their old age. This is in accordance with the statement from research conducted by Norma Yulianti and Meliza Silvi (2013) who stated that financial knowledge is everything that can be experienced or can happen in the lives of respondents. Respondents can apply financial knowledge well, so respondents must develop financial capabilities and use financial knowledge as *financial tools* so that respondents can later enjoy *financial freedom*, namely an act of respondents who are able to wisely control their funding in a very precise and intelligent manner.

The Effect of Materialism on Pension Fund Planning Behavior

The test results show that materialism has a positive but not significant effect on pension fund planning behavior. This shows that the higher the materialism attitude of an individual, the better the behavior of financial management for pension funds, but not all individuals with high materialism have good financial management of pension funds. The results of this study are not in line with research conducted by Scott, *et, al* (2014), because Scott, *et, al* (2014) have a statement that materialism simultaneously has a negative effect on retirement fund planning

Vol. 7, No.01; 2023

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which has an impact on welfare in old age, and materialism makes an individual is more concerned with his buying patterns and following *fashion trends* compared to *saving* for retirement.

There are several factors that can influence the planning behavior of pension funds in the future. That attitudes, subjective norms, and behavioral control have a significant positive effect on the intention to prepare for retirement planning, this statement was put forward by Ririn Nindia A and Hartoyo (2013). According to Ajzen (1991), the *theory of planned behavior* explains that attitudes can affect intentions in individual behavior. This means that it can be concluded that if an individual's materialism is high, but if there is an intention to manage finances that are beneficial in preparing for retirement planning properly, then materialism does not affect the individual's behavior.

Materialism in this questionnaire is defined as a person's perspective on the material is a measure of success, and happiness and considers material as something very important in his life.

The results in this study of respondents have an understanding that if materialism is higher, it will have an impact on good financial management in the future. In another sense, that is, if an individual has a high materialism attitude but does not have the intention to make compulsive purchases and is very careful in *managing his* finances and behaves well in utilizing *financial tools*, then the provision for funds that have been collected for the preparation of retirement fund planning is still can be controlled precisely and very well. But there is also an individual with a high materialism attitude who does not always have good financial management of the pension fund because the individual has the intention to make compulsive purchases and does not behave carefully in *managing his* finances and behaves inappropriately in utilizing *financial tools*, so the allowance the funds that have been collected for the preparation of retirement fund planning cannot be controlled properly and are not good.

The results of this study can also be seen from the respondents' responses to statements regarding materialism in the questionnaire, that the majority of respondents tend to answer the same choice in all statements. This indicates the boredom or saturation of the respondents in filling out the questionnaire so that the respondents are lazy to think and ultimately affecting the test results with the results of materialism having a non-negative but not significant effect on pension fund planning. This is not in line with the results of research from Pete Nye and Cinnamond Hillyard (2013) which states that materialism has a negative effect on financial management behavior.

Impulsive Buying **Mediates the Effect of Materialism on Pension Fund Planning Behavior**

The test results show that *impulsive buying* mediates the effect of materialism on retirement fund planning behavior. This indicates that the higher a person's level of materialism, the higher the person's *impulsive buying behavior*, and the higher the *impulsive buying*, the worse the family's financial management behavior will be. This shows that people who have a high value of materialism tend to prefer to shop even though there is no previous plan that causes financial management to be bad or to go down.

Impulsive buying behavior is highly motivated by shopping activities. If you look at the current developments in the current era of globalization, this can make it easier for someone to make purchases that are not accompanied by careful planning. One doesn't have to bother anymore to buy the item they want, because now there are so many online shopping sites that spoil someone for shopping. The majority of online shopping sites are also supported by a lower price tag compared to the price of goods in stores. This will affect someone who prefers to shop without planning because they are attracted to these lower prices. These results are the same as the results of research from Pete Nye and Cinnamond Hillyard (2013) which state that *impulsive buying* mediates the effect of materialism on financial management behavior.

The scientific conclusion of the influence of Materialism, *Impulsive Buying*, and Pension Fund Planning Behavior with a comprehensive or overall mediation meaning is that high consumer to shop will increase one's sense of attachment to materialism because this can be a motivation for someone to shop with patterns that are not planned or called *impulsive purchases*, the high number of consumers to shop with unplanned patterns will have an adverse impact on planning for retirement funds in the future.

People who have a materialistic attitude will encourage someone to behave *impulsively buying*, the implication is shopping and having lots of wealth and material goods is the key to a good life. This person will endlessly collect material goods, luxuries, wealth, and waste money to buy goods in order to establish social relations in the environment. A materialistic lifestyle will lead to financial problems. These problems regarding financial management will later have an impact on the preparation of retirement fund planning because there are no funds saved at productive age which will result in a person not getting a welfare pension in his old age. The more someone has a high materialism attitude, the person will behave to consume more goods. As a result, someone will allocate their money only to buy valuable things so that long-term investment is not planned.

Conclusions, Limitations, and Suggestions

Based on the results of testing the hypothesis and discussion in this study, it shows that, (1) Financial knowledge has a significant positive effect on the behavior of planning pension funds for family financial managers. This shows that the financial knowledge possessed by an individual can make the individual implement his financial knowledge to manage the right pension fund. The higher the level of financial knowledge possessed by an individual, the better the behavior shown for planning a prosperous pension fund. (2) Materialism has a non-negative and not significant effect on the behavior of planning a pension fund for family financial managers. This shows that materialism will make an individual have good behavior, because the individual can set aside the income he receives for savings in his old age, but not all individuals who have a materialistic attitude have thoughts of a prosperous retirement. It could be in another sense that the higher the level of materialism of an individual, the better the individual's financial management behavior will be, but an individual with a high materialism attitude does not all have good financial management of pension funds. (3) Impulsive Buying mediates the effect of materialism on pension fund planning behavior. It can be concluded that the greater the level of materialism of an individual, the greater the impulsive buying behavior of that individual and the greater the individual's impulsive buying behavior, the negative impact on the behavior of planning retirement funds.

This study has limitations (1) the questionnaire cannot be processed by the researcher, due to incomplete data because the respondent is not a family financial manager, the respondent's work experience is less than two years, the respondent's income is less than IDR 4,000,000, and there are respondents who are outside city so that the questionnaire did not return to the researcher. (2) Limited time when collecting questionnaires from respondents because there were respondents who were incomplete in filling out so that they had to be reconfirmed.

Based on research that has been carried out by previous researchers and current researchers, there are suggestions for several related parties, namely, (1) It is recommended for future researchers to add variables other than financial knowledge, materialism, and impulsive buying in order to complement the factors that have not been covered. in this research. (2) It is recommended for future researchers to carry out separate tests for respondents who are domiciled in the three current research areas, namely Surabaya, Gresik, and Sidoarjo, so that future research will obtain information that may be different. (3) It is recommended for respondents and the community to improve better financial knowledge as a basis for the process of making wise short-term and long-term financial decisions. (4) It is suggested that respondents and the public are expected to further improve their financial insight which is useful for improving family financial management. (5) It is suggested that respondents and the wider community are expected not to be materialistic and impulsive buying so that respondents are wiser in using the income they receive appropriate and the income allocation is evenly distributed. (6) It is suggested that several pension fund organizers to be more active in conducting outreach to the wider community for education so that the community can wisely and accurately and as early as possible make preparations for planning a pension fund for a prosperous retirement.

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