

ABSTRACT

Consumptive behavior is actions taken to fulfill various types of human needs. If consumption is carried out excessively and not just according to needs, then the behavior is not a reasonable consumption but becomes consumptive behavior. Millennials are considered as the most consumptive generation, especially shopping online and spend the most money on lifestyle and experience needs. Theoretically consumptive behavior is influenced by low financial literacy.

Therefore, this study aims to determine the effect of financial literacy on the consumptive behavior of millennial generations in Bandung. Financial literacy consists of four dimensions, namely money and transactions, planning and managing finances, risk and reward and financial landscape. While consumptive behavior consists of three dimensions, namely impulsive buying, wasteful buying, and non rational buying.

This research was conducted in the millennial generation in Bandung which in 2019 was 19-38 years old. According to the latest data updated by Badan Pusat Statistik, millennial generation of Bandung in 2017 amounted to 1,115,748 people. So if calculated using the Slovin formula in this research the minimum required sample of 400 respondents. Technique uses nonprobability sampling with a purposive sampling approach. The data analysis technique used is descriptive analysis and simple linear regression analysis.

From the results of hypothesis testing using the t test obtained -t count that is -14.230 < -t table which is -1.966 and the significance value is 0.00 < 0.05, meaning that financial literacy has a significant and negative influence on consumer behavior. The magnitude of the influence of financial literacy on consumptive behavior can be seen from the value of determination coefficient that is equal to 33.7%, while the remaining 66.3% is influenced by factors other than financial literacy that were not examined in this study.

The results of this study concluded that financial literacy had a significant negative effect on the consumptive behavior of millennial generation in Bandung. With the level of financial literacy and consumptive behavior included in the medium category.

Keywords: *Financial Literacy, Consumptive Behavior, Millennial Generation*