

CONSUMPTIVE BEHAVIOR AND SAVING RING WORKERS; CASE STUDY IN CIHIDEUNGHILIR KUNINGAN VILLAGE

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Abstract: *Income is the response from what we do such as salary, rent interest, commission, expense, and profit. The ring craftsman gets income from making a ring, and that income will use to consuming thing or merits that they need. The high income can increase consumption ability and make the consumption higher. The high income can increase saving ability. Problem formulation in this research is first is the income influential to the consumption pattern of ring craftsman at Cibideunghilir Village Cidahu Subdistrict Kuningan Regency. Two is the income influential to saving ability of ring craftsman at Cibideunghilir Village Cidahu Kuningan West Java.*

Keywords: *Income, Consumption, Saving*

A. Introduction

Industry in Kuningan, West Java is dominated by the IKM (Small and Micro Industries) sector, including the home industry. The industry is grouped into agro and various industrial industries. The agro-industry includes the food, beverage, and tobacco processing industries. Various industries include general handicrafts, clothing and leather industries, metal machinery and electronics as well as chemicals and building materials. Also developing other industries such as the tourism industry.

Industry players are spread in villages and sub-districts in Kuningan. They are inventoried and included in the Agropolitan Masterplan, which is divided into districts. Such as Kuningan District, Cilimus, Ciawigebang, and Luragung. In the Kuningan District, there are superior commodities, namely milk, corn, chips, roasted opaque, Gemblong, and fried onions. Cilimus District is focused on the sweet potato industry, wood processing, and furniture. District Ciawigebang lime squeeze, processing wood, silver rings and processing sand into paving blocks. In Luragung District there are patchouli oil industry, thin squeeze, with superior sticky tape products. (Yanuar, 2011).

In general, the purpose of their work is to get income that will be used to fulfill basic needs. Suparmoko (1993) suggests that a person's income is closely

related to the type of work he does both as laborers, employees, businessmen, carpenters, and other jobs that he does according to their respective professions. The income earned is used to fulfill daily needs, for savings, for business, and so on. So, someone's income is basically the payment of money received by people in the association. Individual or individual income is wages or salaries given to someone (worker) who does a job.

Naga (2005) states that income is in the form of the amount of money received by a person or more family members from his labor. In general, income is defined as input obtained by the community or country from all activities carried out including income earned without carrying out any activities. One's income is one of the most influential factors in consumption activities because consumption is directly proportional to income. The higher the income a person receives, the greater the expenditure used for consumption tends to be.

Dumairy (1997) states that consumption is spending on goods and services carried out by households in order to meet the needs of those who make these purchases. Public spending on food, clothing and other items of their needs is classified as spending or consumption. Goods produced for use by the community to meet their needs are called consumer goods. Likewise with saving behavior.

According to Gilarso (2003) savings are part of income that is not spent on consumption. If a person's income increases, both for consumption and savings will both increase, but applies to people with relatively well-established economic life. The rate of economic growth that changes from year to year also influences the consumption expenditure that will be carried out by the community and the rapid development of technology also influences people's attitudes and behavior in consumption. (Aziz, 2009).

B. Literature Review

Marbun (2003) in the Management Dictionary can say that money is received by individuals, companies and other organizations in the form of wages, salaries, rent, interest, commissions, fees, and profits. Muslims are ordered to obtain property that is lawful and good and issued for good purposes as well. God gives the ability to humans to make various equipment used to manage a property.

In acquiring wealth by trying hard and he believes that wealth is not the purpose of life, for his wealth is the trust that God entrusted him. Because of that belief, such people tend to behave appropriately in addressing property ownership. He will also be a humble person. In addition, he can also provide welfare for himself, family, the environment, and other people who need it.

These beliefs will be held firmly because they believe that property is only entrusted by the Almighty and can be taken by Him at any time. Therefore, he must not be arrogant or feel the greatest on this earth. (Khalil, 2010).

Meanwhile, Mankiw (2006) makes consumption needs as the expenditure of goods and services by households. Goods include household expenses for durable goods, vehicles and equipment and non-durable items such as food and clothing. Services include intangible goods, including education.

In Islamic terms, consumer behavior is a process of fulfilling needs, wherein meeting those needs it should not be excessive. Because excessive (*ishraf*) is prohibited in Islam. Shopping is best done to meet other people. It is forbidden for a Muslim to live excessively while a neighbor suffers from hunger. The attainment of *mashlahah* is the goal of Islamic law (*maqhasid Syariah*) which of course must be the main goal of consumption activities. (Islamic Study & Development Center, 2008).

Meanwhile, the behavior of Ring Workers, on the other hand, is to set aside part of their income to save. According to Law Number 10 of 1998 concerning Banking, saving is a person's activity in the form of deposits whose withdrawals can only be carried out according to certain agreed conditions, but cannot be withdrawn by check, bill yet giro, and/or other similar equipment.

Savings as part of income that is not consumed. Theoretically saving is a function of changes in interest rates. The relationship between interest rates and savings is directly proportional, meaning that when the interest rate increases, savings also increase, and vice versa when the saving interest rate decreases also decrease. In Islamic economics, savings are only done if forced and are very temporary.

If savings have been used in a business (investment), then reciprocate the services provided in the business process, savings have the right to get a certain part, according to the law of profit sharing. For the results obtained, the savings must be made *zakat*. In this way, there is no accumulation of assets that can disrupt economic stability and can reduce social inequality in the community. Some savings that are permitted by sharia, said Aedy (2011) include:

1. Hajj savings.
2. Savings for tuition fees.
3. Savings to go out in the way of God.
4. Savings for working capital in the context of a business that is in accordance with sharia, or for special worship needs (*sunnah*).

Muskananfol (2013) explained that the influence of household income, consumption, and understanding of financial planning on the proportion of

household savings in Tenggilis Mejoyo Village was very effective. Whereas Puspitasari (2014) states that the influence of family income, number of family members, and savings on household consumption in Petung Village, Bangsalsari District, Jember Regency is mutually supportive.

Likewise, Nababan (2013) explained that due to the level of income and the number of dependents of family members can influence the consumption patterns of civil servants Lecturers and Education Personnel Faculty of Economics and Business Sam Ratulangi University Manado. According to him, the level of income and the number of family members is very effective in increasing the pattern of consumption of civil servants in the Faculty of Economics and Business UNSRAT.

C. Method

The research method uses a quantitative approach with emphasis on inferential statistical tests. Simple regression analysis is done to prove the level of significance. Through the technique of collecting data from primary sources, the questionnaire was distributed to all respondents, especially ring stone craftsmen.

1. *Results and Discussion*

The coefficient of determination or determinant is the square of the correlation coefficient (R^2) whose use is expressed as a percentage (%), so it must be multiplied by 100%.

Table 1
The relationship between income and consumption

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.894 ^a	.800	.796	2.765

a. Predictors: (Constant), income

Based on the results of the Model Summary test above shows that R Square is 0.800 it can be concluded that the model produced has a very high significant value, this shows that the linear regression model can be used to predict income.

Table 2
The relationship between income and savings
Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.878 ^a	.772	.768	2.905

a. Predictors: (Constant), income

Based on the results of the Model Summary test above shows that R Square is 0.772 it can be concluded that the model produced has a highly significant value, this shows that the linear regression model can be used to predict income.

2. *Simple Linear Regression Test Results*

To find the influence between income and consumption by ring artisans and the influence between income and savings made by ring artisans, the following formula is used:

$$Y_1 = a + bX + e; \text{ and } Y_2 = a + bX + e$$

Where:

X = independent variable

Y = dependent variable

a = constant

b = regression coefficient

e = error

Table 3
Linear Regression Test Results between Income and Consumption

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.793	3.488		.801	.426
	Pendapatan	.911	.057	.894	15.977	.000

a. Dependent Variable: Consumption

By looking at the table above the regression direction coefficient of 0.911 and the regression equation is $Y_1 = 2.793 + 0.911X + e$. Based on the equation above constant 2,793 is if income has a score of 0, then the consumption score is 2,793. The regression coefficient X of 0.911 indicates that every addition to a score of 1 on income will increase the consumption score by 0.911.

Table 4
Linear Regression Test Results between Income and Savings

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.380	3.665		1.195	.236
	pendapatan	.881	.060	.878	14.708	.000

a. Dependent Variable: Savings

By looking at the table above the regression direction coefficient is 0.881 and the regression equation is $Y_1 = 4.380 + 0.881X + e$. Based on the equation above the constant 4,380, if the income has a score of 0, then the consumption score is 4,380. The regression coefficient X of 0.881 indicates that each addition of a score of 1 on income will increase the consumption score by 0.881.

3. Hypothesis Test Results

- Effect of income on consumption of ring artisans in Cihideunghilir Village, Kuningan, Indonesia.

To find out the effect of income on consumption of ring craftsmen in Cihideunghilir Village, Kuningan, Indonesia. The stages of Kuningan are carried out as follows:

1) Hypothesis

Ho = income does not affect consumption

Ha = income affects consumption

2) Obtained:

t-count = 15,977

t table: searched using the distribution t-table at the 0.05 / 2 (two tail) significance.

a) Number of population = n, number of independent variables = k

b) $df = n - k - 1 = 66 - 1 - 1 = 64$

c) significance level = 5%

d) t table (0.05; 64) = 2.66

Based on the results of the above SPSS analysis, t-count (15,977) > t table (2.66) or significance (0.0000) < 0.05, then Ho is rejected. It can be concluded that income affects the consumption of ring artisans in Cihideunghilir Village, Kuningan, Indonesia.

b. The effect of income on the savings of ring artisans in Cihideunghilir Village, Kuningan, Indonesia

To find out the effect of income on the savings of ring artisans in Cihideunghilir Village, Kec. Cidahu Kab. The stages of Kuningan are carried out as follows:

1) Hypothesis

Ho = income does not affect savings

Ha = income affects savings

2) Obtained:

t count = 14.708

t table: searched using the distribution t-table at the 0.05 / 2 (two tail) significance.

a) Number of population = n, number of independent variables = k

b) $df = n - k - 1 = 66 - 1 - 1 = 64$

c) significance level = 5%

d) t table (0.05; 64) = 2.66

Based on the results of the SPSS analysis above, t-count (14.708) > t table (2.66) or significance (0.0000) < 0.05, then H_0 is rejected. It can be concluded that income affects the savings of ring artisans in Cihideunghilir Village, Cidahu District, Kuningan Regency.

D. Conclusion

1. The consumption behavior of Ring Traders depends on the amount of income they receive. So if the income increases, the consumption will also increase. With the increase in one's income, the ability to consume more and more this results in a relationship that is directly proportional to the income received from consumption carried out. According to Keynes, that the relationship between opinion and consumption carried out is positive, that public consumption expenditure is determined by the level of disposable income of the people concerned. If income rises, then consumption will rise even though not as much as the increase in income.
2. The behavior of savings Muslim Ring Traders in Kuningan depends also on his income that is not consumed. Savings made by a person are influenced by the amount of income he receives. So that the higher a person's income, the ability to save is also high. Because savings is income that is not consumed, if consumption is carried out high it will result in a small amount of savings.

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