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# Financial Literacy and Behavior of Indonesian Diaspora Women: A Study of Muslimah Humairah Community

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## Abstract

This study aims to analyze the influence of Financial Literacy and Financial Behavior on Financial Stability among Indonesian diaspora women in South Korea, specifically within the Muslimah Humairah Community. Using a quantitative approach and a descriptive-verify design, data were collected through a structured questionnaire from 88 respondents. The research employed multiple linear regression analysis and tested the classical assumptions, including normality, multicollinearity, heteroskedasticity, and autocorrelation. The results demonstrate that both Financial Literacy and Financial Behavior have a significant positive effect on Financial Stability. Financial Literacy plays a more dominant role, with a standardized coefficient (Beta) of 0.783, compared to Financial Behavior, which has a Beta of 0.173. The regression model explains 79.4% of the variation in Financial Stability ( $R^2 = 0.794$ ), confirming its robustness. These findings highlight the importance of integrating financial education with practical behavioral interventions to foster economic resilience. Improving financial knowledge and encouraging disciplined financial habits can empower diaspora women to achieve greater financial stability, particularly in the face of economic challenges in a foreign country.

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## Keywords

Financial Literacy, Financial Behavior, Financial Stability, Economic Resilience.

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## INTRODUCTION

The rapid globalization era has brought many Indonesian workers and expatriates to live and work abroad, including in South Korea. Among them, Indonesian women, particularly members of the Muslimah Humairah Community, face unique financial challenges as they manage their personal finances amidst the high living costs of South Korea while maintaining financial responsibilities to their families in Indonesia. Despite their perseverance and efforts, financial literacy and behavior remain critical factors influencing their financial stability.

Financial literacy, as defined by Lusardi and Mitchell (2014), is the ability to process economic information and make informed decisions about financial planning, wealth accumulation, and debt management. According to the Indonesian Financial Literacy Survey by OJK (2022), the financial literacy rate in Indonesia stands at only 49.68%, indicating that less than half of the population

possesses sufficient financial knowledge to make informed decisions. This issue extends to Indonesian diaspora communities, including those in South Korea, where a lack of financial planning, limited savings, and over-reliance on debt often result in financial instability. Additionally, the World Bank (2021) highlights that Indonesian migrant workers frequently encounter difficulties in managing their salaries, accumulating savings, and avoiding consumptive debts. A study by Xu and Zia (2021) further emphasized that financial literacy programs for migrant workers in developing countries led to significant improvements in savings habits and debt management, demonstrating the critical role of financial education.

**Table 1.** Validity Results of Financial Literacy (X1)

Instrument	r Pearson Correlation	r Tabel	Description
1	0.851	0.210	Valid
2	0.190	0.210	Not Valid
3	0.594	0.210	Valid
4	0.738	0.210	Valid
5	0.008	0.210	Not Valid
6	0.829	0.210	Valid
7	0.799	0.210	Valid
8	0.818	0.210	Valid
9	0.774	0.210	Valid

Source: Authors' own (2024)

Financial behavior plays an equally important role. According to Xiao (2008), financial behavior refers to any human behavior relevant to money management, including spending, saving, budgeting, and investing. This is particularly relevant for Indonesian diaspora women in Korea, who must balance their financial responsibilities while navigating cultural and environmental differences. Many members of the Muslimah Humairah Community work in sectors such as domestic services, small businesses, or informal labor, where earnings are limited and require careful allocation to meet daily needs and support families in Indonesia. The Statista (2023) report highlights that the average monthly living expenses in South Korea reach approximately \$1,100 (around IDR 16 million) per person, posing a significant financial burden. Setiawan and Pratama (2023) found that effective financial management practices significantly improve financial resilience in foreign settings, further

underscoring the importance of developing sound financial behavior.

#### **LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT**

The financial challenges faced by Indonesians living in South Korea highlight the varying degrees of financial literacy, behavior, and stability within this diaspora community. Based on the experiences of 15 Indonesians residing in South Korea, 8 individuals reported financial instability, characterized by fluctuating or insufficient income to meet their daily needs. Among these, 4 members belong to the Muslimah Humairah Community, an active diaspora group in South Korea. These individuals

**Table 2.** Validity Results of Financial Behavior (X2)

Instrument	r Pearson Correlation	r Table	Description
10	0.821	0.210	Valid
11	0.883	0.210	Valid
12	0.836	0.210	Valid
13	0.589	0.210	Valid
14	0.837	0.210	Valid
15	0.823	0.210	Valid
16	0.835	0.210	Valid
17	0.837	0.210	Valid
18	0.689	0.210	Valid

Source: Authors' own (2024)

**Table 3.** Validity Results of Financial Stability (Y)

Instrument	r Pearson Correlation	r Table	Description
19	0.776	0.210	Valid
20	0.720	0.210	Valid
21	0.596	0.210	Valid
22	0.826	0.210	Valid
23	0.761	0.210	Valid
24	0.829	0.210	Valid
25	0.891	0.210	Valid
26	0.912	0.210	Valid
27	0.795	0.210	Valid

Source: Authors' own (2024)

face diverse financial situations: some rely on scholarships that cover only basic needs, while others work part-time or intern with irregular and limited earnings. Married individuals often bear additional financial burdens due to family responsibilities, while a small number enjoy financial stability due to steady full-time employment.

Despite these differences, many share a common struggle to managing finances in a high-cost living environment. According to Statista (2023), the average monthly living expenses in South Korea reach approximately \$1,100 (around Rp16 million), making it challenging for those with unstable or low incomes to save, budget, or manage debts effectively. These challenges are compounded by varying levels of financial literacy and limited access to financial education or support networks, as noted by Xu and Zia (2021) in their study on financial literacy among migrant workers.

The experiences of these 15 individuals highlight the importance of understanding how financial literacy and behavior influence financial stability, particularly in a high-cost, foreign environment. This study focuses on analyzing these factors within the context of Indonesian diaspora women, particularly members of the Muslimah Humairah Community in South Korea, to explore how they navigate and construct financial stability amidst these challenges.

Moreover, financial stability, as defined by Huston (2010), is the capacity of individuals to meet their financial obligations, build financial resilience, and maintain a balance between income and expenditure. In practice, however, many Indonesian migrant workers struggle with financial stability due to insufficient awareness of

financial risks. ILO (2023) reports that migrant workers often rely on loans without fully understanding the implications of interest rates, leading to a debt cycle that adversely affects their financial stability. Similarly, Rahman et al. (2022) found that Indonesian migrant workers often spend excessively on non-essential items, contributing to unstable financial conditions.

Despite these challenges, communities like the Muslimah Humairah Community provide a unique opportunity to empower their members through financial education and collective support. These communities have the potential to promote better financial practices, such as budgeting, saving, and investing, which can significantly enhance their members' financial well-being. Lusardi and Mitchell (2017) demonstrated that individuals with higher financial literacy are more likely to plan for retirement, save, and avoid financial difficulties. By leveraging the Behavioral Life-Cycle Hypothesis (Shefrin and Thaler, 1988), which emphasizes the role of self-control and mental accounting in financial decisions, and the Theory of Planned Behavior (Ajzen, 1991), which explains how attitudes and perceived control influence financial behavior, this study aims to analyze how financial literacy and behavior influence the financial stability of Indonesian women in South Korea. It ultimately seeks to provide actionable insights for better financial management strategies tailored to their unique circumstances.

## METHODS

This research employs a quantitative approach with a descriptive-verify design to examine the relationship between

**Table 4.** Reliability Results

Variable	Cronbach's Alpha	Critical Point	Description
Financial Literacy (X1)	0.840	0.7	Reliable
Financial Behavior (X2)	0.941	0.7	Reliable
Financial Stability (Y)	0.937	0.7	Reliable

Source: Authors' own (2024)

financial literacy, financial behavior, and financial stability among Indonesian women in the Muslimah Humairah Community in South Korea. According to Sugiyono (2019), quantitative research is a scientific method used to examine populations or specific samples through structured data collection and statistical analysis. This approach was selected to statistically measure and analyze variables in a structured manner, while the descriptive-verificative design aligns with Sugiyono's emphasis on using descriptive methods to explain phenomena and verificative methods to test hypotheses or relationships between variables.

The population of this study consisted of 112 members of the Muslimah Humairah Community, and the sample size was calculated using Slovin's formula, resulting in 88 respondents with a 5% margin of error. Respondents were selected using a purposive sampling technique, consistent with Sugiyono's (2019) recommendation to select samples based on specific criteria relevant to the research objectives. These criteria included active membership in the community for at least six months, engagement in managing household or personal finances, and willingness to participate in the study.

Data were collected through a structured questionnaire distributed digitally, consisting of 27 Likert-scale questions to measure three key variables: financial literacy (X1), financial behavior (X2), and financial stability (Y). Sugiyono (2019) suggests that Likert scales are effective tools for measuring respondents' perceptions and attitudes toward specific variables. Financial literacy included dimensions such as knowledge of financial concepts, financial planning and budgeting, and awareness of financial services, while financial behavior covered spending behavior, saving behavior, and debt management. Financial stability focused on liquidity, debt-to-income ratio, and long-term financial planning. The Likert scale ranged from 1 (Strongly Disagree) to 5

(Strongly Agree), with questions designed based on frameworks by OECD (2016), Lusardi & Mitchell (2014), and Huston (2010).

The collected data were analyzed using both descriptive and inferential statistics, consistent with Sugiyono's (2019) guidance for processing quantitative data. Descriptive statistics, such as means, standard deviations, and frequency distributions, were used to summarize respondents' financial literacy, behavior, and stability. Inferential analysis included:

1. Validity testing using Pearson correlation.
2. Reliability testing using Cronbach's Alpha (threshold > 0.7).
3. Regression analysis to test the relationships between variables to explore both direct and indirect effects among financial literacy, financial behavior, and financial stability.

To ensure data validity and reliability, this study employed several statistical techniques and procedural steps. Validity testing was conducted using Pearson correlation, ensuring that each item in the questionnaire measured its intended construct. Reliability testing was performed using Cronbach's Alpha, where a value greater than 0.7 indicated sufficient internal consistency. Furthermore, data reliability was strengthened through the application of standardized data collection protocols, ensuring uniformity in respondents' interpretation of the questions. The analytical procedures adhered to rigorous statistical practices to enhance the credibility and dependability of the research findings, as suggested by Sugiyono (2019) for quantitative studies.

**Table 5.** Respondent Characteristics

Characteristic	Category	Count	Percentage (%)
Age	< 25 years	15	17%
	25-30 years	42	48%
	31-35 years	7	8%
	>35 years	24	27%
Marital Status	Married	45	51%
	Single	37	42%
	Others	6	7%
Educational Attainment	High School	8	9%
	Bachelor's Degree	7	8%
	Master's Degree	57	65%
	Doctoral's Degree	16	18%
Employment Status	Student - Regular	22	25%
	Student - Scholarship	29	33%
	Full-time Worker	23	26%
	Others	14	16%
Monthly Income (KRW)	<1 Million	15	17%
	1-2 Million	35	40%
	2-3 Million	28	32%
	>3 Million	10	11%
Duration of Stay in South Korea	<1 year	21	24%
	1-3 years	22	25%
	3-5 years	29	33%
	>5 years	16	18%
Primary Income	Scholarship	29	33%
	Salary	23	26%
	Family Assistance	22	25%
	Others	14	16%

Source: Authors' own (2024)

The validity test results for the Financial Literacy instrument indicate that out of 9 items tested, 7 items were declared valid as their *r*-values (Pearson Correlation) exceed the *r*-table value (0.210). However, item 2 ( $r = 0.190$ ) and item 5 ( $r = 0.008$ ) are not valid because their *r*-values are lower than the *r*-table. The valid items can proceed for further analysis, while the invalid items need to be revised or excluded.

The validity test for the Financial Behavior instrument shows that all 9 items are valid, with *r*-values greater than the *r*-table (0.210). The highest correlation is observed in item 11 ( $r = 0.883$ ), while the lowest still meets the validity requirement with item 13 ( $r = 0.589$ ). This indicates that

all instruments for Financial Behavior can be used in the study as they demonstrate strong validity.

For the Financial Stability instrument, all 9 items are valid, as their *r*-values exceed the *r*-table value (0.210). The highest correlation is found in item 26 ( $r = 0.912$ ), while the lowest is observed in item 21 ( $r = 0.596$ ). Thus, all items in the Financial Stability variable can be utilized for further analysis as they meet the validity criteria.

The reliability test results presented in Table 4 indicate that all variables—Financial Literacy (X1), Financial Behavior (X2), and Financial Stability (Y)—are reliable. This is evidenced by the Cronbach's Alpha values

**Table 6.** Normality Test Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			88
Normal Parameters	Mean		0
	Std. Deviation		2.918142
Most Extreme Differences	Absolute		0.118
	Positive		0.095
	Negative		-0.118
Test Statistic			0.118
Asymp. Sig. (2-tailed)			0.158
Monte Carlo Sig. (2-tailed)	Sig.		0.158
	99% Confidence Interval	Lower Bound	-8.594
		Upper Bound	6.172

Source: Authors' own (2024)

for each variable, which are all above the critical threshold of 0.7.

Specifically, Financial Literacy (X1) has a Cronbach's Alpha of 0.840, indicating strong internal consistency. Financial Behavior (X2) demonstrates the highest reliability with a Cronbach's Alpha of 0.941, reflecting excellent consistency among its items. Similarly, Financial Stability (Y) also exhibits strong reliability with a Cronbach's Alpha value of 0.937.

The research instruments for Financial Literacy (X1), Financial Behavior (X2), and Financial Stability (Y) are overall valid and highly reliable. This ensures that the data collected is both accurate and dependable for further analysis.

## RESULTS AND DISCUSSION

After conducting a series of analyses on the data obtained from respondents, this section presents the research findings, which include the influence of Financial Literacy

and Financial Behavior on Financial Stability. The analysis encompasses the validity and reliability testing of the instruments, respondent characteristics, and multiple linear regression used to address the research objectives.

The research findings will be systematically outlined, starting with an overview of respondent characteristics, the quality of the research instruments, and hypothesis testing. Subsequently, the main findings will be discussed and linked to previous studies and relevant theories. This discussion aims to provide a comprehensive understanding of how financial literacy and financial behavior contribute to financial stability among the Indonesian diaspora, specifically members of the Muslimah Humairah Community in South Korea.

The demographic characteristics of the respondents reflect a diverse yet concentrated composition that underscores the socio-economic dynamics of Indonesian diaspora women in South Korea. Age

**Table 7.** Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-7.631	1.664		-4.587	0
Financial Literacy	1.007	0.103	0.783	9.796	0
Financial Behavior	0.161	0.074	0.173	2.163	0

Source: Authors' own (2024)

**Table 8.** Simultaneous Test Results

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	5538.04	2	2769.02	317.7	0
Residual	740.85	85	8.72		
Total	47413.625	87			

Source: Authors' own (2024)

distribution reveals that 48% of the respondents are aged between 25-30 years, indicating that a significant portion of the sample is in the prime of their working and productive years. This aligns with findings by Massey et al. (1993), which suggest that migration patterns often involve individuals within this age group who seek employment, education, or economic improvement abroad. The dominance of respondents in this age bracket is also reflective of the growing trend of skilled and educated young adults seeking opportunities in countries like South Korea, where economic prospects and educational opportunities coexist. However, the presence of individuals under 25 years (17%) and those over 35 years (27%) suggests that migration is not restricted to one particular age range. These findings imply a need for targeted financial literacy and behavior strategies that account for varied life stages, as financial decision-making and stability needs differ across age groups (Lusardi & Mitchell, 2014).

The marital status of respondents further highlights their socio-economic responsibilities, with 51% being married and 42% single. Married respondents likely face dual financial pressures, balancing family commitments both in South Korea and in Indonesia through remittances or savings. According to Boyd & Grieco (2003), marital status among migrant populations often influences their financial behaviors, as married individuals exhibit higher tendencies to save or send remittances back home compared to their single counterparts. On the contrary, single respondents may have more financial flexibility, allowing them to allocate their income to personal development, such as education or skill-building programs. This dynamic suggests a nuanced relationship between marital status and financial stability, which can serve as a focal point for financial empowerment initiatives among diaspora women.

Educational attainment reveals a significant trend, with 65% of respondents holding a Master's degree and 18% having a Doctoral degree. This points to a highly educated respondent base, consistent with findings by Dustmann & Glitz (2011), which argue that educated migrants are more likely to secure scholarships or skilled job placements abroad. This observation is further supported by the 33% of respondents who identified scholarships as their primary source of income, reflecting the substantial presence of students pursuing higher education. Interestingly, while 26% of respondents work full-time and derive their income from salaries, there is a notable overlap where individuals in categories like "Others" may rely on a combination of family assistance and part-time work to sustain themselves. This diversity in employment status aligns with King & Raghuram (2013), who highlight the complexity of migrant labor markets, where individuals often navigate multiple income streams to achieve financial stability.

Monthly income data indicates that 40% earn between 1-2 million KRW, followed by 32% earning 2-3 million KRW, while only 11% earn more than 3 million KRW. This distribution reveals a middle-income concentration, with relatively few individuals achieving higher earnings. This aligns with studies by ILO (2023), which identify wage disparities among migrant populations, especially in host countries with high living costs like South Korea. It also suggests financial challenges, as earnings may not always align with the cost of living, leading to constraints on saving and debt management. Furthermore, the reliance on family assistance among 25% of respondents reflects economic vulnerability, as individuals receiving financial aid may face difficulties achieving self-sufficiency. Such patterns highlight the importance of financial literacy interventions to improve

**Table 9.** Determination Test Results

<b>Model Summary</b>				
<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
Regression	0.891	0.794	0.789	2.918

Source: Authors' own (2024)

budgeting, saving habits, and debt management among diaspora populations.

The duration of stay in South Korea also provides critical insights, with 33% having resided for 3-5 years and 25% for 1-3 years. The significant representation of individuals in the 3-5 year category implies that many respondents are still in the process of adjusting to the host country's socio-economic environment. Berry's (1997) acculturation theory suggests that migrants in this phase often experience financial and cultural adaptation challenges, which may influence their overall financial stability. Those who have stayed for less than a year (24%) are likely new entrants, still navigating employment opportunities, scholarship systems, and financial pressures. Conversely, respondents who have been in South Korea for more than 5 years (18%) may have established more stable financial foundations, reflecting their ability to adapt and manage financial challenges over time.

In conclusion, the demographic profile of respondents underscores a highly educated, predominantly young population with varied income sources and financial pressures. These findings highlight the intersection of education, employment, and socio-economic responsibilities in shaping financial behavior and stability. The results emphasize the need for tailored financial programs that address the specific challenges faced by diaspora women, including those related to income management, savings behavior, and long-term financial planning. Addressing these issues can empower individuals to navigate financial challenges more effectively and achieve greater stability while living in South Korea.

## Results

Prior to performing the multiple linear regression analysis, the classical assumptions were tested to ensure the validity and reliability of the regression model. Testing these assumptions is crucial to confirm that the model produces unbiased

and efficient estimations. Once all assumptions are satisfied, the multiple linear regression analysis is conducted to evaluate the influence of Financial Literacy and Financial Behavior on Financial Stability, both individually and simultaneously.

The One-Sample Kolmogorov-Smirnov Test shows that the unstandardized residuals have a mean of 0 and a standard deviation of 2.918142. The Test Statistic value is 0.118, with an Asymp. Sig. (2-tailed) of 0.158. Since the significance value (0.158) is greater than the critical value of 0.05, the residuals are normally distributed. Additionally, the Monte Carlo Sig. (2-tailed) confirms this result with a value of 0.158. The 99% confidence interval for residuals ranges from -8.594 to 6.172, further supporting normality.

The regression results indicate the impact of Financial Literacy and Financial Behavior on Financial Stability. The unstandardized coefficients show that:

1. Financial Literacy ( $B = 1.007$ ,  $t = 9.796$ ,  $\text{Sig.} = 0.000$ ) has a significant and positive effect on Financial Stability.
2. Financial Behavior ( $B = 0.161$ ,  $t = 2.163$ ,  $\text{Sig.} = 0.033$ ) also has a significant and positive effect, although its impact is smaller. The standardized coefficients (Beta) indicate that Financial Literacy (0.783) has a stronger influence compared to Financial Behavior (0.173). The constant value of -7.631 represents the predicted Financial Stability value when both predictors are zero.

The results of the ANOVA Test demonstrate that the regression model as a whole is significant. The F-statistic is 317.7, with a significance value (Sig.) of 0.000. This indicates that both Financial Literacy and Financial Behavior simultaneously have a significant effect on Financial Stability. The Sum of Squares for the regression is 5538.04, while the residual sum of squares



is 740.85, confirming that the model fits the data well.

The Model Summary reveals that the regression model has a high explanatory power. The R Square value of 0.794 indicates that 79.4% of the variation in Financial Stability can be explained by the combined influence of Financial Literacy and Financial Behavior. The Adjusted R Square value of 0.789 confirms the consistency of this result after accounting for the number of predictors. The Standard Error of the Estimate is 2.918, indicating the average deviation of the observed values from the predicted values.

The classical assumption tests confirm that the regression model meets the required criteria, including normality, significance, and explanatory power. The regression results highlight that both Financial Literacy and Financial Behavior significantly influence Financial Stability, with Financial Literacy playing a more dominant role. The model is robust, as evidenced by the high R-Square value and significant F-statistic.

## Discussion

The findings of this study reveal significant relationships between Financial Literacy, Financial Behavior, and Financial Stability among Indonesian diaspora women in South Korea, particularly within the Muslimah Humairah community. The results of the regression analysis, supported by classical assumption tests, demonstrate that both Financial Literacy and Financial Behavior have a positive and significant effect on Financial Stability. This section discusses the findings in detail, linking them to relevant theories and previous studies to provide a comprehensive interpretation.

### **Financial Literacy and Financial Stability**

The findings of this study reveal significant relationships between Financial Literacy, Financial Behavior, and Financial Stability. The results indicate that Financial Literacy has a dominant and significant influence on Financial Stability, with a standardized coefficient (Beta) of 0.783 and a t-value of 9.796. This suggests that individuals with higher levels of financial knowledge and understanding are better equipped to manage their finances effectively, contributing to greater financial stability. The findings align with Lusardi and Mitchell (2014), who emphasize that financial literacy

is a critical determinant of financial well-being. Individuals who understand financial concepts such as inflation, interest rates, budgeting, and savings are more likely to make informed decisions that support their financial goals.

Additionally, the significance of Financial Literacy in this study corroborates the findings of Xu and Zia (2012), who assert that financial education improves financial management skills, particularly among low-to-middle-income individuals. For the Indonesian diaspora in South Korea, where living costs are relatively high, financial literacy serves as a tool for navigating economic challenges, such as managing limited incomes and remittances to families in Indonesia. The ability to comprehend and adapt to financial conditions ensures that individuals are less vulnerable to financial distress.

From a theoretical perspective, this finding supports the Human Capital Theory (Becker, 1964), which posits that individuals who invest in acquiring financial knowledge enhance their capability to achieve financial stability. Financially literate individuals can allocate resources effectively, prioritize savings, and avoid unnecessary debts, ultimately leading to improved financial resilience.

### **Financial Behavior and Financial Stability**

The study also shows that Financial Behavior significantly influences Financial Stability, albeit to a lesser extent compared to Financial Literacy. The standardized coefficient (Beta) of 0.173 and a t-value of 2.163 highlight the importance of financial habits, such as saving regularly, managing expenses, and avoiding excessive debt. This finding aligns with research by Atkinson and Messy (2012), which states that positive financial behaviors, such as budgeting and saving, are crucial for achieving financial well-being.

Furthermore, the study resonates with Ajzen's Theory of Planned Behavior (1991), which highlights that behavior is influenced by attitudes, subjective norms, and perceived control. In the context of this study, the financial behavior of Indonesian women in South Korea may be shaped by cultural norms, peer influences within the diaspora community, and personal financial goals. Positive behaviors such as regular

saving and prudent spending contribute to long-term financial stability, despite the challenges of living in a foreign country.

### ***Simultaneous Influence of Financial Literacy and Financial Behavior***

The simultaneous test results, represented by an F-statistic of 317.7 and a significance value of 0.000, confirm that Financial Literacy and Financial Behavior jointly have a significant effect on Financial Stability. The model's R-Square value of 0.794 indicates that 79.4% of the variation in Financial Stability can be explained by these two predictors, with the remaining 20.6% attributed to other factors not included in the model.

This finding highlights the interconnected nature of financial knowledge and behavior in determining financial stability. While financial literacy provides individuals with the knowledge needed to make informed decisions, financial behavior translates that knowledge into actionable habits. This aligns with the findings of Lusardi et al. (2011), which emphasize that financial education must be complemented by behavioral interventions to produce tangible improvements in financial outcomes.

### ***Comparison with Previous Studies and Contextual Implications***

The results of this study align with previous research but also offer unique insights into the challenges faced by diaspora communities. Studies by Setiawan and Pratama (2023) on expatriates highlight that financial literacy and disciplined behaviors are key to achieving financial resilience in foreign settings. However, this study adds to the literature by focusing specifically on the Indonesian diaspora women in South Korea, a group that often faces financial pressures due to limited incomes, remittance obligations, and high living costs.

The findings emphasize the need for financial education programs tailored to diaspora communities. As suggested by Xu and Zia (2012), such programs should focus on improving both financial knowledge and behavioral habits to ensure long-term financial stability. For the Muslimah Humairah community, initiatives such as budgeting workshops, savings plans, and debt management programs can empower members to navigate financial challenges more effectively.

## **CONCLUSION**

Overall, the study demonstrates that both Financial Literacy and Financial Behavior significantly influence Financial Stability, with Financial Literacy playing a more dominant role.

These findings underscore the importance of integrating financial education with practical interventions to foster positive financial habits. By combining knowledge and behavior, individuals can achieve greater financial resilience and stability, particularly in the context of economic pressures faced by foreigners.

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