Financial Literacy, Childhood Consumer Experience, and Investment Decision in Milennial Housewives

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Abstract: Millennial housewives are women aged between 24 and 39 years who organize various household activities. The increasing demands in social life and economic leads every housewife to be skilled in managing finances. Financial literacy and childhood consumer experience contribute to financial management and affect financial decisions, one of which is the investment decision. This study aimed to describe financial literacy, childhood consumer experience, and investment decision in millennial housewives. The study was conducted on 260 housewives from Banda Aceh, Medan, Pekanbaru, Jakarta and Bandung. The results showed that 20.38% of respondents had low financial literacy, 65.76% had moderate financial literacy, and 13.85% had high financial literacy. For the variable of childhood consumer experience, the analysis showed that 5.38% of respondents were classified in the low category, 25% were classified in the moderate category, and 69.61% were classified in the high category. Moreover, the results for investment decisions found that 50.3% of respondents invested in gold, 46.1% in saving money, 27.3% invested in property, 26.9% invested in land, 7.6% invested in shares, 6.9% in mutual fund, and 3.85% invested in bonds.

1 INTRODUCTION

Millennials are people born between 1980 and 1995. Millennials are often referred to as millennial generation or baby boom echo. The term millennials arise because this generation has experienced technological developments and the turn of the millennium (Panjaitan and Prasetya, 2017).

Millennial housewives are women aged 24 to 39 years who do not work in the office and have the responsibility of organizing various kinds of household activities. Millennial housewives are different from housewives in the previous generation because they live in a digital era and obtain various conveniences by using it.

Howe and Strauss (in Ng and Johnson, 2000) stated that millennials are spoiled generation, have high expectations for life (Bishop in Lusardi and Oggero, 2017), are more easily bored (Sonet and Hood, 2000 in Rifaie and Respati, 2014), have unrealistic expectations and often feel disappointed with the income they have (Taylor in Lusardi and Oggero, 2017).

Yuswohadi (2019) stated that millennials are the generation that prefers access to ownership. Furthermore, millennials are the driving force for sharing economy. For example, millennials prefer traveling by online transportation than having their vehicles and taking care of them. They prefer to subscribe to pay television channels than collecting DVD movies. In addition, they also prefer to use a shared office (co-working space) than having their shops for offices.

For millennials, ownership of houses, new cars, and expensive jewelry is no longer a symbol of success and achievement. Yuswohadi (2019) stated that there were several reasons the millennials prefer access to goods or services than owning them, namely: (1) The millennials are a generation that lives amid uncertainty and in an era of technological disruption that makes various industries irrelevant. Furthermore, most of the millennials think that having something is not a wise decision, whereas renting, subscribing, or sharing have lower risk decisions; (2) The millennials assume that having something will trigger the complexity of life that makes them unhappy. For example, when they have a car, there will be a series of follow-up needs such as needing a garage, obtaining a vehicle registration and driver's license, purchasing gasoline, paying for parking, and others;

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and (3) The millennials are a generation who want freedom. No ownership lifestyle means a life with more freedom. Not having things, such as houses or cars makes them have more freedom in life.

Differences in the perspective on the millennials are expected to change financial decisions taken by the millennial housewives. The increasing demands of life, both socially and economically, results in the status of women, which are not only as housewives, but they must be able to manage finances well. A wise housewife must be able to manage her income and finances appropriately to suit their designation. Housewives of any generation are expected to be able to invest to meet their short-term and long-term needs. Satria (2016) stated that housewives tend to save gold with the aim of financial protection and as an investment.

An investment decision is a person's decision to place funds in a particular type of investment. Factors that influence investment decisions in housewives are quite diverse. Sanu (2016) explained several things that influence investment decisions, namely: (1) gender, in which men are more daring to take risks in investing than women; (2) age, in which the older the age, investors are increasingly afraid of risks; (3) education, in which the higher one's education, they are more careful in making investment decisions; (4) income; (5) employment, in which the higher one's position in work, the more confident that person will be in making investment decisions.

Al Tamimi and Kalli (2009) stated that financial literacy has a positive relationship with investment decisions. Financial literacy is the ability to use one's knowledge, skills, and experiences to make effective decisions regarding financial management to meet one's financial securities. Lusardi and Oggero (2017) claimed that millennials tend to be less skilled in making financial decisions, so they need encouragement through training that can increase their financial literacy.

In addition to financial literacy, childhood consumer experience is also estimated to have contributed to investment decisions in the millennial housewives. Sabri, MacDonald, Hira, and Masud (2010) in their study stated that childhood consumer experience included the experience of saving in childhood and the experience of discussing finances with the family. A good childhood consumer experience will increase a person's financial satisfaction and encourage him to invest.

2 RESEARCH PURPOSES

This study aimed to describe financial literacy, childhood consumer experience, and investment decisions in millennial housewives. Investment decisions will be reviewed in seven sectors, namely savings in banks, property, land, shares, mutual funds, bonds / *sukuk*, and gold.

3 THEORETICAL REVIEW

3.1 Investment Decision

The term investment comes from Latin, which is *investire* (use), whereas it is named investment in English. In Indonesian, the meaning of investment is "*penanaman modal*". Susanti et al. (2018) stated that investment is an investment made by investors to obtain profits. The aim of investors, in general, is to meet the needs and expected desires.

An investment decision is a person's decision to place funds in a particular type of investment. The investment decision is related to the selection of investment alternatives that are beneficial to a company or individual, such as saving in a bank, property, land, shares, mutual funds, bonds / *sukuk*, and gold.

3.2 Financial Literacy

Mihalcova, Csikova, and Antosova (2014) define financial literacy as the ability to use one's knowledge, skills, and experience to make effective decisions regarding financial management to meet one's financial securities.

Financial literacy is the knowledge and understanding of financial concepts, risks, skills, motivation, and confidence to use that knowledge and understanding in making financial decisions. Irawati and Marlina (2017) in their research explained that financial literacy can be measured using three concepts, namely: (1) capacity to do calculations; (2) understanding of inflation; and (3) understanding of risk.

3.3 Childhood Consumer Experience

Falahati and Sabri (2012) suggest that childhood consumer experience is a child's experience related to financial activities provided by parents. One example is holding discussions with parents about money. The earlier the age of a child to gain financial experience, the more financial knowledge that the child has to use in managing finances properly. Good financial management will also have a good impact on financial conditions so that financial satisfaction is met. Childhood consumer experience can help children to understand better how to manage and make financially appropriate decisions.

Chatton (2017) states that by introducing children to financial management, parents indirectly prepare for a child's better life. Therefore, the challenge for parents now is how to teach children to manage finances. Managing finances will become a habit that forms a healthy financial character of children in adulthood later. Childhood consumer experience is a child's experience related to financial activities provided by parents.

4 RESEARCH METHODS

This research was conducted on 260 millennial housewives (aged 24 to 39 years) who live in five major cities in Indonesia, namely Banda Aceh, Medan, Pekanbaru, Jakarta, and Bandung. Data was collected using an online questionnaire involving a guide for each participant.

The method used in this research was descriptive. Johnson and Christensen (2004) suggest that descriptive methods are a method that aims to present a picture of the status or characteristics of a situation or phenomenon.

The research data obtained were processed and analyzed qualitatively using SPSS 16.0, and the basics of the theory previously studied to explain the picture of the object under study.

5 RESULTS AND DISCUSSION

5.1 Financial Literacy in Millennial Housewives

The financial literacy of respondents was measured using a measurement of financial knowledge. The instrument consisted of 9 item questions with 2 answer choices, which were right and wrong. The number of items answered correctly by the respondents was then converted to a scale of 100 so that the highest possible score of respondents was 100, while the lowest score was 0. Based on the calculation results, it is found that the average score was 76 with a standard deviation of 16. The categorization of scores for financial literacy is as follows:

Table 1. The Score Categorization of Financial Literacy

Categorization of Score	Interpretation
$X < 60$	Low
$60 \leq X < 92$	Moderate
$92 \leq X$	High

Based on the measurement results, the financial literacy of 53 respondents was classified as low, 171 respondents were classified as moderate, and 36 respondents were classified as high.

Table 2. Financial Literacy of Respondents

No.	Category	Number of Respondents	Percentage
1.	Low	53	20.38%
2.	Moderate	171	65.76%
3.	High	36	13.85%

Based on Table 4.1.2, most housewives (65.76%) had financial literacy in the moderate category. This indicates that millennial housewives had sufficient ability to use their knowledge, skills, and experience to make effective decisions regarding financial management to meet their financial securities.

Yuswohady (2019) stated that millennials are critical and rational so that they are trained to live efficiently and not to waste time and money on less necessary things. These characters encourage millennial housewives to increase their knowledge more actively in the financial sector.

5.2 Childhood Consumer Experience in Millennial Housewives

Childhood consumer experience was measured through 6 questions on the questionnaire with 2 answer choices (Yes/No). The higher the score obtained by respondents, the better the financial experience in childhood. Conversely, the lower the score obtained by respondents, the less financial experience in childhood. The score obtained was converted to a scale of 100. Based on the calculation of the theoretical mean, the average score was 50, and the standard deviation was 25. The categorization of scores for childhood consumer experience is as follows:

Table 3. The Score Categorization of Childhood Consumer Experience

Categorization of Score	Interpretation
X < 25	Low
25 ≤ X < 75	Moderate
75 ≤ X	High

Based on the measurement results, it was found that 14 respondents had childhood consumer experience in the low category, 65 respondents had childhood consumer experience in the moderate category, and 181 respondents had childhood consumer experience in the high category.

Table 4. Childhood Consumer Experience Respondents

No.	Category	Number of Respondents	Percent age
1.	Low	14	5.38%
2.	Moderate	65	25%
3.	High	181	69.62%

As seen in Table 4.2.2, the majority of millennial housewives had high childhood consumer experience (69.62%). This indicates that respondents had many financial experiences in their childhood such as being taught to save money, saving their allowances, discussing money with parents, and being given the confidence to be independent in managing allowances.

Chatton (2017) suggests that children who are introduced to financial management will have a better future life. Financial management will become a habit that forms a healthy financial character for children in the future. Childhood consumer experience will increase their financial satisfaction and encourage them to invest.

5.3 Investment Decision in Millennial Housewives

Investment decisions were measured through questions on the questionnaire asking respondents to choose the forms of investment that have been made, including investments by saving money at the bank, property, land, stocks, bonds / *sukuk*, mutual funds, and gold.

Table 5. Investment Decisions

No.	Investment Sector	Number of Respondents	Percentage
1.	Saving money in banks	120	46.1%
2.	Property	71	27.3%
3.	Land	70	26.9%
4.	Stocks	20	7.6%
5.	Bonds / *Sukuk*	10	3.8%
6.	Mutual funds	18	6.9%
7.	Gold	131	50.3%

If the data in Table 4.2.3 was sorted from the highest to lowest, millennial housewives invested in (1) gold (50.3%); saving at the bank (46.1%); (3) property (27.3%); (4) land (26.9%); (5) shares (7.6%); (6) mutual funds (6.9%); and (7) bonds / sukuk (3.8%). Most of the research respondents chose to invest by saving in banks and gold.

The study results are in line with Satria (2016) who stated that housewives tend to save gold for financial protection and as a means of investment. The decision to save money in the bank and buy gold as an investment can also be explained through the results obtained by the Manulife Investor Sentiment Index (in Maximizer CRM, 2016) that millennials are conservative investors. Millennials tend to be more interested in making money and protecting existing assets than developing the money they have. The Global Investor Study conducted by Schroders (2017) also stated that millennials are less prepared to face risks than previous generations and prefer to save money in cash.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

After conducting a descriptive analysis of financial literacy, childhood consumer experience, and investment decisions, several conclusions can be obtained, namely:

1. The analysis of the financial literacy scores showed that 20.38% of respondents were in a low

category, 65.76% of respondents were in the moderate category, and 13.85% of respondents were in the high category.

2. The analysis of the childhood consumer experience scores depicted that 5.38% of respondents were in a low category, 25% of respondents were in the moderate category, and 69.62% of respondents were in the high category.
3. Based on the analysis of investment decisions, millennial housewives invested in: (1) gold (50.3%); (2) saving at the bank (46.1%); (3) property (27.3%); (4) land (26.9%); (5) shares (7.6%); (6) mutual funds (6.9%); and (7) bonds / *sukuk* (3.8%).

6.2 Recommendations

Family welfare is strongly influenced by financial decisions, one of which is the investment decision. Millennial housewives need encouragement in the form of socialization about various investments that can provide more profitable returns so that they are no longer conservative investors.

Future studies should analyze factors that influence investment decisions in millennial housewives so that variables influencing investment decisions can be identified.

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