

Determinant Analysis of Savings and Consumptions of Bank Rakyat Indonesia (BRI) Khatib Sulaiman Branch in Padang City

Afridedy¹, Hasdi Aimon², Efrizal Syofyan³

^{1,2,3} Universitas Negeri Padang, Padang, Indonesia

Corresponding author. Email: afridedy@ymail.com

ABSTRACT

This study aims to analyze and determine the effect of (1) consumption, income, number of family members, and types of work on customer savings BRI Bank Khatib Sulaiman Padang City (3) Savings, income, number of family members, and age of consumption of BRI Khatib Sulaiman Padang City customers. The population in this study are all customers who have a savings account at the BRI Bank Khatib Sulaiman Branch in Padang City. The sample in this study used the Malhotra technique (2003) of 84 people. The results of this study concluded that 1) Consumption, income, number of family members, and type of work have a significant effect on the savings of customers of BRI Bank Khatib Sulaiman, Padang City. 2) Savings, income, number of family members, and age have a significant effect on the consumption of BRI Bank customers in the Khatib Sulaiman Branch in Padang City.

Keywords: *savings, consumption*

1. INTRODUCTION

Savings accounts are deposits which withdrawals can only be made according to certain agreed conditions, but cannot be withdrawn by check or similar instrument. In a country's economy saving is one indicator that can determine the level of economic growth, it is necessary to have large funds to achieve it. Sources of domestic funds used for the mobilization of domestic capital consist of national savings (domestic savings) consisting of public and government savings.

Bank Rakyat Indonesia (BRI) is one of the largest commercial banks in Indonesia. The large number of customers and the vast branch to the subdistrict level has made Bank BRI one of the

banks of trust in the Indonesian people. In addition, Bank BRI also has many financial products that can be an alternative for people who have excess funds to save and people who lack investment.

One of the BRI branches in Padang is the BRI Bank Khatib Sulaiman Branch. Over the past 5 years the number of customers saving has continued to increase. In 2014 the total savings of BRI Khatib Sulaiman Branch customers in Padang amounted to 12,541,876 thousand rupiahs. Increased in 2015 by 5.48% to 13,228,693 thousand rupiahs. In 2016 and 2017 each rose by 6.52% and 6.86% respectively. This value continues to increase until 2018 reaching 16,135,887 thousand rupiahs, up from the previous year of 7.17%.

Table 1. Development of BRI Savings Khatib Sulaiman Padang City Customers
From 2014 - 2018

Year	Savings (Thousand Rp)	Development (%)
2014	12,541,876	-
2015	13,228,693	5.48
2016	14,090,698	6.52
2017	15,056,887	6.86
2018	16,135,887	7.17

Source: Regional Economic and Financial Statistics, Bank Indonesia

There are many reasons why macroeconomic analysis needs to pay close attention to household consumption. The first reason, household consumption provides income to national income. In most countries, consumption expenditure is around 60-75 percent of national income. In Indonesia, consumption contributes to national income by an average of 65 percent (BPS, 2010: 141). The second reason, household consumption has an impact in determining fluctuations in economic activity from one time to another. A person's consumption is directly proportional to his income (Sukirno, 2003: 338).

The greater a person's income, the greater the consumption expenditure. Comparison of the amount of consumption expenditure against additional income is the marginal desire to consume (Marginal Propensity to Consume, MPC). While the amount of additional income is called marginal desire to save (Marginal to Save, MPS). In household consumption expenditure there is a minimum consumption for these households, i.e. the amount of consumption expenditure that must be done, although there is no income. This household consumption expenditure is called autonomous consumption expenditure.

There are several factors that affect public consumption, especially consumption of bank customers. The amount of savings allegedly affects customer consumption. Rahmatia (2004) shows that savings will increase the productivity of a household so that it will increase income.

Increased income will increase customer consumption.

Considering the importance of BRI customer contributions in the Khatib Sulaiman Branch in Padang City in collecting savings in the city of Padang, it becomes very important and interesting to find out what factors influence the level of savings and consumption of BRI customers in the Khatib Sulaiman Branch in Padang. The things above are the strong and basic reasons in writing this thesis with the title: Analysis of Determinants of Savings and Consumption of BRI Customers Khatib Sulaiman Padang Branch.

2. METHODS

This study uses estimation techniques Simultaneous equations are as follows:

$$S = \alpha_0 + \alpha_1 K + \alpha_2 PD + \alpha_3 JAK + \alpha_4 JP + \mu_1 t$$

$$K = \beta_0 + \beta_1 S + \beta_2 PD + \beta_3 JAK + \beta_4 U + \mu_2 t$$

Identification Test

Identification test with order conditions in this study are as follows:

Equation 1: $K_k = 5-3 > m-1 = 2-1 \rightarrow 2 > 1$
(overidentified)

Equation 2: $K_k = 5-3 > m-1 = 2-1 \rightarrow 2 > 1$
(overidentified)

3. RESULTS AND DISCUSSION

Savings simultaneous (Two Stage Least Square) estimation analyzes the effect of consumption (K), income (PD), number of family members (JAK) and type of work (JP) on savings (S) BRI Bank customers Khatib Sulaiman Branch in Padang City. Based on the results of Table 2

secondary data processing using Eviews 9, simultaneous estimates of savings equations are obtained as follows:

$$\text{Log S} = 10.91903 - 0.147430 \text{ Log K} + 0.327414 \text{ PD} \\ \text{Log} - 0.135883 \text{ JAK} + 0.131552 \text{ JP}$$

Based on the results of tests that have been carried out obtained R-Squared value of 0.647583. This means that 64,76% BRI Khatib Sulaiman Branch customer savings can be explained by eschogen variables, namely consumption, income, number of family members and types of work. While the remaining 35,24% is explained by other variables outside the model or not included in the study.

1. Influence of Consumption, Income, Number of Family Members and Type of Work on BRI Customer Savings Branch Khatib Sulaiman, Padang City

The direction of the influence of consumption (K) on savings (S) BRI customers Khatib Sulaiman Branch in Padang City is negative with a regression coefficient of -0.147430. This means that if consumption rises by 1 percent then savings will decrease by 0.147430 percent assuming other factors are fixed (*ceteris paribus*). Consumption has a significant effect on the savings of customers of BRI Branch Khatib Sulaiman, Padang. This is indicated by the probability value of consumption to savings of

0.0000 which is small from $\alpha = 0.05$. Therefore, consumption partially has a significant effect on the savings of BRI Khatib Sulaiman Padang Branch customers. The existence of a significant influence between consumption on savings indicates that saving is influenced by consumption. This effect is because when consumption increases, household expenditure will increase a lot. This condition will have an impact on reducing excess income. The advantage of this non-consumed income is savings. So the more consumption a person has, the lower his savings will be. Conversely, when consumption falls, household consumption will also fall. This decrease in expenditure will result in a large amount of excess income that can be saved. This excess income that can be saved will encourage increased savings. The results of this study are consistent with consumption theory (Samuelson, 2005 and Mankiw, 2003) which states that increasing consumption with low income will be able to extract savings (dissaving).

The results of this study are also consistent with previous research Kasiang (2018), Aron (2012), Wahyudi (2017), who concluded that consumption affects savings significantly and negatively. This means that an increase in consumption will reduce the amount of savings.

Table 2. Savings Simultaneous Estimation Results

Dependent Variable: LOG (S)				
Method: Two-Stage Least Squares				
Date: 09/09/20 Time: 05:09				
Sample: 1 84				
Included observations: 84				
Instrument specification: LOG (K) LOG (PD) JAK JP LOG (U)				
Constant added to the instrument list				
Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	10.91903	2.452697	4.451848	0.0000
LOG (K)	-0.147430	0.007008	-21,03643	0.0000
LOG (PD)	0.327414	0.092717	3.531314	0.0012
JAK	-0.135883	0.053626	-2.533916	0.0141
JP	0.131552	0.035997	3.654569	0.0011
R-squared	0.647583	Mean dependent var		942857.1
Adjusted R-squared	0.636485	SD dependent var		990075.5
SE of regression	594115.1	Sum squared resid		2.79E + 13
F-statistics	37.87535	Durbin-Watson stat		1.716557
Prob (F-statistic)	0.000000	Second-Stage SSR		2.79E + 13
J-statistics	0.727174	Instrument rank		6
Prob (J-statistic)	0.393801			

Source: Results of Data Processing with Eviews 9

The direction of the influence of income (PD) on savings (S) BRI customers Khatib Sulaiman Branch in Padang City is positive with a regression coefficient of 0.327414. This means that if income rises by 1 percent, savings will increase by 0.327414 percent (*ceteris paribus*). Revenue has a significant effect on customer savings BRI Branch Khatib Sulaiman Padang City. This is indicated by the probability value of income to savings of 0.0012 which is small from $\alpha = 0.05$. Therefore, partially the income has a significant effect on the savings of BRI Khatib Sulaiman Padang Branch customers. Partially income affects BRI BRI Khatib Sulaiman Branch customer savings account significantly and positively. The presence of a significant and positive effect between income on savings indicates that savings are influenced by income. This effect is due to increased income with the assumption of constant consumption, the people's shelf life will also increase. This increase in shelf life will encourage customer savings in

particular banks BRI Bank Khatib Sulaiman Branch, Padang City. Conversely, falling income has an impact on a person's ability to save. Of course this also has an impact on reducing the amount of customer savings. The results of this study are in accordance with the theory of savings (Samuelson, 2005 and Mankiw, 2003) which states that an increase in income will be able to encourage an increase in savings.

According to Samuelson (2005) that rich people save more than poor people not only in absolute amounts, but also in the percentage of all income. People who are too poor obviously won't be able to save at all. They even spend more money than they get from their income. The results of this study are also consistent with previous research Kasiang (2018), Aron (2012), Wahyudi (2017), who concluded that income affects savings significantly and positively. This means that an increase in income will encourage increased savings.

The direction of the influence of the number of family members (JAK) on savings (S) BRI customers Khatib Sulaiman Branch in Padang City is negative with a regression coefficient of -0.135883. This means that if the number of family members increase by 1 percent, savings will decrease by 0.135883 percent (*ceteris paribus*). The number of family members has a significant effect on BRI customer savings in the Khatib Sulaiman Branch in Padang City. This is indicated by the probability value of the number of family members to savings of 0.0141 which is small than $\alpha = 0.05$. Therefore, partially the number of family members has a significant effect on BRI customer savings in the Khatib Sulaiman Branch in Padang. Partially the number of family member's influences Bank BRI branch Khatib Sulaiman Kota Padang customer savings significantly and negatively. The significant and negative influence between income and savings indicates that savings is influenced by the number of family members. The more the number of family members, the more household expenses will be spent to finance their daily needs and needs. This increased expenditure will have an impact on the reduced ability of the customer's household to save.

Conversely, a client's household with a small number of family members will incur less expenses for daily needs and needs. Of course this will increase the shelf life of households in the form of savings. The results of this study are in accordance with the theory (Sumarwan, 2003) which proves that the greater the number of family members the greater the proportion of expenditure for food rather than non-food. This means that the smaller the number of family members the smaller the share of income for food needs. Instead the family will allocate the remaining income for non-food consumption. The results of this study are in accordance with Doker (2016), Wahyudi (2017), and Andespa (2017) which states that the number of family members or the number of dependents

negatively affect savings. This is because a higher family burden will reduce the family's shelf life.

The direction of the influence of the type of work (JP) on savings (S) BRI customers Khatib Sulaiman Branch in Padang City is positive with a regression coefficient of 0.131552. This means that if the type of work becomes more formal, savings will increase by 0.131552 percent (*ceteris paribus*). The type of work has a significant effect on BRI customer savings in the Khatib Sulaiman Branch in Padang City. This is indicated by the probability value of the type of work to the savings of 0.0011 which is small from $\alpha = 0.05$. Therefore, partially the type of work has a significant effect on BRI BRI Khatib Sulaiman Branch customers' savings. Partially the type of work has a significant and positive effect on Bank BRI customer savings branch Khatib Sulaiman Padang City. There is a significant influence between types of work on savings indicating that savings are influenced by the type of work. When someone's work is more formal work such as employees, office employees, doctors, lawyers, lecturers and so on, then their ability to save is also high because their educational background is good. This good educational background will be accompanied by their good awareness of family financial health. One of the family's financial health is reflected in their savings. Conversely, people who work informally have lower awareness so that they tend to consume a lot and do not even know how to manage household finances. Therefore, their tube power is lower. Basri (2002) which states the type of work someone who relies on expertise is based on good education, their saving ability will also be better. The results of this study are consistent with previous studies by Doker (2016), Wahyudi (2017), and Andespa (2017) which state that the type of work can determine the level of savings of a person or household.

2. Effect of Savings, Income, Number of Family Members and Age on Consumption of Customers BRI Branch Khatib Sulaiman Padang City

Simultaneous estimation of consumption equation analyzes the effect of savings (S), income (PD), number of family members (JAK) and age (U) on consumption (K) customers of BRI Bank Khatib Sulaiman Padang City. Based on the results of Table 3 secondary data processing using Eviews 9, obtained the simultaneous estimation of the consumption equation as follows:

$$\text{Log K} = 0.367233 + 0.389295 \text{ Log S} + 0.419602 \text{ Log PD} + 0.712989 \text{ JAK} + 0.275541 \text{ Log U}$$

Based on the results of tests that have been carried out obtained R-Squared value of 0.557143. This means that as much as 55.71% consumption of BRI Khatib Sulaiman Branch customers can be explained by eschogen variables namely savings, income, number of family members and age. While the remaining 44.19% is explained by other variables outside the model or not included in the study.

Table 3. Consumption Simultaneous Estimation Results

Dependent Variable: LOG (K)
 Method: Two-Stage Least Squares
 Date: 09/09/20 Time: 05:18
 Sample: 1 84
 Included observations: 84
 Instrument specification: LOG (K) LOG (PD) JAK JP LOG (U)
 Constant added to the instrument list

Variable	Coefficient	Std. Error	t-Statistics	Prob.
C	0.367233	0.110796	3.314495	0.0017
LOG (S)	0.389295	0.121449	3.205417	0.0024
LOG (PD)	0.419602	0.113319	3.702830	0.0005
JAK	0.712989	0.152874	4.663914	0.0000
LOG (U)	0.275541	0.044950	6.129931	0.0000
R-squared	0.557143	Mean dependent var		4401190.
Adjusted R-squared	0.635985	SD dependent var		2661166.
SE of regression	3403782.	Sum squared resid		9.15E + 14
F-statistics	12.65329	Durbin-Watson stat		1.714145
Prob (F-statistic)	0.000000	Second-Stage SSR		1.40E + 12
J-statistics	0.120797	Instrument rank		6
Prob (J-statistic)	0.728171			

Source: Results of Data Processing with Eviews 9

The direction of the influence of savings (S) on consumption (K) BRI customers Khatib Sulaiman Branch in Padang City is positive with a regression coefficient of 0.389295. This means that if savings increase by 1 percent, consumption will increase by 0.389295 percent (*ceteris paribus*). Savings have a significant effect on customer consumption of BRI Branch Khatib Sulaiman Padang City. This is indicated by the

probability value of consumption to savings of 0.0024 which is small from $\alpha = 0.05$. Therefore, savings partially have a significant effect on the consumption of BRI Khatib Sulaiman Padang Branch customers. Partially significant and positive influence on savings Bank BRI customer savings branch Khatib Sulaiman Padang City. The existence of a significant influence between savings on consumption indicates that

consumption is influenced by savings. This is because the higher a person's savings, the higher his readiness to consume because they have the ability to shop because of savings. For example, someone will be able to vacation if they have savings for these expenses. Conversely, if savings are inadequate then their ability to consume will also decrease because they are not prepared. The results of this study are in accordance with Keynes's theory (Mankiw, 2003) which states an increase in savings will be able to encourage an increase in one's consumption. However, when savings decrease consumption will weaken so that in the end it will also decrease. Siregar (2009), Kusuma (2008) and Ikasari (2005) who concluded that savings have a positive effect on household consumption.

The direction of the effect of income (PD) on the consumption (K) of BRI's Khatib Sulaiman Branch customers in Padang City is positive with a regression coefficient of 0.419602. This means that if income rises by 1 percent, consumption will increase by 0.419602 percent (*ceteris paribus*). Revenue has a significant effect on the consumption of BRI customers Khatib Sulaiman Branch in Padang City. This is indicated by the probability value of income to savings of 0.0005 which is small from $\alpha = 0.05$. Therefore, partially, the income has a significant effect on the consumption of BRI Khatib Sulaiman Padang Branch customers. Partially income affects BRI Bank Khatib Sulaiman Branch customers' consumption significantly and positively. The presence of a significant and positive effect between income on consumption indicates that consumption is influenced by income. This effect is due to increased income will increase the purchasing power of customers. This purchasing power will certainly drive up customer consumption. But conversely, when income is inadequate then purchasing power will weaken. This weakening purchasing power will ultimately have an impact on the decline in customer consumption. The results of this study are in accordance with Keynes's theory (Mankiw,

2003) which states an increase in income will be able to encourage an increase in one's consumption. However, when income decreases consumption will weaken so that eventually it will also decrease. The results of this study are in accordance with previous studies Siregar (2009), Kusuma (2008) and Ikasari (2005) who concluded that income has a positive effect on household consumption.

The direction of the influence of the number of family members (JAK) on the consumption (K) of BRI Khatib Sulaiman Branch customers in Padang City is positive with a regression coefficient of 0.712989. This means that if the number of family members increase by 1 percent, consumption will increase by 0.712989 percent (*ceteris paribus*). The number of family members has a significant effect on BRI customer savings in the Khatib Sulaiman Branch in Padang City. This is indicated by the probability value of the number of family members for consumption of 0.0000 which is small than $\alpha = 0.05$. Therefore, partially the number of family members has a significant effect on the consumption of BRI Khatib Sulaiman Padang Branch customers. Partially the number of family members influences BRI Bank Khatib Sulaiman Branch customers' consumption significantly and positively. The presence of a significant and positive influence between the number of family members on consumption indicates that consumption is influenced by the number of family members. This effect is due to the increasing number of family members that will increase the daily expenditure of the customer's household. This condition will certainly encourage increased household consumption. But conversely the smaller number of family members of the customer certainly needs less money spent everyday. Thus consumption will also be less. The results of this study are in accordance with the theory Suppakit distance (2015) jThe number of family members is one of the factors that influence household consumption patterns. The number of family

members, the consumption pattern is increasingly varied because each household member may not necessarily have the same tastes. The number of family members is related to household income which will ultimately affect the household consumption patterns. The results of this study are in accordance with previous studies Siregar (2009), Kusuma (2008) and Ikasari (2005) who concluded that the number of family members had a positive influence on household consumption.

The direction of the influence of age (U) on consumption (K) of BRI Khatib Sulaiman Branch customers in Padang City is positive with a regression coefficient of 0.275541. This means that as age increases by percent the consumption will increase by 0.275541 percent (*ceteris paribus*). Partially age affects BRI Bank Khatib Sulaiman Branch customers' consumption consumption significantly and positively. The existence of a significant and positive influence between age on consumption indicates that consumption is influenced by age. This effect is due to the increasing age of the customer; the desired needs also increase. Customers who are above 40 years old will need more needs than customers who are under 30 years old. For example, customers over the age of 40 years already need a home, children's tuition fees, cars and others compared to customers under the age of 30 years who on average do not need a home and children's tuition fees. The results of this study are in accordance with the theory (Suppakit distance, 2015) which states the higher the age level of the community, the higher the level of consumption. Because when someone with an increasingly high age, they no longer just meet the needs of food and drink but also meet the needs of information, better social relations, and the need for recognition of others of their existence (existence). And often the costs needed to meet these needs are far greater than the costs of meeting the needs for food and drink. The results of this study are in accordance with previous studies Siregar (2009), Kusuma (2008)

and Ikasari (2005) who concluded that increasing age will increase needs so as to increase household consumption.

4. CONCLUSIONS

The results of this study concluded that 1) Consumption, income, number of family members, and type of work have a significant effect on the savings of customers of BRI Bank Khatib Sulaiman, Padang City. 2) Savings, income, number of family members, and age have a significant effect on the consumption of BRI Bank customers in the Khatib Sulaiman Branch in Padang City. The policies that can be suggested from the results of this study are 1) The government needs to increase public savings, especially savings of BRI customers Khatib Sulaiman Branch in Padang City so that more funds will enter the economy. 2) Availability of employment will also be able to encourage public consumption. This is because the community has income that is ready to spend. Of course this consumption will be able to move the economy, especially in the city of Padang. 3) Need to control the number of family members for customers. Because it was proven that the number of family members significantly reduced BRI customer savings in the Khatib Sulaiman Branch in Padang City.

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