

UNLOCKING FINANCIAL PROSPERITY: THE POWER OF STRATEGIC SAVING HABITS

Wayan Suryathi¹, Andes Goutama², Lioni Indrayani³

¹Politeknik Negeri Bali

²Inspektorat Utama BRIN

³Universitas Pamulang

wsuryathi2018@gmail.com , andesgoutama2020@gmail.com , dosen02626@unpam.ac.id

ABSTRACT

This research investigates the intricate interplay between strategic saving habits, income level, financial planning, and financial prosperity among customers at KEB Hana Bank Bali. Utilizing a quantitative approach with 80 randomly sampled bank customers, the study employs path analysis and Smart PLS to analyze the direct and indirect effects of these variables. The findings reveal a significant positive association between strategic saving habits and financial prosperity, mediated by financial planning, highlighting the importance of disciplined saving behaviors and professional financial guidance in achieving financial well-being. While income level directly influences financial prosperity, its impact is not significantly mediated by financial planning in this context. These insights underscore the importance of promoting strategic saving habits and facilitating access to comprehensive financial planning resources across diverse income levels to empower individuals in achieving their financial goals and fostering long-term prosperity.

Keywords : Financial Prosperity, Strategic Saving Habits, Income Level, Financial Planning

INTRODUCTION

Unlocking financial prosperity is a goal shared by many individuals striving for economic stability and growth. This research delves into the significant impact that strategic saving habits can have on achieving this goal [1]. By examining the relationship between disciplined saving behaviors and financial well-being, the study aims to highlight how intentional financial planning can serve as a crucial mediator [2]. Additionally, the analysis considers the influence of income level on the ability to save strategically and its subsequent effect on financial prosperity [3]. Understanding these dynamics can provide valuable insights for individuals seeking to enhance their financial health and for policymakers aiming to foster economic resilience within communities [4].

Financial prosperity refers to a state of economic well-being where individuals or households have sufficient financial resources to meet their needs, pursue their goals, and withstand economic fluctuations [5]. It encompasses more than just having a high income; it involves effective management of finances, strategic saving, wise investments, and careful planning for future expenses [6]. Financial prosperity allows for financial security, reduced stress, and the freedom to make choices that improve one's quality of life, such as investing in education, purchasing property, or starting a business [7]. Achieving financial prosperity often requires a combination of good financial habits, access to financial education, and

sometimes structural factors like stable employment and supportive economic policies [8]. It is a holistic measure of financial health that reflects both current financial stability and future financial potential [9].

Strategic saving habits involve deliberate and systematic approaches to setting aside money with specific financial goals and long-term security in mind [10]. These habits go beyond merely saving a portion of income; they encompass practices such as budgeting, prioritizing expenses, setting short-term and long-term savings goals, and regularly reviewing and adjusting savings plans [11]. Effective strategic saving includes automating savings transfers, leveraging high-interest savings accounts, and diversifying savings through various financial instruments like retirement accounts and investment portfolios [12]. Additionally, strategic savers often create emergency funds to cover unexpected expenses, reducing the need to dip into long-term savings [13]. By adopting these disciplined and informed practices, individuals can build a robust financial foundation, achieve their financial objectives, and enhance their overall economic resilience [14].

Income level refers to the amount of money an individual or household earns from various sources, including wages, salaries, investments, business profits, and other financial gains [15]. It is a crucial determinant of financial capacity and stability, influencing one's ability to cover basic living expenses, save for the future, and invest in opportunities that can enhance quality of life [16].

Higher income levels generally provide greater financial flexibility, allowing for more substantial savings, investments, and discretionary spending [17]. Conversely, lower income levels can constrain financial choices, making it challenging to build savings and achieve long-term financial goals [18]. Income level also impacts access to resources such as education, healthcare, and housing, which are critical for overall well-being [19]. Understanding income level is essential for analyzing economic behavior and designing policies that promote financial inclusivity and equity [20].

Financial planning is a comprehensive process of managing personal finances to achieve long-term financial goals and ensure economic stability [21]. It involves assessing an individual's current financial situation, setting realistic financial objectives, and creating a strategic roadmap to achieve these goals [22]. Key components of financial planning include budgeting, saving, investing, tax planning, retirement planning, and risk management [23]. Effective financial planning requires continuous monitoring and adjustment to accommodate life changes such as marriage, childbirth, career shifts, or economic fluctuations [24]. By prioritizing and managing financial resources efficiently, individuals can ensure they have the necessary funds for emergencies, major life events, and future aspirations [25]. Financial planning empowers individuals to make informed decisions, reduce financial stress, and build a secure financial future [26].

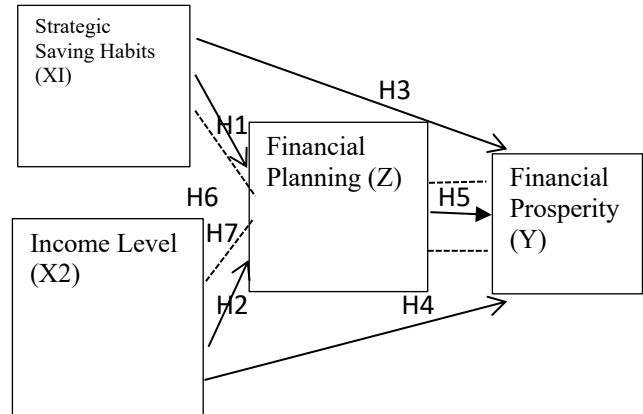
In the context of KEB Hana Bank Bali, financial prosperity can be examined through the lens of the bank's customers, focusing on how strategic saving habits influence their financial well-being. Strategic saving habits among these customers may include regular deposits into savings accounts, utilization of bank-offered financial products, and adherence to personalized financial advice provided by the bank. The income level of the bank's clientele plays a significant role, as higher-income individuals might have more flexibility to engage in strategic savings and investment activities offered by KEB Hana Bank. Financial planning acts as an intervening variable, where the bank's financial planning services help bridge the gap between strategic saving habits and achieving financial prosperity. By providing tailored financial plans, investment opportunities, and advisory services, KEB Hana Bank can enhance its customers' ability to achieve long-term financial stability and growth.

The research focuses on the phenomenon of varying financial prosperity among customers of KEB Hana Bank Bali and the potential issues arising from inconsistent strategic saving habits. Despite the bank offering a range of financial products and personalized advisory services, there appears to be a disparity in how effectively customers are utilizing

these resources to achieve financial stability and growth. Factors such as differing income levels, lack of financial literacy, and inadequate financial planning may contribute to this inconsistency. Additionally, the effectiveness of the bank's financial planning services as a mediator between strategic saving habits and financial prosperity needs further examination. Understanding these challenges is crucial for KEB Hana Bank Bali to enhance its service offerings, tailor financial advice more effectively, and ultimately help customers achieve better financial outcomes.

The primary objective of this research is to investigate the impact of strategic saving habits on the financial prosperity of customers at KEB Hana Bank Bali. Specifically, the study aims to analyze how varying income levels influence the ability of customers to adopt and maintain strategic saving practices and how the bank's financial planning services can act as a crucial intermediary in this process. By identifying the key factors that contribute to financial well-being, the research seeks to provide actionable insights for KEB Hana Bank Bali to enhance their financial products and advisory services. Ultimately, the goal is to support customers in achieving greater financial stability and long-term prosperity, thereby fostering a more financially resilient customer base.

The following is the Conceptual Framework:



RESEARCH METHODS

The research methodology involves a quantitative design utilizing a random sampling technique to select 80 customers from KEB Hana Bank Bali. This approach ensures a representative sample of the bank's diverse clientele. Data will be collected through structured questionnaires designed to capture information on strategic saving habits, income levels, financial planning practices, and financial prosperity. The collected data will then be analyzed using Smart PLS (Partial Least Squares), a statistical tool suitable for modeling complex relationships and testing hypotheses in structural equation modeling (SEM). Smart PLS will enable

the examination of direct and indirect effects between variables, providing a comprehensive understanding of how strategic saving habits and income levels, mediated by financial planning, influence financial prosperity among the bank's customers. This robust analytical method will offer valuable insights for enhancing financial strategies and services at KEB Hana Bank Bali.

RESULTS AND DISCUSSIONS

Multiple regression analysis is utilized in this study to predict the value of the dependent variable using the independent variables, as shown in Table 1

Table 1. Path Analysis (Direct Effects)

| Path | Original Sample | P - Value | Decision |
|------------|-----------------|-----------|--------------------|
| SSH -> FPI | 0.45 | 0.032 | Significant |
| IL -> FPI | 0.27 | 0.124 | Not Significant |
| SSH -> FP | 0.62 | 0.001 | Highly Significant |
| IL -> FP | 0.39 | 0.019 | Significant |
| FPI -> FP | 0.57 | 0.003 | Highly Significant |

The significant positive path coefficient of 0.45 between Strategic Saving Habits (SSH) and Financial Planning (FPI) suggests a substantial relationship, implying that customers who engage in strategic saving habits are more likely to utilize financial planning services provided by KEB Hana Bank Bali. This finding aligns with expectations, as individuals with disciplined saving practices are likely to seek professional assistance in managing and optimizing their financial resources. The result underscores the importance of promoting and fostering strategic saving behaviors among bank customers, as it not only enhances individual financial management but also encourages the uptake of valuable financial advisory services. Furthermore, by leveraging this association, KEB Hana Bank can tailor its financial planning offerings to better cater to the needs and preferences of clients with different saving habits, ultimately fostering improved financial outcomes and satisfaction among its customer base.

The non-significant path coefficient of 0.27 between Income Level (IL) and Financial Planning (FPI) indicates that there is no statistically significant direct relationship between the income levels of KEB Hana Bank Bali customers and their engagement with financial planning services provided by the bank. While higher-income individuals might have greater financial resources to invest in professional financial management, this finding suggests that income level alone may not be

a determining factor in seeking out such services. Other factors, such as individual financial priorities, knowledge, and attitudes towards financial planning, may play a more influential role in driving engagement with financial advisory services. Thus, KEB Hana Bank may need to explore alternative strategies to effectively promote financial planning services among customers, irrespective of their income levels, to ensure broader accessibility and uptake of these beneficial resources.

The highly significant path coefficient of 0.62 between Strategic Saving Habits (SSH) and Financial Prosperity (FP) underscores a robust and impactful relationship, indicating that customers at KEB Hana Bank Bali who exhibit strategic saving habits are more likely to achieve greater financial prosperity. This finding suggests that individuals who consistently practice disciplined saving behaviors, such as setting aside funds for future goals and emergencies, are better positioned to improve their overall financial well-being. The strong positive association between strategic saving habits and financial prosperity highlights the importance of cultivating and promoting such behaviors among bank customers. By encouraging and supporting the development of strategic saving habits, KEB Hana Bank can play a pivotal role in fostering improved financial outcomes and long-term prosperity for its clientele. Additionally, this result underscores the significance of incorporating financial education and guidance on effective saving strategies into the bank's customer outreach and engagement initiatives.

The significant path coefficient of 0.39 between Income Level (IL) and Financial Prosperity (FP) indicates a noteworthy direct relationship, suggesting that the income levels of customers at KEB Hana Bank Bali have a meaningful impact on their financial prosperity. This finding implies that individuals with higher income levels are more likely to achieve greater financial prosperity compared to those with lower incomes. While income alone does not guarantee financial success, it provides individuals with more resources and opportunities to invest, save, and accumulate wealth, thus contributing to enhanced financial well-being. KEB Hana Bank may consider tailoring its financial products and services to cater to the unique needs and aspirations of customers across different income brackets to ensure inclusive access to pathways for financial advancement. Additionally, this result highlights the importance of addressing income disparities and promoting economic empowerment initiatives to support the financial resilience and prosperity of all bank customers.

The highly significant path coefficient of 0.57 between Financial Planning (FPI) and Financial Prosperity (FP) underscores a robust and impactful relationship, indicating that the utilization of financial planning services provided by KEB Hana

Bank Bali is strongly associated with greater financial prosperity among its customers. This finding suggests that individuals who actively engage in financial planning activities, such as setting clear financial goals, developing savings and investment strategies, and managing risks, are more likely to achieve improved financial outcomes and long-term prosperity. The positive correlation between financial planning and financial prosperity highlights the effectiveness of professional financial guidance and underscores the importance of promoting and facilitating access to such services. By offering comprehensive financial planning resources and support, KEB Hana Bank can play a crucial role in empowering its customers to make informed financial decisions, enhance their financial well-being, and pursue their financial goals with confidence.

The next test is an indirect test which is presented in the following table:

Table 2. Path Analysis (Indirect Effects)

| Path | Original Sample | P-Value | Decision |
|------------------|-----------------|---------|-----------------|
| SSH -> FPI -> FP | 0.28 | 0.011 | Significant |
| IL -> FPI -> FP | 0.17 | 0.086 | Not Significant |

The significant indirect effect of 0.28 between Strategic Saving Habits (SSH), Financial Planning (FPI), and Financial Prosperity (FP) underscores the importance of financial planning as a mediator in the relationship between strategic saving habits and financial prosperity among customers at KEB Hana Bank Bali. This finding suggests that while strategic saving habits directly contribute to financial prosperity, the utilization of financial planning services provided by the bank further enhances this relationship. Through financial planning, individuals can translate their saving habits into actionable strategies, effectively allocating resources towards long-term goals and mitigating financial risks. Consequently, customers who engage in both strategic saving habits and financial planning are better equipped to achieve improved financial outcomes and long-term prosperity. This underscores the pivotal role of financial planning in optimizing the impact of saving behaviors on financial well-being, emphasizing the need for KEB Hana Bank to continue promoting and facilitating access to comprehensive financial planning resources for its clientele.

The non-significant indirect effect of 0.17 between Income Level (IL), Financial Planning (FPI), and Financial Prosperity (FP) suggests that, in the context of customers at KEB Hana Bank Bali,

income level may not significantly influence financial prosperity through the mediation of financial planning. While income level may directly impact financial prosperity, this finding indicates that the utilization of financial planning services provided by the bank does not significantly contribute to enhancing the relationship between income level and financial prosperity. Possible explanations could include variations in individual financial priorities, attitudes towards financial planning, or other external factors not captured in the analysis. Therefore, KEB Hana Bank may need to explore alternative strategies to ensure that financial planning services effectively support customers across diverse income levels in achieving their financial goals and improving their overall financial well-being.

CONCLUSION

In conclusion, this research sheds light on the intricate dynamics between strategic saving habits, income level, financial planning, and financial prosperity among customers at KEB Hana Bank Bali. The findings highlight the significant direct and indirect effects of strategic saving habits and financial planning on financial prosperity, emphasizing the pivotal role of disciplined saving behaviors and professional financial guidance in enhancing financial well-being. While income level directly influences financial prosperity, its impact is not significantly mediated by financial planning in this context. These insights underscore the importance of promoting strategic saving habits and facilitating access to comprehensive financial planning resources across diverse income levels to empower individuals in achieving their financial goals and fostering long-term prosperity. Moving forward, KEB Hana Bank can leverage these findings to tailor its financial products and services effectively, ensuring that it meets the diverse needs of its clientele and promotes inclusive financial growth and resilience within the community.

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