The Influence of Income, Education, and Number of Family Members on Household Consumption Expenditures in Bandar Sari Village, Way Tuba District, Way Kanan Regency

Tri Marsela[1], Endang Mulyani[2]

[1,2]Fakultas Ekonomi dan Bisnis, Universitas Negeri Yogyakarta, Yogyakarta, Indonesia

ABSTRACT: The Influence of Income, Education, and Number of Family Members on Household Consumption Expenditures in Bandar Sari Village, Way Tuba District, Way Kanan Regency. Thesis. Yogyakarta: Faculty of Economics and Business, Yogyakarta State University 2024. This research aims to determine the effect of income, education and number of family members on household consumption expenditure in Bandar Sari Village, Way Tuba District, and Way Kanan Regency. This research is quantitative descriptive. The subjects in this research were households in Bandar Sari Village. This research population applies to all households in Bandar Sari Village. The number of samples in this study was 100 households. The sampling technique uses simple random sampling technique. Data collection techniques used questionnaires and interviews. The data analysis technique used is multiple regression analysis. The results of this research are as follows: (1) income has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of 0.182 and a significance value of $0.001 < 0.05$; (2) education has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of .117 and a significance value of $0.01 < 0.05$; (3) the number of family members has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of .414 and a significance value of $0.001 < 0.05$. (4) together income, education and number of family members influence household consumption expenditure in Bandar Sari Village with a probability value of $0.001 < 0.05$ and the coefficient of determination (R^2) value of 0.612 is obtained, this value shows that 61.2% Consumption levels are influenced by income, education and number of family members, while the remaining 38.2% is influenced by other independent variables that were not studied.

KEYWORDS: Income, Education, Number of Family Members, Consumption Expenditures.

I. INTRODUCTION

In a country's economic activities, consumption plays an important role in it and has a huge influence on the stability of a country's economy. Consumption is one of the determining factors for Indonesia's economic growth and is also an indicator of the welfare of the Indonesian population. Because household consumption provides income to national income (Rafiq, 2016). Specifically for household consumption expenditure, there is the most determining factor, namely the level of household income. The higher the income of a household or society, the higher the level of consumption (Masagus, 2007).

Consumption expenditure is the main component of Gross Domestic Product contributed by the household consumption sector. In fact, when compared with other sectors, household consumption expenditure has the largest contribution. The level of public consumption has a significant influence on economic stability. The Central Statistics Agency (BPS) noted that spending on household consumption will grow by 4.93% in 2022. This growth is 2.91% higher than in the previous year which was 2.02%, an increase after the Covid-19 pandemic. This identifies the increase in people's income levels. This increase will strengthen people's purchasing power and encourage high public consumption by increasing the variety of choices of goods or services offered, both local and foreign products.

According to Friedman and Modigliani, everyone will gain higher satisfaction if they can maintain stable consumption expenditure than if they have to experience increases and decreases in their consumption. But Modigliani went on to state that people will try to stabilize their consumption levels throughout their lives and also attach importance to the role of wealth or assets as a determinant of consumption behavior.

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The form of consumption needs in households is not only in the form of food but also non-food. Household needs for consumption show developments that occur because of changes in lifestyle and household consumption behavior. According to (Dumairy, 1996) household consumption expenditure can be grouped into food consumption and non-food consumption. Food consumption is public expenditure used to meet food needs, consisting of grains, tubers, vegetables, side dishes, fruit, ready-made food and drinks, tobacco and betel. Meanwhile, non-food consumption is spending to meet needs other than food. The non-food expenditure allocation consists of housing and fuel, various goods and services, education costs, health costs, clothing, footwear, durable goods, taxes and insurance premiums, and party needs.

According to Pratama Rahardja and Mandala Manurung in their book, Macroeconomic Theory, one of the factors that can be used as a benchmark for consumption levels is: (a) Economic factors which include household income, household wealth, number of durable consumer goods, interest rates, estimates about the future, and government policies in reducing inequality in income distribution, (b) Demographic factors which include the number of family members, population composition, education level and area of residence, (c) Non-economic factors include socio-cultural factors. The characteristics of one region will be different from other regions. Households in Bandar Sari Village of course also have different characteristics. In this case, researchers will analyze how big the influence is on consumption expenditure, according to (T. Gilarso in Fathia, 2015 p. 3), including: income, education, and number of family members.

The welfare of Bandar Sari Village households will increase if consumption expenditure is met. There are many things that can improve household welfare in Bandar Sari Village, Way Tuba District, Way Kanan Regency. The thing that can fulfill the welfare of household consumption expenditure is by paying attention to the income earned as we know that if a person's income is high, it will also be followed by high consumption, but in reality, the income earned by the household tends not to be too large but the consumption required can be far from the income earned. Awareness of the importance of education, where education is very important to see the quality of human resources. For households that have education, it will certainly improve the way they work and how they earn a better income. Fulfilling the number of family members who are covered will influence the amount of household consumption and consumption expenditure in the household. This is because the number of household members means the economic burden that will be borne will increase. Thus, it is necessary to pay close attention to household consumption expenditure, especially regarding the level of income, which is still low, the level of education can be said to be still quite low, on average they are households with the last level of education completed, namely elementary school, and the average number of family members is 4 -5 people with many family members covered.

II. METODOLOGI

This type of research is descriptive research using a quantitative approach and then analyzed using multiple linear regression. Researchers in this study used the sampling technique used in this study using a simple random sampling technique. The location of this research was carried out in Bandar Sari Village, Way Tuba District, and Way Kanan Regency. The sample used in this research was 100 respondents. The respondents were households in Bandar Sari Village, Way Tuba District, and Way Kanan Regency.

III. RESEARCH AND RESULT

Variable	B	T Count	Sig.	Information	R^2	F
(Constant)	,830	3,142	0,02	Significant		
Income	0,182	3,964	0,01	Significant		
Education	,117	5,886	0,01	Significant	0,612	50,528
Number of Family Members	,414	5,112	0,01	Significant		

a) The Effect of Income on Household Consumption Expenditures

Based on the regression equation formed from the results of the regression analysis, the regression coefficient for the Income variable is 0.182 with a significance level of 0.001 < 0.05, which means that if income increases by 1%, household consumption expenditure will also increase by 18.2%. The income variable has a partial effect on consumption expenditure showing significant positive correlation results. This indicates that the level of income can influence consumption expenditure made by households.

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This happens because the household income in Bandar Sari Village in each household is different, usually households with high income consume excessively, and households with low income consume moderately.

b) The Effect of Education on Household Consumption Expenditures

Based on the results of research using multiple regression analysis, namely the results of data analysis that has been carried out, the education variable does not have a significant effect on consumption expenditure. This is shown in the significant value of this variable which is .117 with a significance level of 0.01 > 0.05, which means that the coefficient of the education level variable has a significant effect on consumption expenditure. So based on the research results, the education variable has a partial effect on consumption expenditure.

c) The Effect of Number of Family Members on Household Consumption Expenditures

Based on the results of multiple regression analysis, the coefficient for the variable number of family members is .414 with a significance level of 0.001 < 0.05, meaning that if the number of family members increases by 1, household consumption expenditure will also increase by 41.4%. So based on the research results, the variable number of family members has a partial effect on consumption expenditure showing significant positive correlation results. This indicates that the number of family members is related to the size of the economic needs. A large family will also have large dependents so that their consumption will be greater. Apart from that, the more members there are, the more a child has to share the attention he gets from his parents with his siblings. So, parents can't just think about one child. On the other hand, families with a smaller number of members will have lighter responsibilities so it will be easier to meet the living needs of their family members.

d) The Influence of Income, Education, and Number of Family Members on Household Consumption Expenditures

Based on the results of multiple regression analysis, the ANOVA test produces an Fcount value of 50.528 with a significance value obtained from the results of linear regression analysis being 0.01, this value is smaller than 0.05 so that Ho is rejected and it can be concluded that simultaneously (together) , income, education and number of family members have a significant effect on household consumption expenditure. The contribution of money made by these three variables to consumption expenditure is 61.2%, while the remaining 38.2% is explained by other causes outside these three variables.

IV. DISCUSSION

The F significance test basically shows whether all the independent variables intended in the model have a joint influence on the dependent variable. The F test is used to test whether the two independent variables and one moderating variable simultaneously influence the dependent variable. In this research, the method used is to compare the F-count and Ftable values.

If F-count < F-table, then the independent variable simultaneously has no effect on the dependent variable (hypothesis is rejected).

If F-count > F-table, then the independent variable simultaneously influences the dependent variable (hypothesis is accepted).

Based on the table above, the F-count has a value of 50.528 which is greater than the F-table, namely 1.66071 and a significance value of 0.001 ($p < 0.05$). Thus, it can be said that income, education and number of family members simultaneously influence consumption expenditure.

From the results of the R^2 test, the adjusted R^2 value is 0.612 or 61.2%, this shows that this value shows that 61.2% of consumption expenditure is influenced by income, education, and number of family members while the remaining 38.2% is influenced by other variables. which was not researched.

V. CONCLUSIONS

The data analysis technique used is multiple regression analysis. The results of this research are as follows: (1) income has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of 0.182 and a significance value of 0.001 < 0.05; (2) education has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of .117 and a significance value of 0.01 < 0.05; (3) the number of family members has a positive and significant effect on household consumption expenditure in Bandar Sari Village with a coefficient value of .414 and a significance value of 0.001 < 0.05. (4) together income, education and number of family members influence household consumption expenditure in Bandar Sari Village with a probability value of 0.001 < 0.05 and the coefficient of determination (R^2) value of 0.612 is obtained, this value shows that 61.2% Consumption levels are influenced by income, education and number of family members, while the remaining 38.2% is influenced by other independent variables that were not studied.

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