



## Analysis of Factors That Influence Consumption Expenditures of Post-Pandemic Family Hope Program Assistance Recipients in Blitar City, East Java Province

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### **Abstract**

This research aims to determine the factors that influence consumer expenditure in households receiving the Family Hope Program in Blitar City. The independent variables used are the income of the head of the family and the number of family dependents. Data collection was carried out by distributing questionnaires to households receiving Family Hope Program assistance in Blitar City. The analysis used in this research is multiple linear regression analysis. The results of partial and simultaneous research show that the variables of income of the head of the family and number of family dependents influence the consumption expenditure of households receiving Family Hope Program assistance in Blitar City. So that people with government assistance to increase the income of poor households, the government can increase entrepreneurial interest by providing working capital and coaching for poor households.

**Keywords:** *Consumption Expenditures; Income; Number of Family Dependents*

### **Introduction**

Since the Covid-19 pandemic was established in all corners of the world due to the spread of the Covid-19 virus, every country around the world has begun to adapt to new habits. This also happens in Indonesia, people inevitably have to follow new policies from the government in order to break the chain of spread of the Covid-19 virus. The Covid pandemic has had an impact on decreasing levels of household consumption expenditure in 38 districts/cities of East Java. The effect of decreasing levels of consumption expenditure has resulted in the poverty rate in East Java increasing since the Covid pandemic. Data from the Central Statistics Agency (BPS) shows that the poverty rate in Indonesia was 10.49 percent in September 2022. In September 2020, the poverty rate in Indonesia was 11.46 percent, an increase of 0.37 percent compared to March 2020. This decline occurred because people experienced a decrease in the income they earned before the pandemic and after the Covid-19 pandemic, resulting in the number of poor people increasing.

The poverty alleviation program in East Java is currently still being carried out, various kinds of empowerment programs are being implemented, this is to improve the community's economy in a better direction after the spread of the Covid-19 virus. The programs implemented by the government aim to reduce the gap in social welfare in East Java, especially the level of poverty. One of the government

programs that helps people affected by Covid-19 is PKH (Family Hope Program) assistance. Blitar City is a city in East Java Province.

One of the cities/districts in East Java that has a poverty problem is Blitar City. The city of Blitar has an increasing poverty problem following the Covid-19 pandemic, and currently efforts are still being made to overcome it. The city of Blitar, East Java Province, is one of the cities that receives assistance from the government to implement the Family Hope Program (PKH). Data from the Blitar City Social Service shows that there are 3,646 poor families who receive PKH, spread across 3 sub-districts in Blitar City, East Java Province (Blitar City Social Service, 2023).

According to Pure (2006), consumption is people's expenditure to buy daily necessities and other needs such as eating, drinking, buying clothes and so on. Nicholas Kaldor suggests that the factors that influence consumption expenditure are income, tastes, socio-cultural factors, wealth, government debt, capital gains, interest rates, price levels, credit, money illusion, distribution, age, geographical location and income distribution (Mauna, 2001). In economics, consumption is someone's expenditure to fulfill their satisfaction or needs in purchasing goods or services. Keynes's consumption theory explains the relationship between income received currently (disposable income) and consumption carried out right now (Mankiw, 2007). The income held at a certain time will influence the consumption made by humans at that time. If income increases, consumption will also increase, and vice versa. To increase public consumption, it is necessary to increase people's purchasing power. A person's income can be interpreted as the income and results obtained by a person in a certain period which are valued in currency units.

Tilome & Poiyo (2022) studied consumption expenditure in Batuloreng Village, Bongomeme District, Gorontalo Regency using the independent variables income, education, number of family dependents, and savings. Study Ismail et al. (2022) studied the household consumption expenditure of rice farmers in Dudepo Village, Patilaggio District, Pohuwato Regency, using the independent variables of land area, household income, number of family dependents, education and age. Ningsih et al. (2019) studied the consumption expenditure of poor households in Dendang District, East Tanjung Jabung Regency, Jambi Province, using the independent variables income of the head of the household, number of dependents of the head of the family, education of the head of the household, type of work of the head of the household and social assistance status.

Based on the description of the research background, there are several research questions: (1) Does household income have an effect on consumption expenditure? (2) Does the education level of the head of the family have an effect on consumption expenditure? (3) Does the number of family dependents affect consumption expenditure?

### **Research Methods**

This research includes PKH rock recipients in Blitar City. Data was obtained by distributing questionnaires to business actors within a period of 1 (one) month. Sample calculations are calculated using the Slovin formula as follows (Sugiyono, 2011):

$$n = \frac{N}{1 + N e^2}$$

$$n = \frac{1.463}{1 + 1.463 (0,1)^2} = 99,9 = 100$$

From sample calculations using the Slovin formula, it is known that the sample was 100 respondents. Data analysis uses Eviews9 software with testing stages, namely 1) Multiple regression

analysis; 2) Normality test; 3) Multicollinearity Test; 4) t test, F test, and coefficient test. The following is the research regression model equation:

$$\text{LogPk} = \alpha + \beta_1 \text{LogPen} + \beta_2 \text{LogJtk} + e$$

With the description  $\text{LogPk}$  = Consumption expenditure;  $\alpha$  = Constant;  $\beta$  = Regression coefficient;  $\text{LogPen}$  = Income of head of family;  $\text{LogJtk}$  = Number of family dependents

## Results and Discussion

### Multiple Regression Analysis

This multiple linear regression analysis aims to determine the effect of the independent variables, namely the income of the head of the family ( $\text{LogPen}$ ) and the number of family dependents ( $\text{LogJtk}$ ) on the dependent variable consumption expenditure ( $\text{LogPk}$ ) of PKH recipients in Sukorejo District. Below are table 4.6 the results of multiple regression analysis using the Eviews program:

Table 1. Multiple Regression Analysis

Variable Name	Notation	Regression Coefficients	Standard Error	t statistics	Probability Statistics
Contact	C	7.048180	0.693631	10.16127	0.0000
Income	LogPen	0.473657	0.050855	9.313941	0.0000
Number of Family Dependents	LogJtk	0.284515	0.050642	5.618111	0.0000
<i>R-Squared</i>				0.623257	
<i>Adjusted R-Squared</i>				0.615490	
<i>SE of regression</i>				0.204422	
<i>Sum squared resid</i>				4.053458	
<i>F-statistic</i>				80.23513	
<i>Probability (F statistic)</i>				0.000000	

Source: data processed by author, 2024.

The multiple linear regression equation is as follows:

$$\text{LogPk} = \alpha + \beta_1 \text{LogPen} + \beta_2 \text{LogJtk} + e$$

So the regression equation becomes as follows:

$$\text{LogPk} = \alpha + \beta_1 \text{LogPen} + \beta_2 \text{LogJtk} + e$$

Information:

$\text{LogPk}$  = Consumption expenditure

$\alpha$  = Constant

$\beta$  = Regression coefficient

$\text{LogPen}$  = Income of the head of the family

$\text{LogJtk}$  = Number of family responsibilities covered by PKH recipients 6

$e$  = Error

### Normality Test

This research aims to test normality using the Jarque-Bera (JB) test, with the condition that if the probability is  $> 0.05$  then the data is declared normally distributed, and vice versa if the probability is  $< 0.05$  then the data is declared abnormally distributed. The results of the normality test can be seen in Figure 1 which shows a probability value of  $0.201 > 0.05$  so that the data in the research variables are declared normally distributed.

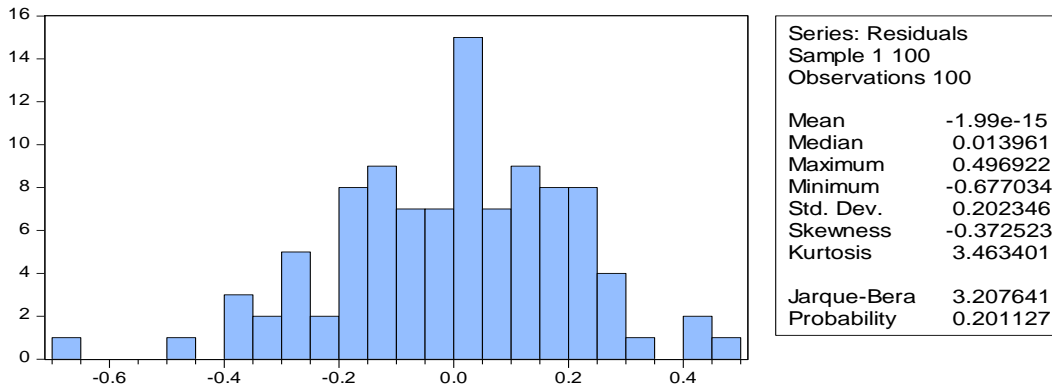


Figure 1. Normality Test  
Source: data processed by author, 2024

### Multicollinearity Test

Multicollinearity test to test whether in the regression model a correlation is found between the independent variables. Based on the Variance Inflation Factor (VIF) and tolerance rules, if  $VIF > 10$  or tolerance  $< 0.10$  then it is stated that there are symptoms of multicollinearity, and vice versa if  $VIF < 10$  or tolerance  $> 0.10$  then it is stated that there is no multicollinearity problem. The results of the multicollinearity test can be seen in the output in table 2 which shows the VIF value for each variable of income of the head of the family and number of family dependents with a VIF value  $< 10$  and a tolerance value  $> 0.10$  so that the data in the research variables are declared to have no multicollinearity problem. . The results of the multicollinearity test in this study are shown in table 2 below:

Table 2. Multicollinearity Test

Variable Name	Notation	Coefficient of Variance	Uncentered VIF	Centered VIF
Contact	C	0.481125	1151.340	NA
Income	LogPen	0.002586	1206.195	1.085999
Number of Family Dependents	LogJtk	0.002565	12.59291	1.085999

Source: data processed by author, 2024.

### Coefficient Test

Based on table 1, the results of the coefficient of determination ( $R^2$ ) have an Adjusted R-Square of 0.623. This means that 62.3% of consumption expenditure (LogPk) can be explained by independent variables, namely the income of the head of the family (LogPen) and the number of family dependents (LogJtk). The remaining 37.1% can be explained by other variables not studied.

## **F Test**

The results of the analysis can be seen in table 1, showing that the Probability (F-Statistic) value is  $0.000 < 0.05$ . This means that there is a simultaneous influence of the income of the head of the family (LogPen), and the number of family dependents (LogJtk) simultaneously has a significant influence on consumption expenditure (LogPk). This shows that the independent variables simultaneously and together have a significant effect on the dependent variable.

## **T Test**

The significant values of the t test in this study are shown in table 1. The regression results can be concluded that:

1) Head of family income to consumption expenditure

The probability t value for the head of the family's income is  $0.000 < 0.05$ , so it can be concluded that the income of the head of the family has a positive and significant effect on consumption expenditure.

2) Number of family dependents to consumption expenditure

The probability t value for the number of family dependents is  $0.000 < 0.05$ , so it can be concluded that the number of family dependents has a positive and significant effect on consumption expenditure.

## **Discussion**

The income of the head of the family has a positive and significant effect on consumption expenditure. Based on research results Yulita & Manunggal (2023) that income with low, medium, high and very high criteria has a significant effect on household consumption expenditure in Mojosari Village, Kras District, Kediri Regency. The research results are also supported by Halim & Arsyad (2021) which states that the income variable has a significant effect on consumption expenditure. Study Triyono & Afriaris (2019) states that income has a positive and significant effect on consumption expenditure, meaning that consumption expenditure increases as income increases.

The number of family dependents has a positive and significant effect on consumption expenditure. This research is supported by research Amini & Rusdiansyah (2021) In the KB village community, Banua Batung Village, Pandawan District, Hulu Sungai Tengah Regency, the number of family dependents has a significant effect on consumption expenditure. Study (Tilome & Poiyo, 2022) stated the same thing that the number of family dependents has a significant effect on consumption expenditure.

## **Conclusion**

The research results found that the income of the head of the family has a significant effect on consumption expenditure. The research results show that as the income of the head of the family increases, the consumption expenditure of PKH recipients in Sukorejo District, Blitar City also increases. The community hopes that with government assistance to increase the income of poor households, the government can increase entrepreneurial interest through providing working capital and coaching for poor households.

The research results found that the number of family dependents had a significant effect on consumption expenditure. The research results show that as the number of family dependents increases, the consumption expenditure of PKH recipients in Sukorejo District, Blitar City also increases. Due to

this, the community is expected to implement government programs such as the Family Planning (KB) program so that the number of family members does not increase so that consumption expenditure does not increase.

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