

CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

In conclusion, the exploration of hypotheses concerning the influence of wages and religiosity on mental accounting marks valuable insights into the multifaceted nature of financial decision-making processes. The acceptance of first hypothesis which affirms the significant impact of wages on mental accounting allocation, underscores the pivotal role of economic factors in shaping individuals' financial behaviors. Concurrently, the findings regarding second hypothesis, which highlight the moderating effect of religiosity on the relationship between wages and mental accounting, finds the interplay between religious beliefs and economic influences.

These conclusions carry significant implications for both research and practical application. Firstly, they emphasize the importance of considering the diverse socio-economic and cultural factors that shape individuals' financial attitudes and behaviors. Understanding the complex dynamics between income levels, religious beliefs, and financial decision-making can inform the development of tailored interventions and educational initiatives aimed at promoting financial literacy and well-being across diverse populations.

B. Implication

The acceptance of the hypothesis regarding the influence of wages on mental accounting underscores the importance of income levels in shaping individuals' financial behaviors. It implies that variations in wage levels can lead to differences in how individuals allocate their financial resources across various mental accounts. This understanding is crucial for policymakers, financial educators, and individuals themselves in fostering healthier financial habits and enhancing overall financial well-being. The findings offer valuable insights into how individuals prioritize their spending, saving, and investing behaviors based on their income levels. By understanding these patterns of allocation, individuals can make more informed financial decisions and effectively manage their resources to meet their financial goals.

The study identifies mental accounting bias as a potential challenge in financial decision-making. Mental accounting bias can lead to irrational financial decisions due to subjective categorization and treatment of money. Recognizing and addressing this bias is essential for promoting rational financial decision-making and improving financial outcomes.

The implications drawn from the study highlight the complex interplay between economic factors, psychological theories, and religious beliefs in shaping individuals' financial behaviors. Understanding these dynamics is essential for developing effective strategies to promote financial well-being and mitigate potential biases and challenges in financial decision-making.

C. Research Limitations

Despite the valuable insights gained from the exploration of the relationship between wages, religiosity, and mental accounting, it's important to acknowledge several limitations inherent in the research methodology and data analysis. The findings may be subject to limitations related to sample characteristics and representativeness. The study's sample size, demographic composition, and sampling method could influence the generalizability of the results to broader populations. Moreover, the study's reliance on self-reported measures of religiosity and financial behaviors may introduce response biases or inaccuracies, potentially affecting the validity and reliability of the findings.

The research may be limited by its cross-sectional design, which precludes establishing causal relationships between variables. The measurement of religiosity and mental accounting in the study may not fully capture the complexity and multidimensionality of these constructs. Future research could benefit from employing more comprehensive measures that encompass various facets of religiosity, such as intrinsic and extrinsic dimensions, as well as employing validated scales to assess mental accounting processes in greater detail. Potential limitations related to statistical analyses and model specifications. While the study may have employed appropriate statistical techniques, alternative analytical approaches or model specifications could yield different results or interpretations.