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Abstract

This study aims to analyze the effect of pocket money and self-control on the consumption patterns of students of the Faculty of Economics and Business, University of Indonesia. consumption patterns of students of the Faculty of Economics and Business, University of North Sumatra. North Sumatra. This is done to see how consumptive activities and how to overcome them. and how to overcome it especially as an economics student, namely FEB USU students must be able to optimize their finances. This study uses quantitative methods using Partial Least Squares (PLS) analysis techniques processed through the SmartPLS 4 application. The population of this study were students at the USU Faculty of Economics and Business totaling 2679 with a sample of 100 respondents. With pocket money and self-control as independent variables and consumption patterns as the dependent variable. The result of this study is that pocket money has an insignificant effect on the consumption patterns of students of the Faculty of Economics and Business of USU. on consumption patterns of USU Faculty of Economics and Business students. While self-control has a negative and significant effect on the consumption patterns of students of the Faculty of Economics and Business of USU. Faculty of Economics and Business USU. This happens because a person's consumption no longer depends on the amount of pocket money but rather on his self-control, no matter how much pocket money he has if his desires remain higher. No matter how much pocket money is owned if the desire remains higher, humans will do whatever it takes to get it. Therefore, rational thinking and self-control are needed from FEB USU students so that they can prioritize the consumption of basic needs first rather than personal desires so that their consumption management can be more optimal.

Keywords: pocket money; self-control; consumption pattern; student; wasteful

1. Introduction

Students, as part of society, represent a group with diverse and evolving needs. Human needs range from basic to tertiary levels, influencing individual behavior in purchasing decisions. However, it is not uncommon for students to prioritize personal pleasures over fundamental necessities [1]. This trend often leads to consumptive behavior characterized by wasteful spending. The younger generation is particularly vulnerable to such patterns, favoring instant gratification over long-term planning. This behavior, if unchecked, can lead to adverse effects such as shopaholic tendencies and financial instability, especially since many students still rely on parental support to fund their expenses [2].

Students are the easiest subject to follow changes in the flow of globalization [3]. The phenomenon of consumptive behavior among students is evident in their spending priorities. Pre-survey findings highlight that the majority of students in the Faculty of Economics and Business (FEB) at Universitas Sumatera Utara (USU) allocate a significant portion of their pocket money toward personal pleasures rather than basic needs. As shown in Figure 1.1, about 67% of FEB USU students allocate their funds for leisure activities such as socializing, online shopping, and vacations, while only 33% prioritize necessities such as boarding fees, transportation, and academic resources. This spending pattern underscores the importance of understanding the factors influencing such behavior and addressing them effectively.
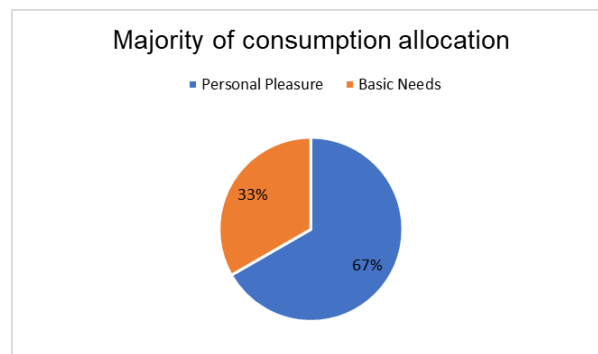
Figure 1. Majority of Consumption Allocation

Recent studies suggest that consumption patterns are shaped by a combination of financial resources and psychological factors [4]. Pocket money provides the means for expenditures, but self-control plays a critical role in determining how funds are allocated. Behavioral economics research emphasizes that self-control is essential in mitigating impulsive consumption and fostering responsible financial practices [5]. As economics students, FEB USU individuals are expected to demonstrate financial literacy and management skills, making the study of their consumption behavior particularly relevant.

This study aims to analyze the effect of pocket money and self-control on the consumption patterns of FEB USU students. It adopts a quantitative approach using Partial Least Squares (PLS) analysis, a robust method for examining complex behavioral relationships. By exploring the interplay between these variables, the study seeks to provide actionable insights into how students can optimize their financial practices. Emphasizing rational thinking and self-control, the findings are expected to highlight strategies for prioritizing essential needs over personal desires, fostering better consumption management among FEB USU students.

2. Literature Review

2.1. Consumption Pattern

Consumption pattern consists of two words, namely pattern and consumption. Pattern is a form, model, structure, and arrangement that has regularity. Meanwhile, consumption is an expenditure incurred by individuals in the context of using goods and services produced as a fulfillment of needs. Consumption patterns are a description of the allocation or form of consumption that applies in general [6]. So, it can be said that consumption patterns are a form of a list of basic daily needs to be met in sustaining life.

- Theory of Consumption (John Maynard Keynes)

Keynes' theory relied on statistical analysis and also made conjectures about consumption based on introspection and observation. First and foremost, Keynes conjectured that, the marginal propensity to consume, the amount consumed for each additional income is between zero and one. He concluded that the short-term effect of the interest rate on an individual's expenditure of his income is secondary and relatively unimportant.

Based on this conjecture, Keynes' consumption function is often written as follows:

$$C = a + bY$$

2.2. Pocket Money

Definition of pocket money according to Collins Dictionary "Pocket money is money which children are given by their parents as an income, usually every week or month". Which means pocket money is money given by parents to their children as income / income which is usually obtained every week or every month.

- Theory of Consumption (Ernest Engel)

A most important generalization about consumer behavior is that income spent on food tends to decrease as income increases. This discovery was first made by a Russian economist, Ernest Engel and is known as Engel's law. As a pioneer in research on household expenditure.

2.3. Self-Control

Self-control is the ability of an individual to resist urges and the ability of individuals to control their level of behavior in the absence of control from the environment [7]. The importance of self-control in a person when making decisions before behaving [8]. A person's psychological factors are important to control themselves and manage their finances as well as possible by restraining uncontrolled spending before making financial decisions.

2.4. Theory of Value Approach

This theory comes from the theory of Consumer Demand / Consumer Behavior, namely consumer demand arises due to the desire to consume as many goods and services as possible and there are limited income constraints in order to obtain maximum satisfaction.

3. Research Method

This research uses quantitative data is a research method based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. This research was conducted in Medan, precisely at the Faculty of Economics and Business, University of North Sumatra. The population of this study were all active students of the Faculty of Economics and Business, University of North Sumatra, class 2020 - 2023, totaling 2638 students. The data obtained using primary data, namely by conducting direct research on the intended respondents. Primary data collected through questionnaire research results by respondents made by the author. Questionnaire The data obtained in this study were obtained by distributing questionnaires online using Google Form to obtain data from the parties concerned directly or also called primary data.

Then data processing in this study used smartPLS SEM (Partial Least Square - Structural Equation Modeling) software. PLS has the ability to explain the relationship between variables and the ability to perform analyses in one test. The purpose of PLS is to help researchers confirm the theory and to explain whether or not there is a relationship between latent variables. The PLS method is able to describe latent variables (not directly measurable) and is measured using indicators [9]. The author uses Partial Least Square because this research is a latent variable that can be measured based on its indicators so that the author can analyze with clear and detailed calculations. Outer model analysis is carried out to ensure that the measurement used is suitable for measurement (valid and reliable) [10]. There are several calculations in this analysis, namely convergent validity, discriminant validity, Cronbach Alpha, composite reliability and VIF value.

Inner Model is evaluated by looking at the magnitude of the structural path coefficient. The stability of these estimates is evaluated using t-statistics obtained through a bootstrapping procedure. This model analysis is to test the relationship between latent constructs. There are several calculations in this analysis:

1. R Square is the coefficient of determination on endogenous constructs. It means "the criteria for limiting the value of R square in three classifications, namely 0.67 as substantial; 0.33 as moderate and 0.19 as weak" [11].
2. NFI is a measure of the comparison between the proposed model and the null model. The NFI value will vary from 0 (no-fit et al) - 1 (perfect fit) [9].

4. Results and Discussion

Based on the data analyzed, the results can be used to answer the hypothesis of this study. To see the results of the hypothesis test in this study, it can be done by involving the results of the t Statistic and P Values.

Hypothesis testing also uses a significance value, which is provided that the value of $\alpha = 5\%$. For hypothesis testing, this hypothesis can be said to be accepted if the T Statistics value> 1.96 and the P Values value <0.05, it can be said that the variable has a good level of significance. The test results can be seen through the bootstrapping test table as follows:

Table 1. Result of Path Coefficients

Model	Original sample	Sample mean	Standard deviation	T statistics	P values
Kontrol Diri -> Pola Konsumsi	-0,391	-0,406	0,144	2,722	0,007
Uang Saku -> Pola Konsumsi	0,254	0,255	0,154	1,647	0,100
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Source: Researcher Processed Data

Based on the test results in Table 4.7, it is explained as follows:

1. Pocket Money (X1) on Consumption Patterns (Y), obtained a statistical T value of (1.647 < 1.96) and P Values (0.100 > 0.05), thus it can be explained that pocket money has no effect on consumption patterns, so H1 in this study is rejected.
2. Self-Control (X2) on Stability of Consumption Patterns (Y), obtained a statistical T value of (2.722 > 1.96) and P Values (0.007 < 0.05), then the original sample value of self-control on pocket money is negative, namely - 0.391 which indicates the direction of influence is negative. Thus it can be explained that self-control has a negative and significant influence on consumption patterns, so H2 in this study is accepted

From the results of the analysis that the researchers have previously described, namely pocket money has no effect and self-control has a significant effect on the consumption patterns of FEB USU students. If we look at the theory of the use value approach, the theory focuses more on a person's desire to achieve satisfaction and the ability of an item to fulfill human satisfaction. So that we can relate to the results of the study that the amount of pocket money of FEB students has no effect but rather self-control that has a significant effect on consumption patterns. So the need for rational action from FEB USU students to understand the utility value / use value of an item before consuming and not only buying goods for satisfaction alone.

5. Conclusion

Based on the results of research on the influence of consumption patterns and self-control on consumption patterns, it can be concluded:
1. Pocket Money (X1) on Consumption Patterns (Y), obtained a statistical T value of $(1.647 < 1.96)$ and P Values $(0.100 > 0.05)$, thus it can be explained that Pocket Money has no effect on Consumption Patterns, so H1 in this study is rejected.
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