Assessing Model of Financial Satisfaction Predictors: the Mediating Effect of Financial Risk Tolerance and Financial Behavior

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Abstract

Objective – This study aims to prove empirically about the prediction of financial satisfaction models based on financial knowledge and socio-economic factors of finance by taking into account financial risk tolerance and financial behavior.

Design/methodology – The primary data source in the form of a questionnaire and non-probability purposive sampling technique were used with 107 responses collected during July-August 2020. The unit of analysis was an individual, namely the people in Palembang City in the age range of 20-55 years. Data analysis comprise of descriptive statistics index number method and inferential statistics SEM method by converting ordinal data into intervals.

Results – It was found that direct financial knowledge, socio-economic financial had not significant on financial risk tolerance. Financial knowledge, socio economic financial significantly and positively influence financial behavior. Furthermore, direct financial knowledge, socio-economic financial, financial risk tolerance, financial behavior had a significant positive effect on financial satisfaction. The indirect effect found that finance risk tolerance is not a mediation of the influence of financial knowledge and socio-economic financial on financial satisfaction. The indirect effect of financial behavior on the influence of financial knowledge and financial socio-economic were significant.

Limitation/Suggestion – This study implies that the role of financial behavior as a partial mediation on the relationship between financial knowledge and financial satisfaction. The role of perfect mediation itself is for socio-economic financial relationships and financial satisfaction.

Keywords: Financial Knowledge, Financial Socio-Economic, Financial Risk Tolerance, Financial Behaviour, Financial Satisfaction

1. Introduction

Financial satisfaction is commonly perceived as satisfaction with one's income, ability to handle financial emergencies, ability to meet basic needs, level of debt, total savings, and money for future financial needs and goals life (Hira & Mugenda, 1998). Financial satisfaction is when a person has financial freedom. Financial comfort in old age is everyone's dream. Hasibuan (2018) describes financial satisfaction as being financially healthy, happy, and free from worries.

Financial well being is a condition and feeling that a person feels safe and financially healthy for the present and future in quality of life (Hira & Mugenda, 1998). Financial well-being used by OJK and some researchers (Chatterjee, Kumar, & Dayma, 2019; Limbu & Sato, 2019; Ponchio, Cordeiro, & Goncalves, 2019) is relatively the same as financial satisfaction used by several financial researchers such as Archuleta, Dale, & Spann (2013); Fan & Babiarz (2019); Grable & Joo (2004); Saurabh & Nandan (2018); Xiao, Tang, & Shim (2009). The essence of financial satisfaction is someone who is financially healthy means that financial goals are achieved and safe in facing old age.

Previous researchers used various financial satisfaction measurements. Measurements of financial satisfaction based on Joo & Grable (2004) are financial behavior, financial stress levels, income, financial knowledge, financial solvency, risk tolerance and education. Researchers Hira & Mugenda (1998) used socioeconomic and demographic factors, marital status, self-image, subjective financial factors, financial concern, spending behavior. Other measurements used are financial knowledge, socialization, financial risk attitude, financial behavior (Saurabh & Nandan, 2018). The latest research was conducted by Fan & Babiarz (2019) on financial satisfaction factors measured by demographic, socioeconomic, financial behavior.

There have been focus of previous research on financial satisfaction but it is deemed important to explain financial risk tolerance and financial behavior. The purpose of this study is to prove empirically about the influence of financial knowledge, financial socio-economic on financial risk tolerance and financial behavior to financial satisfaction with direct and indirect effect. The remaining of this paper is structured as follow. Next section reviews the literature followed theoretical framework and hypotheses development. The section afterwards explains the research method followed by description of findings and discussion.

2. Literature Review

Financial knowledge in the context of financial literacy is an individual's ability to understand budgeting, savings, loans and investment (Remund, 2010). According to the Jumpstart Coalition, sharing financial knowledge on topics of income, money management, savings and investment, and loans or credit, while Willis (2008) covers banking, deposits, credit, insurance, and taxes. Hasler (2017) measures financial knowledge about arithmetic (interest), compound interest, inflation and risk diversification. Some other knowledge can be seen from information published by companies engaged in the financial sector such as banks, insurance, pension funds, financial institutions, pawnshops and the capital market. Financial knowledge should be owned by someone as early as possible. The source of financial knowledge starts from school so that financial awareness will be applied faster. Howlett, Kees, & Kemp (2008) observed that individuals who have financial knowledge are more financially literate and they are able to handle money efficiently.

This person's financial knowledge then develops into financial skills, where financial skills are defined as the ability to apply their financial knowledge in everyday life (Palameta et al., 2016). Financial skills enable a person to be able to make rational and effective decisions related to finances and economic resources. Financial literacy as the ability of individuals to use their knowledge and skills to make appropriate financial decisions for effective management of financial resources. A person with higher financial knowledge and a working professional shows a lower trend effect. Financial knowledge has a strong influence on financial attitudes and behavior. This study also identified that financial knowledge is an important factor in determining a person's financial literacy and financial decision-making skills (Robb & Woodyard, 2011).

The basic concept of socio-economic financial is based on two theories, namely social exchange theory and social role theory (Fan & Babiarz, 2019). Social exchange theory explains behavior for married couples and usually financial researchers include the marital status variable on financial satisfaction (Koh & Mitchell, 2019; Saurabh & Nandan, 2018); demographic variables (Hira & Mugenda, 1998); as a moderating variable (Fan & Babiarz, 2019) and as a socio-economic variable (Hira & Mugenda, 1998). Based on research Fan & Babiarz (2019) social exchange theory is related to sociology, psychology, economics. Economically, the measurement is done by explaining investment decision, saving rate, income, nature of housing accommodation, household type, occupation and work experience (Sahi, 2013).

Social role theory explains that there are gender differences as a reflection of a person's behavior. Gender among men and women have different behavior in financial

satisfaction. The strong relationship is male rather than female (Kirbis, Vehovec, & Galic, 2017). Research Saurabh & Nandan (2018) on 286 individual respondents in the city of Allahabad, Uttar Pradesh, India. Data analysis technique with multiple linear regression found that there is a significant influence between demographic and socio-economic factors on financial risk tolerance and financial satisfaction.

Financial risk tolerance is inherent in a person's subjectivity in investing (Saurabh & Nandan, 2018) subjective financial risk can be considered to measure financial risk attitude. According to Dhiman & Raheja (2018) risk tolerance is a person's attitude towards taking risks. Someone will make different financial decisions and will usually depend on the risks at hand. The higher the risk, the more capable someone will be in dealing with these risks. The types of individuals facing risk in the study Yuliani, Isnurhadi, & Jie (2017) are divided into conservative, moderate and aggressive. Research Yuliani et al., (2017) with 100 investor respondents found that the dominant type of investor is moderate, namely individuals who have a higher level of tolerance for risk with equivalent results, meaning that if they will get a high rate of return than risk, they will make a decision to invest.

Research conducted by Thanki & Baser (2019) on financial risk tolerance is measured by factors such as personality type, gender, marital status, age, education, occupation, income. A total of 329 investors with multiple linear regression techniques found that these factors can be used to predict financial risk tolerance. The results of the study found that financial risk tolerance has a significant positive effect on financial satisfaction (Kannadhasan, Aramvalarthan, Mitra, & Goyal, 2016; Saurabh & Nandan, 2018; Thanki & Baser, 2019).

Financial behavior reflects a person's ability to make financial goals, prepare financial planning, manage finances and be able to make quality financial decisions in using financial products and services (OJK, 2017). According to the Financial Planning Standards Board or FPSB (2013) someone who is able to compile financial planning includes six dimensions, namely an emergency fund, the ability to save (savings), manage debt (debt planning), diversify assets (asset diversification), prepare for retirement (retirement planning), understand tax (tax planning) and distribution of wealth (estate planning).

Financial behavior is very important for every individuals. Since the 2008 financial crisis, the study of financial knowledge, especially on its components such as attitudes and behavior, has received a lot of attention. Social scientists have recognized that effectively predicting financial and economic processes depends on how we can understand people's attitudes and behavior towards finance, as well as the characteristics of various social groups who share the same views and behavior. Thus, examining the financial behavior of young adults is an interesting and important research topic that deserves to be examined from various aspects (Zsótér, 2018) as young adults face important difficulties and must handle sophisticated financial decisions at every stage of their life cycle.

3. Theoretical Framework and Hypotheses Development

Research Hira & Mugenda (1998); Lajuni, Bujang, & Yacob (2018); Rai, Dua, & Yadav (2019) on the effect of financial behavior on financial satisfaction was found to be significant and positive. Research in Indonesia with 450 respondents to workers in Jakarta was conducted by Arifin (2018). The results are found to have a significant positive effect between financial behavior and financial satisfaction. There are some of the direct hypotheses proposed:

H1 : Significance effect financial knowledge to financial risk tolerance
H2 : Significance effect financial socio-economic to financial risk tolerance
H3 : Significance effect financial knowledge to financial behavior
H4 : Significance effect financial socio-economic to financial behavior

H5 : Significance effect financial knowledge to financial satisfaction
H6 : Significance effect financial socio-economic to financial satisfaction
H7 : Significance effect financial risk tolerance to financial satisfaction
H8 : Significance effect financial behavior to financial satisfaction

Financial knowledge is already good, but the risk profile of each person will be different, so it is important to detect a risk profile with good financial behavior that will eventually achieve an optimal level of financial satisfaction. Financial knowledge shows how much a person knows of financial management (Rai et al., 2019). Financial management starts from understanding each function of a financial institution and understanding the working mechanisms of a financial institution. An understanding of a person's financial institution, then the tolerance for risk that will be faced will be easily managed by each individual which in turn will increase financial satisfaction. Financial risk tolerance is an individual's attitude in providing tolerance in financial management (Grable & Joo, 2004; Kannadhasan et al., 2016). Financial behavior shows a person's activity in spending money wisely so that good financial knowledge is followed by a wise attitude in spending money, financial satisfaction will appear.

Socio-economic financial is a condition that is inherent in every individual (Sahi, 2013) Every person in living his life towards a better life will try to work, find a decent job, have life experience so that in the end socioeconomic status becomes a concern. The condition of social status and financial stability by being able to manage risks when deciding on asset allocation will ultimately improve financial satisfaction. socio-economic financial will be more optimal with the behavior of managing finances wisely in the end financial satisfaction will be achieved. Based on this description, the indirect hypothesis is:

H9 : Significance effect financial risk tolerance as mediation of financial knowledge to financial satisfaction
H10: Significance effect financial risk tolerance as mediation of financial socio-economic to financial satisfaction
H11 : Significance effect financial behavior as mediation of financial knowledge to financial satisfaction
H12: Significance effect financial behavior as mediation of financial socio-economic to financial satisfaction

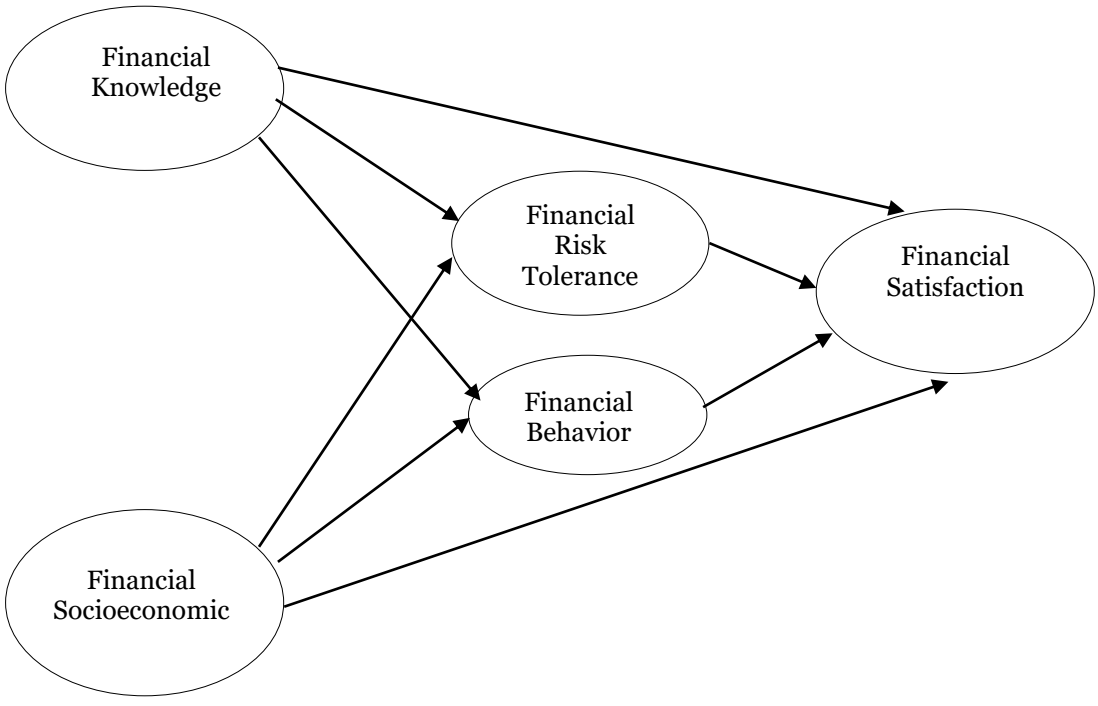

Figure 1. Conceptual Framework

4. Research Method

The population is all people in Palembang City who are in their productive age. The study sample of individuals aged 20-55 years. Based on the characteristics of these respondents, the non-probability purposive sampling technique was used to determine the research respondents. The unit of analysis is an individual with a total of 107 respondents. Data collection will be carried out in July-August 2020. The data used is primary using a research instrument in the form of a questionnaire. The independent variable is Financial Knowledge (FK) has five indicators OECD (2016) and research conducted by Rai et al, (2019), Financial Socio-Economic (FSE) has four indicators (Sahi, 2016); Financial Risk Tolerance (FRT) has four indicators (Joo & Grable, 2004; Kannadhasan et al., 2016); Financial Behavior (FB) has four indicators (Rai et al., 2019). Dependent variables is Financial Satisfaction (FS) with six indicators (FPSB, 2013).

The data were analyzed by following Structural Equation Modeling (SEM) with variant-based SmartPLS Ver 3 software. The reason for processing data using PLS is because it involves latent variables, the tiered structural model and the recursive direction of the relationship. A combination of several software analysis tools was used, namely MS-Excel, SPSS and SmartPLS. The data processing began with testing the research instrument in the form of a questionnaire to seek for validity and reliability. The validity testing in PLS was based on convergent validity, discriminant validity and Average Variance Extracted (AVE). The reliability testing was based on the Composite Reliability and Cronbach's Alpha results of each parameter. The rule of thumb using PLS was conducted by analyzing the model which included linearity test and outer model test. The linearity analysis was an assumption of the use of PLS. This analysis emphasized the relationship between variables having been linear or not by using a level of significance at <5%. The analysis used SPSS software with curve fit analytical tool. The decision to see the relationship between linear variables refers to the parsimony principle.

Outer model test was used to see indicators of latent variables in research. All research variables were latent. All indicators of latent variables were reflective, which means that there was a reflection of each variable. Provisions on an indicator was a reflection of each variable based on loading factor. If the result of loading factor is > 0.7 then the indicator is a reflection of the variable, but if the result of loading factor ranges from 0.50 to 0.60, then the indicator is considered sufficient (Solimun, 2010). Then the model test was done by checking the goodness of fit inner model. The check was based on the total determination value (Q^2) by calculating the R^2 value of each equation. Q^2 calculation was done by the following formula:

$$Q^2 = 1 - (1 - R_1^2)(1 - R_2^2) \ldots (1 - R_p^2) \ldots\ldots\ldots\ldots \quad (1)$$

Note: R_1^2, R_2^2 ..... R_p^2 is R_1^2 variable of Financial Knowledge (FK), Financial Socio-Economic (FSE), Financial Risk Tolerance (FRT) and Financial Behavior (FB) to Financial Satisfaction (FS). The quantity Q^2 has a range value of $0 < Q^2 < 1$, where getting closer to 1 means that the model is getting better. The decision to test the hypothesis of equation one is based on a p-value <5%. Furthermore, testing the equation of two was by paying attention to the significance of the coefficients of each Financial Risk Tolerance (FRT), Financial Behavior (FB) and Financial Satisfaction (FS).

The structural equation can be described as follows:

$$Financial\ Risk\ Tolerance = \alpha + \beta_1 Financial\ Knowledge + \beta_2 Financial\ Socio\text{-}Economic + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots [1]$$

$$Financial\ Behavior = \alpha + \beta_4 Financial\ Knowledge + \beta_5 Financial\ Socio\text{-}Economic + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots [2]$$

$$Financial\ Satisfaction = \alpha + \beta_6 Financial\ Knowledge + \beta_7 Financial\ Socio\text{-}Economic + \beta_8 Financial\ Risk\ Tolerance + \beta_9 Financial\ Behavior + \varepsilon \quad \ldots\ldots\ldots\ldots\ldots\ldots [3]$$

5. Results and Discussions

Characteristics of Respondents

The characteristics of the respondents indicated that there were 107 research units of analysis. Referring to Table 1, it appears that more than 50% of the respondents are women, meaning that women will be more sensitive to filling out the questionnaire because the research topic is related to personal and household financial arrangements. The role of women in household financial management will influence the willingness to fill out this research questionnaire.

The age of respondents who participated in the study was 50 people or 50% aged 31-40 years. Based on the life cycle of a person's age where the ages of 31-40 are in the first stage category, namely the stage of someone accumulating wealth (accumulating wealth). This means that at this stage a person must have an investment, have a debt post in the good debt category, have both life and general insurance, prepare a pension fund and have a portfolio of assets, namely investments in both financial assets and real assets (FPSB, 2013).

The education level of the respondents is quite varied, starting from SMA / SMK to Doctorate. The respondents who participated in this research were 60.4% from Masters, while 20.6% were Bachelor degrees. Based on marital status, 79% of respondents are married. This means that when they are married, the respondent will pay attention to finances, who were previously single, now have a life in the household and pursue a career.

Table 1. Characteristics of Respondents

Identity	item	Frequency	%
Gender	Man	38	35,5
	Female	69	64,5
Old (years)	20 – 30	22	20,6
	31 – 40	50	50,0
	41 – 50	31	29,0
	> 51	4	3,7
Education	Senior High School	3	2,8
	Diploma	1	0,9
	Bachelor	22	20,6
	Master	70	60,4
	Doctor	11	10,3
Marital Status	Married	84	78,5
	Single	23	21,5
Occupation	Housewives have a business	1	0,9
	Government employees		
	Private employees	57	53,3
	Entrepreneur	25	23,4
	Others	2	1,9
		22	20,6

Based on work status, this study divided into five groups. Meanwhile, the dominant number of respondents who participated were government employees, namely 57 people or 53%, while the housewives who owned a business were only one person. The employment status for other groups is quite high, where respondents do not have a specific type of work, namely 21%. Following are the test results for measuring the model with validity and reliability testing, validity testing with convergent validity

testing with loading factors, reliability testing with Cronbach's alpha and Composite Reliability.

Table 2. Testing the Measurement Model

Variables	Indicators	Loading factor-1	Loading Factor-2	Cronbach's Alpha	CR	AVE	Convergent Validity (Ave>0,5)
FK	FK1	0,737	0,740	0,824	0,876	0,588	Valid
	FK2	0,799	0,797				
	FK3	0,860	0,866				
	FK4	0,660	0,640				
	FK5	0,768	0,774				
FSE	FSE1	0,408	-	0,766	0,766	0,631	Valid
	FSE2	0,342	-				
	FSE3	0,571	0,622				
	FSE4	0,910	0,935				
FRT	FRT1	0,692	0,702	0,701	0,787	0,554	Valid
	FRT2	0,492	-				
	FRT3	0,710	0,697				
	FRT4	0,815	0,826				
FB	FB1	0,843	0,847	0,786	0,807	0,515	Valid
	FB2	0,653	0,645				
	FB3	0,599	0,603				
	FB4	0,751	0,751				
FS	FS1	0,523	0,607	0,719	0,817	0,575	Valid
	FS2	0,623	0,665				
	FS3	0,774	0,793				
	FS4	0,627	0,623				
	FS5	0,747	0,737				
	FS6	0,475	-				
Criteria: CR>0,7; AVE >0,5							

Referring to table 2, several indicators were dropped because the loading factor value was <0.5. The loading factor values dropped in this study were four indicators, namely FSE1, FSE2, FRT2 and FS6. The FSE1 indicator is 0.408 <0.5, then this indicator is dropped so million for the FSE2 indicator of 0.324. FSE1 indicator is a statement about "the current type of work is very pleasant" and FSE2 is "I have sufficient work experience". Another indicator dropped is the financial risk tolerance variable, which is reflected in "I am more comfortable putting my money in a bank account than on the stock market". Furthermore, the indicator dropped is "I have carried out risk management in my finances properly, for example having an insurance policy".

Table 2 also shows the validity and reliability of the research instruments from the questionnaire used. It appears in the table that all indicators are declared valid based on the loading factor value> 0.5 and reliable based on the CR value> 0.7. Several invalid indicators have been dropped so that hypothesis testing only involves indicators that are already valid and reliable. The discriminant validity test based on the cross loading measurement of the construct value is shown in Table 3. A score of more than 0.7 in one variable indicates that the discriminant validity is fulfilled. Another method is to compare the AVE roots for each construct with the correlation between the constructs and other constructs in the model. Shown in Table 2 AVE value> 0.5.

Based on Table 2 and Table 3, the measurement of the model can be continued for testing the structural model. Table 2 also shows the validity and reliability tests of the research instruments of the questionnaire. It appears in the table that all indicators were declared valid based on loading factor values of > 0.5 and reliable based on CR of values> 0.7. Some invalid indicators had been dropped so that testing for hypotheses only involved indicators already valid and reliable. The discriminant validity test based on the cross loading measurement of the construct value was shown in Table 3. A score of more than 0.7 in one variable indicates that the

discriminant validity was fulfilled. Another method was by comparing the AVE roots for each construct with the correlation between constructs and other constructs in the model. Table 4.8 shows the value of AVE> 0.5. Based on table 2 and table 3, the measurement of the model can be continued for structural model testing.

Table 3. Validity of Discriminant with Cross Loading

	FK	FSE	FRT	FB	FS
FK1	0,797	0,047	0,178	0,*274*	0,047
FK2	0,866	0,123	0,056	0,400	0,123
FK3	0,640	-0,049	0,197	0,217	-0,049
FK4	0,774	0,015	0,085	0,282	0,015
FK5	0,740	0,120	0,124	0,325	0,120
FSE3	0.025	0.622	-0.040	0.215	0.153
FSE4	0.089	0.935	0.108	0.429	0.350
FR1	0.150	0.026	0.702	0.159	0.026
FR3	0.084	-0.053	0.697	0.052	-0.053
FR4	0.106	0.151	0.826	0.152	0.151
FB1	0.351	0.394	0.204	0.847	0.521
FB2	0.321	0.203	0.136	0.645	0.357
FB3	0.188	0.187	-0.020	0.603	0.304
FB4	0.275	0.395	0.123	0.751	0.475
FS1	0.143	0.294	0.131	0.443	0.607
FS2	0.323	0.253	0.254	0.486	0.665
FS3	0.490	0.261	0.141	0.440	0.793
FS4	0.284	0.217	0.351	0.309	0.625
FS5	0.430	0.165	0.120	0.349	0.737

Table 4 is the result of hypothesis testing. As for the 12 hypotheses proposed, six hypotheses were accepted. Testing of the structural model uses total determination (Q^2). The Q^2 result of 0.658 indicates that the variables used in the research equation as predictors for FS are quite high, namely 65.8%. Only 34.2% is explained by other variables not included in this research equation.

Discussion

Effect of Financial Knowledge, Financial Socio-Economic on Financial Risk Tolerance

The findings of the study indicate that the effect of FK, FSE on FRT in Table 4 is insignificant based on p value <0.05 so that the hypotheses H_1 and H_2 are not proven. The findings of this study have not been able to prove empirically that there is a significant effect. The better one's FK and the higher one's FSE level was not proven to be able to reduce FRT. Some arguments for the findings of the research are insignificant that the financial knowledge of a person about bank products, investment, insurance, capital markets and pension funds for respondents does not tolerate risk. First, the nature of risk in non-financial risk taking specifically means that a person has three types of risk, namely conservative, moderate and aggressive (Yuliani et al., 2017). This means that the findings of this study are not in line with investment theory (Tandelilin, 2017) where each concept of financial knowledge will determine a different level of risk. Second, referring to the descriptive statistics of the frequency of respondents in Table 1 concerning Insurance and the Capital Market is relatively very low so that the tolerance for risk becomes very intolerant as shown in Table 2. Respondents' knowledge of the importance of protection with insurance and high risk in the capital market has no impact on financial risk tolerance. Third, the financial knowledge that is owned can be due to a lack of detailed education about financial management so that it does not pay attention to its impact on financial risk tolerance.

Socio-economic financial which is based on two well-known theories, namely social exchange theory and social rule theory (Fan & Babiarz, 2019). These findings do not support this theory, especially the theory of social rules where a person can

be explained based on gender as having different behaviors. This study has a balance of respondents based on gender, namely predominantly female (69 respondents or 65%) and the remaining 30 people or 36% are male respondents. The findings of this study are not in line with previous research conducted by Grable & Joo (2004); Thanki & Baser (2019); Yuliani et al., (2017) that the better a person's knowledge in managing their finances, the higher the tolerance for financial risk is so that every decision finance will pay attention to non-financial risk taking factors, especially in investment decisions or allocation of funds.

Table 4. Hypothesis Testing Results

Direct effect test	β	P value	Information	Hypothesis
FK ➔ FRT	0,150	0,186	ts	Reject H_1
FSE ➔ FRT	0,062	0,650	ts	Reject H_2
FK ➔ FB	0,369	0,000	s	Accepted H_3
FSE ➔ FB	0,402	0,000	s	Accepted H_4
FK ➔ FS	0,310	0,000	s	Accepted H_5
FSE ➔ FS	0,144	0,137	ts	Reject H_6
FRT ➔FS	0,163	0,088	ts	Reject H_7
FB ➔ FS	0,378	0,000	s	Accepted H_8
Indirect effect test	**β**	**P value**	**Information**	**Hypothesis**
FK➔FRT➔FS	0,024	0,374	ts	Reject H_9
FSE➔FRT➔FS	0,010	0,686	ts	Reject H_{10}
FK➔FB ➔FS	0,139	0,001	s	Accepted H_{11}
FSE ➔ FB➔FS	0,152	0,001	s	Accepted H_{12}
FB = R_1^2 = 0,322				
FRT = R_2^2 = 0,028				
FS = R_3^2 = 0,475				
Total Coefficient of Determination = Q^2 = 1 – 0,342 = 0,658 or 65,8%				

Effect of Financial Knowledge, Financial Socio-Economic on Financial Behavior

This study has test results that there is a significant influence between FK, FSE on FB. The result of p value <5% proves that the better a person's financial and socioeconomic financial knowledge, the better the financial management behavior will be. Based on these findings, H_3 and H_4 are accepted. Financial behavior is getting better if a person has good financial and socioeconomic knowledge of finance so that financial management will be optimal. The government's goal through the Financial Services Authority (OJK) is to have a target that Indonesian people are generally able to manage finances so that the financial literacy and financial inclusion index will be higher. The government's target for 2020 is to make the Indonesian state more literate and equal to countries such as Singapore, Malaysia, Australia which are almost close to the 100% index.

The findings of this study are in line with the theory of financial behavior (Ajzen & Fishbein, 2014) known as the Planned Behavior Theory (PBT) that a person in managing finances has an attitude towards financial behavior which in the end is able to predict his actions even though it needs to be planned in testing subjective norms as a control the person's perceptual behavior. The findings of this study support several previous studies, namely (Amanah & Harahap, 2020; Arifin, 2018) that there is a significant positive effect of the influence of FK and FSE on FB with individual analysis units on research subjects in Indonesia. However, the results of this study do not support the finding Herdjiono & Damanik (2016) for 382 respondents it was found that FK towards FB was not significant. The results of the differences in research findings are due to different data analyzes. The research conducted by Herdjiono & Damanik (2016) used chi-square analysis while this research was based on SEM.

Effect of Financial Knowledge, Financial Socio-Economic, Financial Risk Tolerance, Financial Behavior on Financial Satisfaction

Research findings for hypotheses H_6-H_8 can be seen in Table 4. The results of a significant value> 0.05, so for H_6 and H_7 it is rejected because it is not empirically proven that FSE and FRT are against FS. These findings indicate that FS is not determined by getting better or worse a person's FSE and FRT. A significant positive effect was found for H8 so that it was declared accepted and empirically proven that the better a person's FB, the more satisfied in managing finances.

The theory that underlies this research is behavior finance which makes everyone rational in managing their finances. However, in reality, decision making in managing finances tends to be based on Daniel Kahneman's prospect theory that the role of one's perception in considering financial decision making. Based on this theory, there should be an effect of FSE and FRT on FS, but this study has not been able to prove this. The effect of FB on FS was found to be significant, meaning it was proven and in accordance with the planned behavior theory.

The finding of the direct effect of H_6 and H_7 when the mediating variable, namely FRT, is included, becomes significant or significant. The indirect effect test can be seen in table 4 that directly FSE on FS is not significant but after FRT mediation is still found to be insignificant (H10 is rejected). The same thing for the indirect effect of FK on FS through FRT is not significant (rejecting H_9). What is interesting about the effect of FK mediation on FS through FB on FS is partial mediation or partial mediation.

The mediation role of FK in part of FS through FB explains that the satisfaction of financial management will be higher if everyone has financial knowledge, financial behavior will be better in increasing financial satisfaction. The findings of this study prove that FB is a partial mediation (H_{11} accepted). The effect of FB as a complete mediator was found in H_{12}. This indicates that a person's socioeconomic financial condition will get better with effective financial behavior, the better the financial management satisfaction will be. The role of FB is as a mediation and it was found to be significant in line with research conducted by Lajuni et al. (2018) with 304 respondents and aged 19-27 that FB acts as a perfect mediator of the influence of financial knowledge on prediction of financial bankruptcy.

6. Conclusions

Some conclusions can be drawn that changes in financial risk tolerance are not caused by financial knowledge and socio-economic financial. This reflects that a person's tolerance for risk remains to be predicted further; changes in financial behavior are caused by financial knowledge and financial socio-economic. The dominant behavior that causes changes in financial behavior is socio-economic financial; improved financial satisfaction is due to financial behavior, while financial socio-economic and financial risk tolerance have no impact; the mediating role of FRT is not empirically proven for the relationship between financial knowledge and socio-economic finance.; financial behavior as perfect mediation for socio-economic financial relationships and financial satisfaction. The role of financial behavior is as a partial mediation for the relationship between financial knowledge and financial satisfaction.

Financial risk tolerance is an important factor that must be known by a person in order for financial management to be effective. However, there are quite a number of individuals who are less able to detect risk profiles so that financial risk tolerance is poorly understood; financial satisfaction is a measure of a person's success in managing finances for the future. The prediction model in this study can be used as a reference that financial knowledge, socio-economic financial, financial risk tolerance and financial behavior have a good coefficient of determination. However, further research can include other variables as predictions of the finan-

cial satisfaction model as an effort to increase the financial literacy index, especially in Indonesia; financial literacy can be improved according to the OJK target set out in the SNLKI, which is important for each individual to do. Limitations of this study derives from the obstacle of data collection. Not everyone cares to participate because the topic of financial literacy sometimes touches personal aspect and the personal finance itself and this is one of the respondents' reluctance to disclose their financial management.

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