



## The Influence of Financial Literacy, Attitude toward Debt, Risk Perception, and Religiosity on Financial Satisfaction (Study on Bank Employees in East Java)

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### Abstract

Purpose: to contribute to further research on the conceptualization of financial satisfaction as a specific individual satisfaction domain based on subjective behavioral studies using a judgment approach. Financial Satisfaction is mostly studied based on standard economic theory which uses an objective approach in determining individual satisfaction with their financial conditions such as income, socio-demography, socio-capital, and socio-economy. This research examines several subjective variables in the form of judgment and examines the integrated relationship between these variables such as financial literacy, risk perception, attitudes toward debt, and religiosity.

Method: The sample for this research was 100 bank employees in East Java using a random sampling method. The analysis technique used is SEM PLS.

Result: The results show that financial literacy influences financial satisfaction among bank employees in East Java. Likewise, attitudes toward debt and religiosity also show an influence on financial satisfaction. Meanwhile, risk perception has no effect on financial satisfaction among bank employees in East Java.

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## INTRODUCTION

Financial satisfaction individual is defined as a person's satisfaction with their financial situation and continues to be a goal of family policy. Financial satisfaction can also be considered as a reflection of a person's well-being and happiness in life with the financial conditions they have (Owusu, 2023). Achieving financial prosperity for individuals is an important factor, not only for individuals, but also in aggregate, because it contributes to the efficiency and prosperity of the national economy (Normawati et al., 2022). Thus, studies on financial satisfaction have a great opportunity to continue to be studied to obtain concepts that can be used as a basis for efforts to create individual financial well-being which can ultimately create financial satisfaction for every individual in society.

The concept of financial satisfaction has begun to receive the attention of researchers to study the determinants of financial satisfaction, both in the form of determinants that influence directly and indirectly. One of the determinants that has been reviewed in depth is the income factor which is considered the main determinant that directly determines financial satisfaction (Frey & Stutzer, 2002) instead of (Owusu, 2023). Several other researchers studied it from other perspectives

directly, such as social capital factors, socio-demographic, and socioeconomic characteristics (Tharp et al., 2020).

Most of them are studied based on standard economic theory which uses an objective approach in determining individual satisfaction with their financial conditions such as income, socio-demography, socio-capital, and socio-economy. The assumption underlying the concept of financial satisfaction is the process of rational maximization of utility (Normawati et al., 2022). However, this theoretical approach ignores the fact that there are aspects other than the achievement of tangible goods and services and rational thinking that drive individual behavior in achieving financial satisfaction. This research tries to examine several subjective variables in the form of judgment and examines the integrated relationship between these variables such as financial literacy, risk perception, attitudes toward debt, and religiosity.

By paying attention to financial literacy, attitude toward debt, perceived risk, and religiosity as antecedents based on individual judgment, this research focuses on examining the role of these antecedents on a person's financial satisfaction. A conceptual framework is studied to understand the determinants of financial satisfaction based on the subjective perspective of the individual's judgment so that it is hoped that they can develop more effective strategies and educational programs to increase people's financial satisfaction. Based on this, 4 problems will be researched further, in a study of bank employees in East Java, namely:

1. How does financial literacy influence financial satisfaction?
2. How does Attitude toward debt influence financial satisfaction?
3. How does perceived risk affect financial satisfaction?
4. How does religiosity influence financial satisfaction?

The conceptualization of financial satisfaction is defined as satisfaction with one's current financial situation, which continues to be the goal of family policy (Owusu, 2023). Research that has been carried out includes: Sawitri (2018) have suggested that a framework for explaining and predicting personal financial satisfaction is needed in a broad context. consumer and family economics. While empirical research has been conducted to conceptualize and measure financial satisfaction, few attempts have been made to describe, provide, and test, in a multidimensional manner, a financial satisfaction framework. Researchers and educators argue that a conceptual framework of the determinants of financial satisfaction is needed because, with a better understanding of the factors that influence financial satisfaction, family science professionals and consumers can utilize more efficient ways to improve the quality of life for individuals and families.

Over the past 20 years, much academic work has been done to identify and define the concept of financial satisfaction. The consensus among researchers suggests that financial satisfaction is a sub-construct of general well-being (Sawitri, 2018). Thus, financial satisfaction involves being healthy, happy, and free from financial worries (Owusu, 2023). The theoretical concept put forward by (Chu et al., 2017) theorized the concept as follows: Financial satisfaction and well-being encompass factors relating to both material and non-material aspects of a person's financial situation, including objective and subjective constructs. In general, financial satisfaction includes satisfaction with material (objective) and non-material (subjective) financial situations (Beatrice et al., 2021). Several individual behaviors in achieving financial satisfaction are subjective and in the form of judgment, namely financial literacy, risk perception, attitudes toward debt, and religiosity. This research tests several of these behaviors on financial satisfaction.

Financial literacy can be defined as the combination of awareness, knowledge, skills, attitudes, and behaviors necessary to make sound financial decisions and ultimately achieve individual financial well-being (Murhadi et al., 2023). When individuals have accessed the right information, they can analyze it adequately before making decisions regarding specific financial needs (Goenadi et al., 2022). As individuals grow older, their financial problems grow because they have to set aside savings for retirement, while also preparing for other financial needs, such as paying loans, funding children's education, and several investment activities (Normawati et al., 2022).

There has been quite a lot of research on the antecedents of financial literacy (for example (Darwati et al., 2022) which examines its influence on the behavior of individual housewives in making financial decisions in the case of Japan, individual behavior towards risky asset investment decisions (Putri & Isbanah, 2020). There has not been much research linking financial literacy with financial satisfaction. Studies of antecedents of financial satisfaction such as financial literacy, risk perception, attitudes toward debt, and religiosity are still not widely studied. Some of the previous research focused on the influence of financial knowledge and financial satisfaction on financial behavior (Asfira et al., 2019; Wendy, 2021) research focuses more on cases in Malaysia but only uses financial literacy as a determinant of financial satisfaction with financial behavior as mediation. Based on this, the hypothesis proposed in this research is:

H1: Financial Literacy influence on Financial Satisfaction among Bank Employees in East Java

Financial attitude has an important role in determining the success or failure of a person's financial behavior. Financial attitude is defined as a psychological tendency, which is expressed by showing a favorable or unfavorable attitude. Financial attitude shows the level of intelligence in terms of agreeing or disagreeing which helps individuals in managing their finances (Kristanto HC, 2022). The higher a person's financial attitude, the higher their awareness of being responsible for the use of their finances, so that it has a positive impact on their financial behavior and financial satisfaction. The use of finance influences financial satisfaction, especially when someone tends to use debt to meet their financial needs.

Debt is an important issue in many countries, as debt levels increase over time and throughout the life cycle. Excessive debt and borrowing can be one of the main determinants of a financial crisis in a country, and attention is paid to this topic with the aim of not repeating the mistakes of the past. Moreover, debt is often associated with high-interest rates or fees, which can cause financial distress or financial difficulties if not managed well (Lusardi and Tufano, 2015) instead of (Murhadi et al., 2023) which will ultimately affect a person's financial satisfaction. Based on this, the hypothesis proposed in this research is:

H2: Attitudes Toward Debt influence on Financial Satisfaction among Bank Employees in East Java

Perceived risk means an individual's subjective beliefs about the potential negative consequences of decisions taken by consumers (Badriatin et al., 2022). Perceived risk is one of the determinants that determines a person's financial satisfaction. Studies on financial well-being show that gender, age, ethnicity, and parental income are all positively related to financial well-being or financial satisfaction (Balasubramnian & Sargent, 2020). In addition, research shows that other variables such as financial behavior (Arianti & Azzahra, 2020), and financial attitude (Brooks & Williams, 2021), can affect financial well-being or financial satisfaction. However, little is known about the influence of perceived risk on financial satisfaction, so this research will examine the relationship between perceived risk and financial satisfaction. Based on this, the hypothesis proposed in this research is:

H3: Risk Perception-influence on Financial Satisfaction among Bank Employees in East Java

Religiosity has the following meanings: First, in the sociology dictionary religiosity is religious in nature; religious. Second, religiosity is religious appreciation and the depth of belief that is expressed through daily worship, prayer, and reading holy books. Another determinant that is also important in determining an individual's financial satisfaction is religiosity because in religiosity there are life values held by an individual that can influence a person's financial satisfaction (Köse & Çınar, 2020). Several previous studies show that there is a relationship between religiosity and life satisfaction (Ngamaba & Soni, 2018; Vang et al., 2019). There are also studies on how religion influences economic behavior (Carvalho & Sacks, 2021) and life preferences and orientation (Marshall & Shepherd, 2018). This research seeks to explore the effect of religiosity on financial satisfaction. Antecedent religiosity in this study is thought to determine a person's financial satisfaction because the values taught in religion provide direction related to the financial aspects of the lives of adherents who adhere to the teachings of their religion. Religion promises

consequences and rewards in the form of both material and non-material to its adherents who adhere to the rules and values set out in the holy books of their respective religions. Based on this, the hypothesis proposed in this research is:

H4: Religion Influence on Financial Satisfaction among Bank Employees in East Java

## RESEARCH METHODS

The type of research in this study is explanatory research with the research objects being bank employees in East Java. East Java is the third-largest city with the largest number of bank customers after Jakarta and West Java (Annur, 2022). In this research, the sampling technique used was the random sampling technique. The sample size for this research was 100 bank employee respondents in East Java. The type of data used in this research is data from respondent survey results. Data was obtained by making a questionnaire. The data source used in this research is primary data obtained from respondents who filled out questionnaires distributed to them. The data collection method used in this research was a survey with a questionnaire instrument. In this research, there are 2 variables, namely the dependent variable (dependent variable) and the independent variable (independent variable). The dependent variable in this research is Financial Satisfaction (Y), namely satisfaction with one's current financial situation, which continues to be the goal of family policy (Owusu, 2023). Whereas there are 4 independent variables. First, financial literacy (X1), is a combination of awareness, knowledge, skills, attitudes, and behavior needed to make healthy financial decisions and ultimately achieve individual financial well-being (Murhadi et al., 2023). Second, financial attitude toward debt (X2), namely the psychological tendency towards debt decisions, which is expressed by showing a favorable or unfavorable attitude. Third, perceived risk (X3), namely individual subjective beliefs about the potential negative consequences of decisions taken by consumers (Balasubramnian & Sargent, 2020). Fourth, religiosity (X4), namely religious in nature; religious. Second, religiosity is religious appreciation and the depth of belief expressed through daily worship, prayer, and reading holy books. The data analysis method in this research uses Smart PLS (Partial Least Square) software. PLS is a structural equation model (SEM).

## RESULTS & DISCUSSION

Respondents The financial literacy variable has three statement items that are given to respondents to answer, the results of these answers can be seen in the Table 1. Based on the Table 1, the results obtained from the answers of 120 respondents for the financial literacy variable (X1), namely: In the first statement, "I Save a fixed amount of money every month." A total of 52 people said they strongly agreed, 63 people said they agreed, and 5 people disagreed. This shows that the majority of respondents stated that they routinely set aside their income every month for savings. In the second statement "I have financial reserves that can be used in unexpected cases (e.g., unemployment, illness)" as many as 49 respondents strongly agreed, 67 respondents agreed, and 4 respondents disagreed. This shows that some respondents agree that it is important to have financial reserves for unexpected and unpredictable needs. In the last statement, "I analyze my finances in depth before making any large purchases," 43 respondents said they strongly agreed, 56 respondents said they agreed, 9 respondents said they disagreed, and 12 respondents said they disagreed. This shows that some respondents agree, so they carry out detailed financial planning before making a purchase and some respondents do not/have not carried out financial planning before purchasing.

**Table 1.**  
**Frequency Distribution of Financial Literacy Variables**

Financial Literacy Variable Statement (X1)	Score					Amount	Outer Loading	Mean
	STS	TS	K.S	S	SS			
X1.1	-	-	5	63	52	120	0.967	0.967
X1.2	-	-	4	67	49	120	0.970	0.970
XI.3	-	12	9	56	43	120	0.936	0.936

Source: Processed Primary Data, 2021

The attitudes toward debt variable have four statement items that are given to respondents to answer, the results of these answers can be seen in the following Table 2.

**Table 2.**  
**Frequency Distribution of the Attitudes Toward Debt Variable**

Attitudes Toward Debt (X2) Variable Statement	Score					Amount	Outer Loading	Mean
	STS	TS	K.S	S	SS			
X2.1	8	3	17	75	17	120	0.940	0.940
X2.2	24	35	42	17	2	120	0.953	0.953
X2.3	6	7	22	52	33	120	0.952	0.952
X2.4	9	23	42	40	6	120	0.958	0.958

Source: Processed Primary Data, 2021

Based on the table, the results obtained from the answers of 120 respondents for the attitudes toward debt variable (X2), namely: In the first statement "For me it doesn't matter if people are in debt because of their impulse to have the things they want" as many as 17 respondents said they strongly agreed, 75 respondents agreed, 17 respondents disagreed, 3 respondents disagreed, and 8 respondents strongly disagreed. This shows that some respondents agree and think that debt is a normal thing to fulfill their desires. In the second statement "It is better to have something now and pay for it later" 2 respondents said they agreed, 17 respondents said they agreed, 42 respondents said they disagreed, 35 respondents said they disagreed, and 24 respondents said they strongly disagreed. This shows that some respondents do not agree with the idea of owning goods and paying for them later. In the third statement "For me there is no problem in getting into debt if I know that I can pay it off" as many as 33 respondents said they strongly agree, 52 respondents said they agree, 22 respondents said they disagree, 7 respondents said they disagree, and 6 respondents said they strongly disagree. This shows that some respondents agree that they are in debt as long as they can pay it off at a later date. In the fourth statement "I prefer to pay debts in installments even though the total payment is more expensive" 6 respondents said they strongly agree, 40 respondents said they agree, 42 respondents said they disagree, 23 respondents said they disagree, and 9 respondents said they strongly don't agree. This shows that some respondents do not agree with paying off debts in installments because the interest given is more expensive.

The risk perception variable has three statement items that are given to respondents to answer, the results of these answers can be seen in Table 3. Based on the table, the results of the answers from 120 respondents for the risk perception variable (X3) are obtained, namely: In the first statement "I usually spend money spontaneously, I think about the consequences later" as many as 3 respondents stated that they strongly agreed, 17 respondents agreed, 29 respondents disagreed, 51 respondents disagreed, and 20 respondents strongly disagreed. This shows that some respondents do not agree with spending without prior calculations because financial problems will arise in the future. In the second statement "I can lend most of my income to friends or relatives." 1 respondent said they agreed, 9 respondents said they agreed, 30 respondents said they disagreed, 45 respondents said they disagreed, and 35 respondents said they strongly disagreed. This shows that some respondents do not agree with lending most of their income to other people, because the risk of not getting the money back is very large. In the third statement, "I am willing to be a debt guarantor for someone." As many as 7 respondents said they agreed, 15 respondents said they disagreed, 43 respondents said they disagreed, and 55 respondents said they strongly disagreed. This shows that some respondents strongly disagree if they become debt guarantors for other people because of the big responsibility.

**Table 3.**  
**Frequency Distribution of Risk Perception Variables**

Risk Perception Variable Statement (X3)	Score					Amount	Outer Loading	Mean
	STS	TS	K.S	S	SS			
X3.1	20	51	29	17	3	120	0.958	0.958
X3.2	35	45	30	9	1	120	0.959	0.959
X3.3	55	43	15	7		120	0.944	0.944

Source: Processed Primary Data, 2021

The religiosity variable has five statement items that are given to respondents to answer. The results of these answers can be seen in Table 4.

**Table 4.**  
**Frequency Distribution of the Religiosity Variable**

Religiosity Variable Statement (X4)	Score					Amount	Outer Loading	Mean
	STS	TS	K.S	S	SS			
X4.1		1	9	75	35	120	0.928	0.928
X4.2			21	69	30	120	0.964	0.964
X4.3		6	15	74	25	120	0.960	0.960
X4.4		5	25	67	23	120	0.927	0.927
X4.5			17	67	36	120	0.953	0.953

Source: Processed Primary Data, 2021

Based on the table, the results obtained from the answers of 120 respondents for the religiosity variable (X4), namely: In the first statement, "I pray regularly (for those who are Muslim, pray)" as many as 35 respondents stated that they strongly agreed, 75 respondents agreed, 9 respondents disagreed, and 1 respondent disagreed. This shows that some respondents agree that worship must be carried out regularly and is legally obligatory. In the second statement "I usually pray in the mosque (for Muslims and in other places of worship according to their respective religions)" as many as 30 respondents agreed, 69 respondents agreed, and 21 respondents disagreed. This shows that some respondents agree that it is better to carry out worship in places of worship because they get greater rewards. In the third statement, "I always give charity according to the specified criteria." 25 people said they strongly agreed, 74 respondents said they agreed, 15 respondents said they disagreed, and 6 respondents said they disagreed. This shows that some respondents agree that giving alms must comply with the rules in the holy book and the exact amount. In the third statement, "I read holy books based on my religion regularly." 23 people said they strongly agreed, 67 respondents said they agreed, 25 respondents said they disagreed, and 5 respondents said they disagreed. This shows that some respondents agree that reading the holy book is a form of practicing God. In the third statement "Following the commands of my religion in carrying out all matters of life." 36 people said they strongly agreed, 67 respondents said they agreed, and 17 respondents said they disagreed. This shows that some respondents agree with the inclusion of religious commands in every activity as a guide and not to take wrong steps in life.

The financial satisfaction variable has six statement items that are given to respondents to answer, the results of these answers can be seen in Table 5.

**Table 5.**  
**Frequency Distribution of Financial Satisfaction Variables**

Financial Satisfaction Variable Statement (Y1)	Score					Amount	Outer Loading	Mean
	STS	TS	K.S	S	SS			
Y1.1			11	66	43	120	0.951	0.951
Y1.2			8	60	52	120	0.925	0.925
Y1.3		4	25	49	42	120	0.967	0.967
Y1.4			17	63	40	120	0.951	0.951
Y1.5		3	24	45	48	120	0.959	0.959

Source: Processed Primary Data, 2021

Based on the table, the results obtained from the answers of 120 respondents for the financial satisfaction variable (Y), namely: In the first statement, "I feel satisfied with the amount of income I receive every month" 43 respondents stated that they strongly agreed, 66 respondents agreed, and 11 respondents disagreed. This shows that some respondents agree with satisfaction with the income they receive every month. In the second statement "Overall, I am satisfied with my current financial condition" 52 respondents said they agreed, 60 respondents said they agreed, and 8 respondents said they disagreed. This shows that some respondents agree with their current financial condition. In the third statement, "I feel satisfied because the amount of savings I have

can meet my needs." 42 people said they strongly agreed, 49 respondents said they agreed, 25 respondents said they disagreed, and 4 respondents said they disagreed. This shows that some respondents agree that they are satisfied with the amount of savings they have to meet their needs. In the third statement, "I feel satisfied because I can buy the things I want." As many as 40 people said they strongly agreed, 63 respondents said they agreed, and 17 respondents said they disagreed. This shows that some respondents agree that if they can buy the goods they want, it will create satisfaction. In the third statement, "I believe my income is sufficient to cover all my expenses." As many as 48 people said they strongly agreed, 45 respondents said they agreed, 24 respondents said they disagreed, and 3 respondents said they disagreed. This shows that some respondents strongly agree that their income can meet all their needs every month. In the third statement, "I feel satisfied because I have valuable assets." 30 people said they strongly agreed, 39 respondents said they agreed, 31 respondents said they disagreed, and 20 respondents said they disagreed. This shows that some respondents agree that having valuable assets can increase satisfaction.

Hypothesis testing analysis is used to determine the significance and influence between each dependent and independent variable. Hypothesis testing in this research uses a PLS test approach using smart PLS software by looking at the T-Statistics values and P-Values values. The research hypothesis can be declared accepted if the P-Values value is  $<0.05$  and the T-Statistics value is  $>1.96$ . The following are the results of hypothesis testing obtained in this research through the inner model:

**Table 6.**  
**Hypothesis Test Analysis**

Hypothesis	Influence	T Statistics	P Values	Results
H1	Financial Literacy – Financial Satisfaction	15,516	0.000	Accepted
H2	Attitudes toward debt – Financial Satisfaction	3,751	0.000	Accepted
H3	Risk Perception – Financial Satisfaction	0.374	0.708	Rejected
H4	Religiosity – Financial Satisfaction	4,087	0.000	Accepted

Source: Processed Primary Data, 2021

Financial literacy has statistics of 15,516 and P-Values of 0.000. So, the T-statistics value (15,516)  $>1.96$  and the P-Values value is  $0.000 < 0.05$ . These results show that  $H_0$  is rejected and  $H_1$  is accepted, which means that financial literacy has a positive and significant effect on financial satisfaction.  $H_1$  is supported or accepted. Attitudes Toward Debt on T-statistics as big as 3,751 and P-Values of 0.000. So, the T-statistics value (3,751)  $>1.96$  and the P-Values value is  $0.000 < 0.05$ . These results show that  $H_0$  is rejected and  $H_1$  is accepted, which means partial attitudes Toward Debt positive and significant effect on financial satisfaction.  $H_2$  is supported or accepted.

Risk Perception own T-statistics as big as 0.374 and P-Values of 0.708. So, the T-statistics value (0.374)  $<1.96$  and the P-Values value is  $0.708 > 0.05$ . These results show that  $H_0$  is accepted and  $H_1$  is rejected, which means that risk perception partially has a negative and insignificant effect on financial satisfaction.  $H_3$  is not supported or rejected. Religiosity has T-statistics as big as 4,087 and P-Values of 0.000. So, the T-statistics value (4,087)  $>1.96$  and the P-Values value is  $0.000 < 0.05$ . These results show that  $H_0$  is rejected and  $H_1$  is accepted, which means that religiosity partially has a positive and significant effect on financial satisfaction.  $H_4$  is supported or accepted.

Composite reliability is the part used to test the reliability value of indicators on a variable. A variable is declared to meet composite reliability if it has a composite reliability value  $>0.6$ . The following are the composite reliability values for each variable in this study:

**Table 7.**  
**Composite Reliability**

Variable	Composite Reliability
Financial Literacy(X1)	0.971
Attitudes Toward Debt(X2)	0.974
Risk Perception(X3)	0.968
Religiosity(X4)	0.977
Financial Satisfaction(Y)	0.981

Source: Processed Primary Data, 2021

Based on the results of data processing in Table 7, the composite reliability value for all variables is  $> 0.6$ . Thus, it can be seen that each variable has met composite reliability so it can be concluded that all variables have a high level of reliability. Reliability tests with composite reliability can be strengthened by using Cronbach's alpha values. A variable can be declared reliable if it has a Cronbach's alpha value  $> 0.7$ . The following is the Cronbach alpha value of each variable.

**Table 8.**  
**Cronbach's Alpha**

Variable	Cronbach's Alpha
Financial Literacy(X1)	0.955
Attitudes Toward Debt(X2)	0.964
Risk Perception(X3)	0.950
Religiosity(X4)	0.971
Financial Satisfaction(Y)	0.977

Source: Processed Primary Data, 2021

Based on the results of data processing in Table 8, the Cronbach's alpha value for each variable is  $> 0.7$ . Thus, these results can show that each research variable has met Cronbach's alpha value requirements, so it can be concluded that all variables have a high level of reliability. To test convergent validity, the outer loading or loading factor value is used. The outer loading or loading factor is the value of each indicator to measure the contract variable. This means that each indicator has the power to measure the contract variable. The indicator is declared to meet convergent validity in the good category if the outer loading value is  $> 0.7$ . The outer loading value is used to test the level of validity of the indicator against the contract variable for subsequent analysis.

The following are the outer loading values for each indicator for each variable in this study:

**Table 9.**  
**Convergent Validity**

Variable	Indicator	Outer Loading	Evaluation
Financial Literacy(X1)	X1.1	0.967	Valid
	X1.2	0.970	Valid
	X1.3	0.936	Valid
Attitudes Toward Debt(X2)	X2.1	0.940	Valid
	X2.2	0.953	Valid
	X2.3	0.952	Valid
Risk Perception(X3)	X2.4	0.958	Valid
	X3.1	0.958	Valid
	X3.2	0.959	Valid
Religion(X4)	X3.3	0.944	Valid
	X4.1	0.928	Valid
	X4.2	0.964	Valid
	X4.3	0.960	Valid
	X4.4	0.927	Valid
Financial Satisfaction (Y)	X4.5	0.953	Valid
	Y1.1	0.951	Valid
	Y1.2	0.925	Valid
	Y1.3	0.967	Valid
	Y1.4	0.951	Valid
	Y1.5	0.959	Valid
	Y1.6	0.930	Valid

Source: Processed Primary Data, 2021

Based on the results of data processing in Table 9, it is known that each research indicator has an outer loading value  $> 0.7$  and is considered sufficient to meet the convergent validity requirements so that all indicators are declared suitable or valid for use and can be continued for



subsequent analysis. The financial literacy variable has three indicators which show a value  $> 0.9$ , meaning that all indicators are valid and can be used for subsequent data processing. The greatest financial literacy indicator is the X1.2 indicator of 0.970, namely "I have financial reserves that can be used in unexpected cases (e.g., unemployment, illness)". This shows that the level of knowledge about financial reserves is very high in determining financial literacy measurements. However, other indicators also have the same influence on financial literacy because the difference in values is very small. The attitudes towards debt variable have four indicators which show a value  $> 0.9$ , meaning that all indicators are valid and can be used for subsequent data processing. The largest attitude towards debt indicator is the X2.4 indicator of 0.958, namely "I prefer to pay debt payments in installments even though the total payment is more expensive". This shows that the level of respondent behavior in paying debts in installments is very high in determining the measurement of attitudes toward debt. However, other indicators also have the same influence on attitudes towards debt because the difference in value is very small.

The risk perception variable has three indicators that show a value  $> 0.9$ , meaning that all indicators are valid and can be used for subsequent data processing. The highest risk perception indicator is the X3.2 indicator of 0.959, namely "I can lend most of my income to friends or relatives". This shows that the level of respondent behavior in lending part of their income to friends or relatives is very high in determining risk perception measurements. However, other indicators also have the same influence on risk perception because the difference in value is very small. The religiosity variable has five indicators which show a value  $> 0.9$ , meaning that all indicators are valid and can be used for subsequent data processing. The greatest indicator of religiosity is the X4.2 indicator of 0.964, namely "I usually pray in the mosque (for Muslims and in other places of worship according to their respective religions)". This shows that respondents who worship at places of worship are very high in determining religiosity measurements. However, other indicators also have the same influence on religiosity because the difference in values is very small. The financial satisfaction variable has six indicators which show a value  $> 0.9$ , meaning that all indicators are valid and can be used for subsequent data processing. The greatest indicator of financial satisfaction is indicator Y1.3 of 0.967, namely "I feel satisfied because the amount of savings I have can meet my needs". This shows that respondents' satisfaction with the amount of savings is very high in determining financial satisfaction measurements. However, other indicators also have the same influence on financial satisfaction because the difference in values is very small.

Discriminant validity is carried out to ensure that each latent concept is different from other variables. To test discriminant validity, the average variance extracted (AVE) value is used.

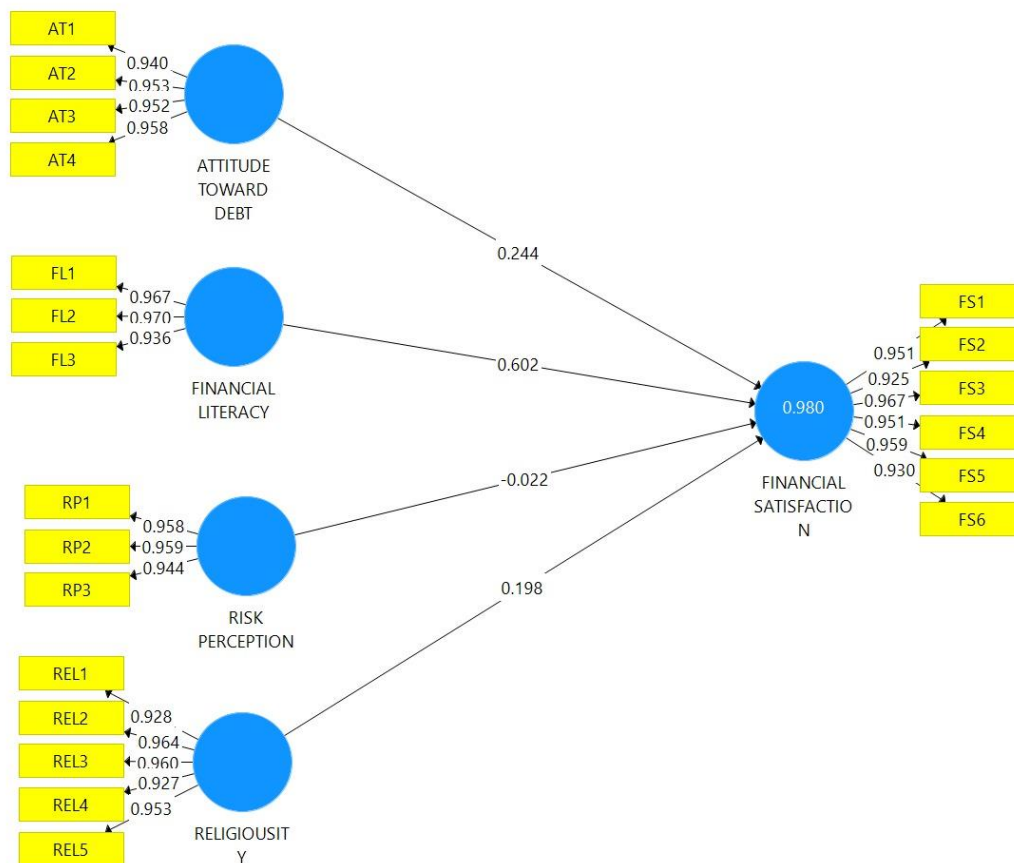
**Table 10.**  
**Average Variance Extracted (AVE)**

Variable	Average Variance Extracted(AVE)
Financial Literacy(X1)	0.917
Attitudes Toward Debt(X2)	0.904
Risk Perception(X3)	0.910
Religiosity(X4)	0.896
Financial Satisfaction(Y)	0.898

Source: Processed Primary Data, 2021

Based on the results of data processing in Table 10, it is known that the AVE value for each of the financial literacy, attitudes toward debt, risk perception, and religiosity variables is  $> 0.5$ . Thus, it can be stated that each variable has better discriminant validity.

The inner model test or structural model analysis aims to ensure that the structural model being built is robust and accurate. The inner model test aims to see the relationship between latent variables that have been previously hypothesized. This inner model test or structural test is seen from 2 types of values in the SmartPLS data processing carried out previously, namely by looking at the Adjusted R Square value and the Goodness of Fit (GoF) value.



**Figure 1. Inner Model**

Based From the results of research data processing, it can be concluded that three dependent variables, namely financial literacy, attitudes towards debts, and religiosity, are significant to financial satisfaction. Meanwhile, the risk perception variable is not significant in financial satisfaction.

Based on Figure 1, it can be explained that the influence of financial literacy on financial satisfaction is 0.602. then the influence of attitudes towards debts on financial satisfaction is 0.244. The influence of risk perception on financial satisfaction is -0.022. and the influence of religiosity on financial satisfaction is 0.198. Path coefficient evaluation is used to show how strong the effect or influence of the independent variable (X) is on the dependent variable (Y), meaning that the greater the path coefficient value on financial literacy, attitudes towards debt, risk perception, and religiosity variables on the financial satisfaction variable, the stronger it is. influence between dependent variables. Based on Figure 1, the inner model scheme shown can be explained as follows: Financial literacy(X1) has a significant effect on financial satisfaction (Y). This means that the better financial literacy, the greater a person's financial satisfaction. Attitudes toward debt(X2) have a significant effect on financial satisfaction (Y). This means that the better the attitudes toward debt, the greater a person's financial satisfaction. Risk perception(X3) does not have a significant effect on financial satisfaction (Y). This means that risk perception does not have a significant influence on a person's financial satisfaction and risk perception does not pose a risk to a person's financial satisfaction. Religiosity(X4) on financial satisfaction (Y). This means that the better religiosity, the greater a person's financial satisfaction.

**Table 11.**  
**Model Feasibility Test (Goodness of Fit)**

Variable	R Square
Financial Satisfaction(Y)	0.980

Source: Processed Primary Data, 2021

This model can be used to study how much influence financial literacy, attitudes towards debt, risk perception and religiosity have on financial satisfaction. Based on the data presented in Table 11, it can be seen that the financial satisfaction variable is influenced by 98% by financial literacy, attitudes toward debt, risk perception, and religiosity. The discussion of the results of this research looks at the influence of financial literacy, attitudes toward debt, risk perception, and religiosity on financial satisfaction. The results of this research are that three of the four variables tested influence financial satisfaction, namely the variables financial literacy, attitudes toward debt, and religiosity. Meanwhile, the risk perception variable does not affect financial satisfaction. Based on the results of the hypothesis test that has been carried out, the financial literacy variable has a significant influence on financial satisfaction among bank employees in East Java. This result is in line with the life cycle saving theory which states that consumers who have financial knowledge determine their financial satisfaction in the future (Kristanto, 2022). According to Owusu (2023) Financial satisfaction or financial satisfaction can be measured by several indicators, namely income received, ability to meet basic needs, ability to overcome financial problems, amount of savings, and availability of money to meet future needs.

Based on a conceptual framework, financial education contributes to financial literacy and behavior. The role of financial knowledge will contribute to consumers' financial capabilities (Xiao and O'Neill, 2016). Xiao et al. (2014) opinion suggested that financial literacy has a positive effect on fiscal capability, resulting in financial satisfaction. Based on the results of hypothesis testing that has been carried out, the attitudes toward debt variables have an influence on financial satisfaction among bank employees in East Java. Results of research conducted by (Kristanto, 2022) show that financial knowledge influences financial satisfaction. That is, if someone has financial knowledge, they will use credit and debt effectively, choosing financial products with lower costs and better credit quality to meet individual needs and desires. The use of credit is useful for studying financial choices more broadly; they involve complex financial choices between current and future wealth and utility (Nuryasman, 2020). Based on the results of the hypothesis test that has been carried out, the risk perception variable has no influence on financial satisfaction among bank employees in East Java. According to (Badriatin et al., 2022), Risk perception impacts the decision-making process for allocating risky assets which will make them more vulnerable to poverty in old age (Ahmed et al., 2022). The activity of allocating risky assets is in line with the indicators in this research where respondents usually spend money spontaneously, lend most of their income to friends or relatives, and are willing to be guarantors for other people's debts. Based on the results of hypothesis testing that has been carried out, the religiosity variable has an influence on financial satisfaction among bank employees in East Java. (Kristanto, 2022) found a positive relationship between religiosity and savings among Dutch people who taught that religious teachings encouraged savings. Apart from that, several places of worship have begun to provide financial education to increase financial literacy. Thus religiosity correlates with increased access to financial education (Muat & Henry, 2023).

## CONCLUSION

Some individuals stated that they were satisfied with their financial condition, but others stated that they were only moderately satisfied with their finances. The satisfaction obtained by individuals shows that their satisfaction with their financial condition both in terms of income, assets owned, savings, and ability to buy something they want still varies greatly with the proportion of individuals who are less satisfied with their financial condition is quite large, even though the number of individuals who those who feel satisfied with their financial condition also show a greater proportion than those who feel less satisfied. The level of individual religiosity is still quite varied even though the proportion of individuals who have a greater level of religiosity

compared to the proportion of individuals who have a lower level of religiosity. Most individuals have a low level of risk tolerance, which is shown by their attitude of not daring to lend part of their income or wealth to their relatives as well as their reluctance to provide part of their wealth as collateral for their relatives' business debts. Other findings show that individuals feel that debt is normal for them if they can pay it, but if the debt is judged to pose a high risk to their ability to pay the debt, they tend not to go into debt. Individual financial literacy abilities are quite high as shown by their attitude towards making financial plans for their future. Most individuals stated that saving and preparing adequate financial conditions for the future and unexpected conditions is a very important thing to do.

The results of this research also show that financial literacy, risk perception, religiosity, and attitude toward debt are determinants of a person's level of satisfaction with their financial condition. The findings of this research show that higher levels of financial literacy, religiosity, and attitude toward risk can increase a person's satisfaction with their financial condition. Contradictory results are shown from the influence of individual perceptions of risk that hurt a person's level of financial satisfaction. From the research results obtained, several recommendations are given, namely Remembering that the level of literacy, religiosity, and attitude toward debt are determining factors in a person's financial satisfaction, education is needed as early as possible regarding the quality of financial literacy, principles towards debt, and individual religiosity to form a civil society that has strong and intelligent principles in managing finances. they. Research on financial behavior requires the development of studies on the integrative relationship between the level of religiosity, financial literacy, and attitudes toward debt so that a sharper connection will be obtained regarding the relationship between variables that determine a person's level of satisfaction with their financial condition.

#### **AUTHOR CONTRIBUTION**

**Risna Wijayanti:** Conceptualization, Data curation, Methodology, Writing–original draft, **Sindy Eka Yulianti Cahyaningtyas:** Conceptualization, Data collection and analysis, Writing, Review, Editing, **Niken Wahyu Ismayanti:** Review and Editing.

#### **DECLARATION OF INTEREST**

The authors affirm that they have no known financial or interpersonal conflicts that would have appeared to impact the research presented in this study.

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