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Understanding financial literacy factors among Gen Z in Palembang city

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Article Info

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Financial Attitude,
Financial Knowledge,
Financial Literacy.

ABSTRACT

This study aims to analyze the factors influencing financial literacy among Generation Z in Palembang. The research methodology employed is quantitative, assessing the strength of the relationship between dependent and independent variables within the population. A sample of 120 respondents was selected, and data were analyzed using Smart PLS 3.0 software. The analysis reveals that financial behavior and financial attitudes significantly influence financial literacy, whereas financial knowledge does not exhibit a significant influence. The overall regression model demonstrates that financial behavior, financial knowledge, and financial attitude collectively contribute significantly to explaining variations in financial literacy. However, the study is constrained by limitations in sample coverage and data collection methods. Nevertheless, the results of the simultaneous test indicate that the overall regression model is significant in elucidating the relationship between the variables under study and financial literacy. The implication of this research underscores the necessity for enhancing financial behavior and attitudes to bolster financial literacy among Generation Z in Palembang.

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INTRODUCTION

In our life activities, finances are aspects that cannot be separated from each person to fulfill their life desires. Unlimited desires make each person obliged to prioritize which desires must be fulfilled first (Shokouhyar et al., 2020). Skills in prioritizing desires are very important for someone to manage their finances (Matidza et al., 2020). Apart from that, there is a consumerist attitude and a high lifestyle which means that people often forget to estimate the portion of their financial budget because of which they have difficulty achieving their financial goals.

Advances in technology, correspondence and information have a strong impact on activities in the digital era, one of which is financial. The financial industry makes a relevant contribution to the economy and will continue to develop to meet society's needs (Byanjankar et al., 2015). Financial behavior is a component that starts from the implementation of financial learning and will have an effective influence on financial well-being (Ibrahim & Sulaiman, 2001). Financial literacy can be important for education in the digital era. *Financial literacy* can be used by the government to improve a country's

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economy (Heriska, 2022). With *financial literacy,* we can identify policies that are positive and beneficial for economic activity in Indonesia. With financial literacy, people understand the characteristics, benefits and risks of financial service organizations and products, the authority and duties related to financial goods and services, and obtain the skills needed to utilize financial goods and services (Romadloniyah & Setiaji, 2020). In 2013, OJK identified *financial literacy* as one of the important *performances* for Indonesia's National Strategic Plan for Financial Literacy. "In preparing this plan, OJK linked financial service organizations and the coalition of financial service factories (Sari, 2018).

Financial literacy is generally used to measure and see the extent to which someone lacks knowledge about financial service organizations and existing financial goods and services (A. Basha et al., 2021). The public needs to be better informed about various issues related to financial problems. By improving the quality of people's *financial literacy. I*t is hoped that people will be able to obtain better financial certainty so that their family's financial planning becomes more optimal (Buono & Suryanto, 2022). Furthermore, it is hoped that this will increase public attention in getting more investment to achieve national economic growth (Guntara, 2016). Apart from that, financial literacy also has a significant function for the financial services industry. Financial institutions and society need each other. The more people know about finance, the more people will use financial products and services.

Financial knowledge and financial intelligence are the skills and knowledge needed to manage individual financial wealth, but the drawback is that these skills are not passed down from education, so adults may face obstacles when they are unable to manage their own personal substance (Agustin & Hakim, 2022). Financial education at school is a plan that prepares children as experts in managing their family's finances (Wahyudi, 2022). Everyone must have intelligence and skills in managing their personal finances. By practicing good financial management, people can make maximum use of their money. To achieve financial prosperity, a person must develop knowledge, attitude and financial practices known as financial literacy (Small, 2017). Financial knowledge is also a factor that influences financial literacy. Financial literacy is incomplete without financial knowledge. According to Funck & Karlsson (2020), people who have *financial* management *knowledge* have a very high degree of *financial literacy,* and people who have less financial knowledge have lower financial literacy.

The level of digital literacy of Indonesian people varies depending on regional characteristics. Urban areas are relatively more economically advanced than rural areas, so they have high digital literacy (Giang et al., 2023). From a review of Indonesia's digital literacy position in 2021 carried out by KIC in collaboration with Kominfo, the digital literacy indicator for urban respondents was 52.5%. The difference is 2.7% when compared to rural areas, namely villages. This is because the proportion of residents with advanced digital skills in the village is around 49.8 percent (Chen et al., 2008; Liu et al., 2017). Adjusting the country's digital competition is assisted by many development ideas, including accelerating ICT infrastructure, competition for digital talent, and financial literacy (Valtonen et al., 2019). From the results of the 2021 digital literacy capacity, Indonesia's digital literacy

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indicator is at level 3.49, from the highest level of 5.00 in 2021. This number has increased from 3.46 in 2020. A total of 10,000 respondents participated in the 2021 Digital Literacy Survey throughout the country, of which 74,444,565 people from the West region, 24,444,000 people from the Central region, and 435 people from the Chubu region participated. Eastern area. The proportion of respondents for each region is based on 2020 Central Statistics Agency Census data.

Currently, the transformation of someone belonging to the modern generation is known as Gen Z. Gen Z is someone who was born between 1995 and 2010. So, if you were born around that year, you also belong to generation Z (Irawanto & Novianti, 2021). In general, Gen Z is also commonly referred to as the internet generation, system generation and clean generation (Aryani & Umar, 2020). They always use the internet and can do all the advanced technology available. The characteristics of Gen Z are that they are digitally literate, like to talk, like familiarity, like to be tolerant and independent. Because of the very rapid development of *science* and technology, we need to be prepared to face global changes, especially in the field of education (Berber et al., 2022).This generational transition occurred amidst the rapid development of global technology, which then gave rise to Generation Z who psychologically tend to want things instantly (Öz & Üstün, 2022). Generation Z has a close relationship with technology, there is a need to depend on the internet in the social world, education, knowledge about something, which makes them unable to communicate in the real world (Karácsony et al., 2020). Meanwhile, for the next generation of Millennials and Gen Z, researchers say that the Millennial and Gen Z generations have different generational mindsets but have the same technology-oriented culture.

Generation Z is expected to be able to understand how to manage their finances well and accurately with excellent financial literacy. Financial literacy influences a person's lifestyle, preventing excessive spending and avoiding consumerist behavior (Ilfita & Canggih, 2021). The lifestyle of today's youth leads to extravagance, even though from an early age at school they are taught to be able to differentiate between needs and hopes and make individual purchases prioritizing needs over desires, but they prioritize desires over needs (Thomas & Gupta, 2021). This applies to most young people referring more to this, namely by purchasing quotas rather than school equipment, while school equipment is in the interests of the students. The younger generation, especially students, tends to behave consumerist. Consumer behavior is influenced by many factors, including lifestyle. The more luxurious a student's lifestyle becomes, the more consumerist their behavior becomes (Kalia et al., 2022). The assumption that they are adults, independent and can do it themselves is increasingly pushing GEN Z to become consumers. Financial literacy is important for young children because their development to the next stage is determined by the quality of early childhood education which prepares the next generation (Rozikin & Sholekhah, 2020). Through financial literacy, high school students are expected to have the ability and understanding of financial or banking features and services that can advance *financial management,* such as saving, investing, knowledge about insurance, and the risks associated with stock investment. and bonds.

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METHOD

The research methodology employed in this study adopts a quantitative approach to assess the correlation between dependent and independent variables within a population (Creswell, 2012). Quantitative methods involve systematically gathering data on the subject of study to analyze relationships between relevant variables (Mertens, 2010). Primary data sourced from questionnaires constitutes the main data collection method (AM et al., 2023). Primary data is directly obtained from the source, in this case, through questionnaires distributed to Generation Z individuals in Palembang city. With 24 survey indicators utilized in this study, the maximum sample size was determined to be five times the number of indicators, resulting in 120 respondents. Therefore, the study included a sample size of 120 individuals.

In this study, researchers used Smarts PLS 3.0 software which was run on a computer. Usually, SEM models are built using a covariance-based approach CB-SEM with a variance-based approach (variance-based structural equation model or PLS-SEM (Purwanto & Sudargini, 2021). Partial least squares are a variance-based structural equation method that can be used in tests of sizes and structural types together (Wirakurnia et al., 2022). The measurement model is used to test validity and reliability (Am & Setiawati, 2023). The structural model is currently used to test cause and effect relationships. PLS (Partial least Squared) is a soft modeling analysis because it does not assume the data is always at a certain scale. It can be concluded that the sample can be less than 100. Analysis This aims to achieve the relationship of latent variables as well as to understand the structural indicators of the construct. So partial least squares do not consider certain allocations when estimating the size, the size method is not needed in testing the significance of the size. PLS is based on predictive measures with non-parametric properties.

The partial least squares (PLS) method was used to test all hypotheses. PLS is a powerful analysis technique because it does not depend on many hypotheses (Helmi & Setyadi, 2022). The Smart PLS method allows you to use the following assumptions in the model being tested: Data does not need to be normally allocated (AM et al., 2022; Putri et al., 2023). The number of measurements can be nominal, ordinal, interval, or ratio. The sample size does not need to be large. The index does not need to be large. It can be reflective (can be reflective and formative indicators) and the model does not need to be based on theory. The t test involves testing the significance of each constant and independent variable in the equation to see whether they affect the value of the dependent variable.

RESULTS AND DISCUSSION

Descriptive Characteristics of Research Respondents

This research uses primary and secondary data, namely the results obtained directly from the research site. The data collection method used was by distributing questionnaires with a target of 120 respondents distributed to Generation Z as the research sample.

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The next section describes the data obtained from respondents. Descriptive data relating to the respondent's condition should be used as information in understanding the research results.

Characteristics of Respondents Based on Gender

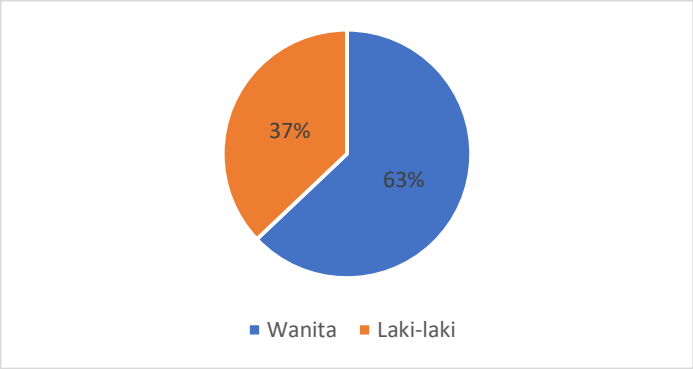

Figure 1. Characteristics of Respondents Based on Gender
(Source: Primary Data Processed 2024)

Figure 1 shows that the most dominant respondents, namely women, were 73 people (63%) while men were 43 people (37%). This means that generation Z in the city of Palembang is mostly women than men and regarding financial literacy, women can control their personal finances and can invest.

Characteristics of Respondents Based on Age

In terms of characteristics based on age, the author categorizes them into 3, which can be seen from the picture below:

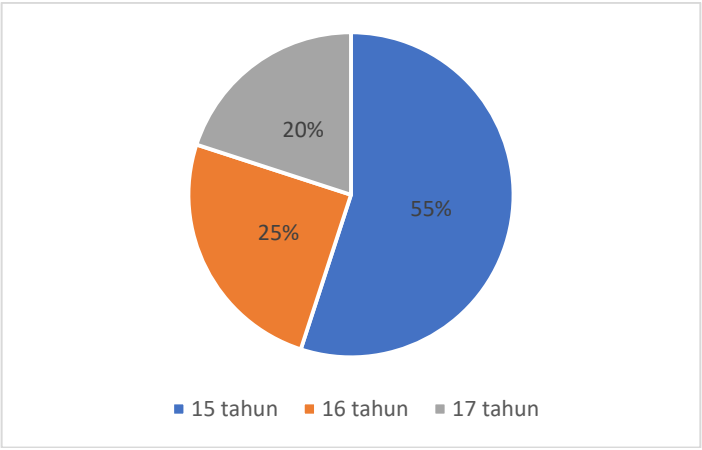

Figure 2. Characteristics of Respondents Based on Age
Source: Primary Data Processed 2024

In 2 shows, the majority of generation Z is 15 years old (55%). At the age of 16 years, it is only 25% while at the age of 17 years it is only 20%. This means that many generations Z don't know about financial literacy, such as how to save at the bank, invest and so on. Because this age is prone to being more wasteful in shopping without thinking about saving for the future.

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Characteristics Based on Class

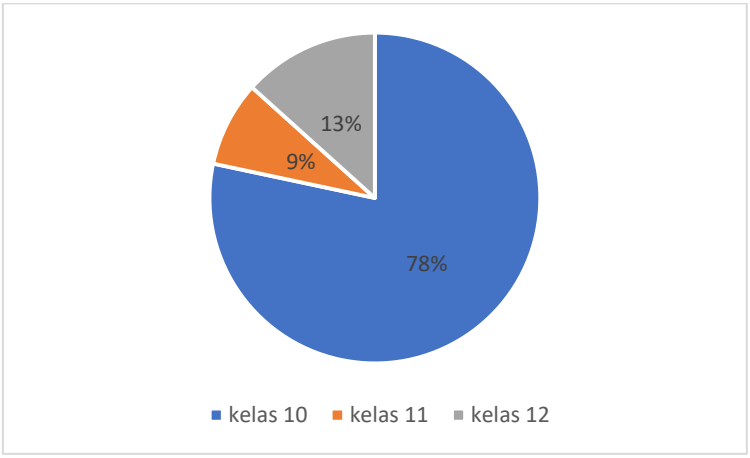

Figure 3. Characteristics of Respondents Based on Class
Source: Primary Data Processed 2024

Figure 3 explains that the majority of generation Z in the city of Palembang is dominant at most in class 10 (78%), in class 11 (13%) and only in class 12 (9%). This means that it can still be said that grade 10 students still do not fully understand financial literacy and how to manage their own money.

Characteristics Based on Pocket Money

The characteristics of respondents based on pocket money, researchers categorized them into 3, namely:

Figure 4. Characteristics of Respondents Based on Pocket Money
Source: Primary Data Processed 2024

Figure 4 shows that respondents in generation Z predominantly use pocket money for 1 month of Rp. 500,000-1,500,000 (97%), at least Rp. >3,000,000 (1%). This means that generation Z in the city of Palembang is able to control their finances when shopping, especially children who migrate, they can estimate their pocket money for 1 month.

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Outer Model

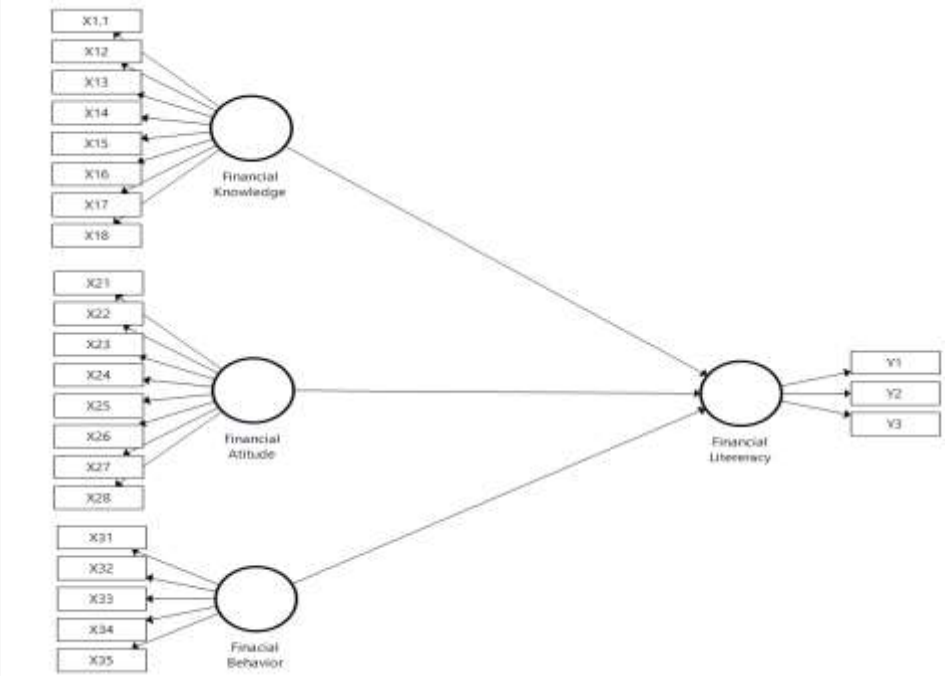

Figure 5. Model Framework
Source: Primary Data Processed 2024

The outer model is run by describing the relationship between the indicator blocks and the late variable. The measurement criteria for assessing the aoter model are *Convergent validity, Discriminant validity, Reability Estimatate.*

Convergent validity

convergent validity analysis, where we pay attention to the loading factor for each item related to *financial behavior, financial attitude, financial knowledge,* and *financial literacy*. The criterion used is that *the loading factor* must exceed 0.70 to assess the contribution of each variable in forming relevant factors. Based on this, let's explore the interpretation of the analysis results.

Table 1 Convergent Validity

Items	Financial Behavior	Financial Attitude	Financial Knowledge	Financial Literacy
X12			0.854	
X14			0.823	
X18			0.721	
X21		0.791		
X23		0.761		
X25		0.757		
X26		0.744		
X27		0.793		
X28		0.802		
X31	0.808			

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Items	Financial Behavior	Financial Attitude	Financial Knowledge	Financial Literacy
X32	0.861			
X34	0.763			
Y1				0.901
Y2				0.900
Y3				0.742

Source: Processed data output (Smart PLS 3), 202 4

The results of the analysis above show that most of the observed items have *factor loadings* that exceed the specified criteria, indicating the accuracy of variable measurement in building relevant factors. Items X12, X14, and Likewise, item X31, which is related to financial knowledge, also shows a significant *loading factor of 0.808.* These results indicate the consistency and reliability of the measurements used to assess the variables in this study. Thus, the results of this *convergent validity analysis* provide confidence about the quality of the variable measurements used in the research and confirm that these variables effectively reflect the relevant financial dimensions.

Discriminant Validity

Discriminant validity used in evaluating the extent the structure measured by an instrument is different from other constructs. Table 2 presents the results of the *discriminant validity analysis,* where we pay attention to the htmt value in each variable pair. The criterion used is that the htmt value must be smaller than 0.90 to confirm that the constructs measured by the instrument are unique and different from each other. With this framework, we will explain the interpretation of the analysis results.

Table 2 Discriminant Validity

Variables	Financial Behavior	Financial Attitude	Financial Knowledge	Financial Literacy
Financial Behavior	0.812			
Financial Attitude	0.743	0.775		
Financial Knowledge	0.706	0.852	0.801	
Financial Literacy	0.684	0.688	0.602	0.851

Source: Processed data output (Smart PLS 3), 202 4

The results of the analysis show that all pairs of observed variables meet the discriminant validity criteria with an htmt value of less than 0.90, indicating that the constructs measured by the instrument are unique and different from each other. For example, the pair of *financial behavior* and *financial attitude variables* has an htmt value of 0.743, which is below the specified criteria. Likewise with other pairs of variables such as *financial behavior* and *financial knowledge, financial attitude,* and *financial knowledge* as well as *financial knowledge* and all *financial literacy* meets the criteria for *discriminant validity.* This confirms that the measurement instruments used are capable of distinguishing between different constructs in this analytical framework. Thus, the results of this *discriminant validity analysis* provide confidence that the observed variables are

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unique and different, and there is no overlap between the constructs measured by the instrument.

Reliability Estimate

Reliability estimates are used to evaluate how consistent and reliable a measurement instrument is. Table 3 presents the results of the *reliability test analysis* for the observed variables, including *financial behavior, financial attitude, financial knowledge,* and *financial literacy.* In this analysis, we pay attention to *the Cronbach's Alpha, rho_A, Composite Reability* and AVE values to assess the reliability of the instruments used. The criteria used are that the AVE value is > 0.50, while *the Cronbach's Alfha* and *composite reliability* and *composite reliability* (rho_c) values must be > 0.70 to indicate an adequate level of reliability. With this framework in mind, let's discuss the interpretation of analysis results.

Table 3 Reliability Estimate

Variables	Cronbach's Alpha	Rho_A	Composite Reability	Average Variance Extracted (AVE)
Financial Behavior	0.741	0.758	0.852	0.659
Financial Attitude	0.868	0.873	0.900	0.601
Financial Knowledge	0.732	0.786	0.843	0.642
Financial Literacy	0.805	0.815	0.887	0.724

Source: Processed data output (Smart PLS 3), 202 4

The results of the analysis show that all observed variables meet the specified reliability criteria. For example, *financial attitude* has a *Cronbach's Alpha value* of 0.868 and composite reliability of 0.873, exceeding the value of 0.70 needed to be considered reliable. In addition, the AVE value for *financial attitude* is 0.601, also exceeding the minimum limit of 0.50, which indicates adequate construct validity. Likewise, other variables such as *financial behavior, financial knowledge,* and *financial literacy* also show good reliability, with all values following the established criteria. This confirms that the measurement instruments used in this research are appropriate and capable of measuring the observed variables. Thus, the results of this *reliability estimate analysis* provide confidence in the reliability of the measurement instruments and the validity of the variable constructs used in this research.

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Inner Model

Figure 5. Initial Model

Source: Processed data output (Smart PLS 3), 2024

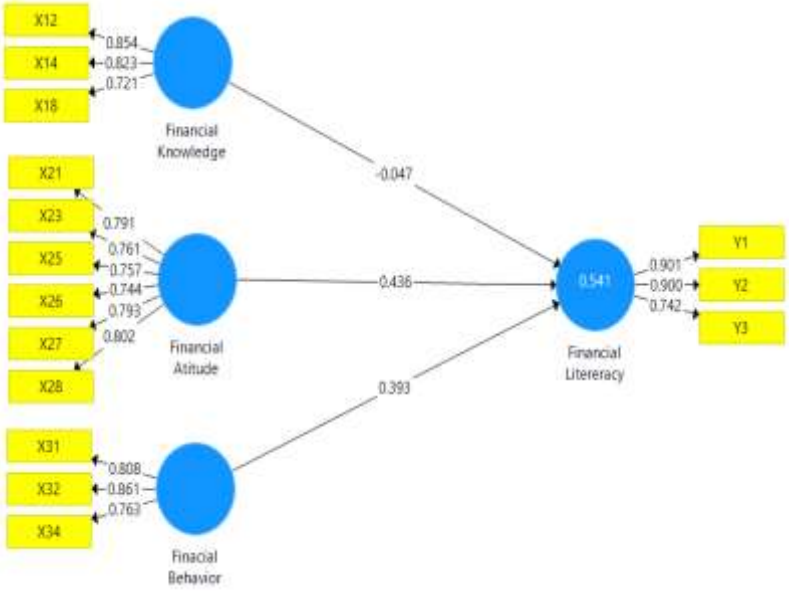

Figure 6. Final Model

Source: Processed data output (Smart PLS 3), 2024

Multicollinearity Test

The multicollinearity test is used to evaluate how strong the relationship between independent variables is in this type of regression. Table 4.4 provides collinearity statistics (VIF) in each independent variable, which measures how much variance the independent

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variable can explain in other independent variables in the model. In this case, the criterion used is that the VIF value must be <10 to determine that there is no significant multicollinearity problem in this type of regression. With this framework in mind, let's discuss the interpretation of analysis results.

Table 4 *Collinearity Statistics* (VIF)

Items	VIF
X1 .2	1 ,370
X1 .4	1 ,637
X1 .8	1 ,448
X2.1	2,003
X2 .3	1 ,816
X2 .5	1 ,957
X2 .6	1 ,627
X2.7	2,325
X2.8	2,013
X3.1	1,516
X3.2	1,592
X3.4	1,378
Y1	2,805
Y2	2,820
Y3	1,329

Source: Processed data output (Smart PLS 3), 202 4

The results of the analysis above show that all independent variables in the regression type meet the established VIF standards, namely having a *statistical collinearity value* < 10. For example, variable X1.2 has a *statistical collinearity value* of 1,370, and variable X3.1 has a VIF value of 1,516. So, this shows that there is no significant multicollinearity problem between the independent variables in this type of regression. When the VIF value exceeds a set threshold, it can indicate a multicollinearity problem that can affect the reliability of the regression coefficient estimates. However, with low VIF values as observed in this analysis, we can be confident that the relationship between the independent variables is not so strong as to affect the interpretation of the regression results. Thus, the results of this multicollinearity test analysis confirm that the regression model is reliable in analyzing the relationship between variables in this research.

Coefficient of Determination

The Coefficient of Determination is an important metric in evaluating how well a regression model fits the observed data. Table 4.5 presents R Square and R Square Adjusted for the Financial Literacy variable. The criteria used to assess the strength of the model are that the R Square value must be between 0.25 to 0.50 to indicate a moderate model, and a value above 0.50 indicates a strong type. Let's explain the results of this analysis.

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Table 5 R Square

Variables	R - Square	R - Square Adjusted
Financial Literacy	0 .541	0 .529

Source: Processed data output (Smart PLS 3), 202 4

The analysis shows that the coefficient of determination (R Square) for the Financial Literacy variable is 0.541, while the Adjusted R Square is 0.529. So it shows that the model built is able to explain around 54.1% of the variability in the Financial Literacy variable. With this value, it can be said that the model has moderate power in explaining variability in Financial Literacy. Nonetheless, because the Adjusted R Square value is more conservative and considers the number of variables in the model, the value of 0.529 indicates that the model maintains fairly good power even after accounting for model complexity. Thus, the results of this analysis provide confidence that the regression model used is quite good at explaining variations in the Financial Literacy variable, although there are still some variations that are not explained by the model.

Effect Size

Before we discuss the results of the analysis further, it is important to understand the concept of *effect size* which is used in evaluating how big the impact of the independent variable is on the dependent variable for the regression model. Table 4.6 presents the F Square value in the *Financial Literacy variable* resulting from the analysis. The criteria used to assess *the effect size* are that an F Square value of 0.02 indicates a small impact, a value of 0.15 indicates a medium impact, and a value of 0.35 indicates a large impact. With this framework, let us explain the interpretation of the analysis results.

Table 6 F Square

Variables	Financial Literacy
Financial Behavior	0.144
Financial Attitude	0.097
Financial Knowledge	0.001

Source: Processed data output (Smart PLS 3), 202 4

The results of the analysis show that the financial behavior variable has an F Squeres value of 0.144, indicating that this variable has a medium or moderate impact on financial literacy. The financial attitude variable has an F Square value of 0.097, indicating a lower but still significant impact on financial literacy. Meanwhile, the financial literacy variable has a very low F Square value, namely 0.001, indicating a very small or even insignificant impact on Financial Literacy. The results of this analysis can be explained that financial behavior has a greater impact on financial literacy compared to financial literacy and financial knowledge. However, it is important to remember that this impact is still in the medium or moderate category, not a large or strong impact. Therefore, to improve Financial Literacy, it is necessary to pay attention not only to Financial Behavior but also Financial Attitude and Financial Knowledge.

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Proving Hypothesis

Table 7 presents the path coefficient values for each hypothesis tested, including financial behavior, financial attitude, and financial knowledge on financial literacy. The criteria used to determine the significance of the direct effect are that a P-value of less than 0.05 indicates a significant effect, while a P-Value value > 0.05 indicates an insignificant effect. With this framework, let us explain the interpretation of the analysis results.

Table 6 Path Coefficient

Hypothesis	T Statistics	P Value	Information
Financial Behavior -> Financial Literacy	3,407	0.001	Significant Influence
Financial Atitude -> Financial Literacy	2,775	0.006	Significant Influence
Financial Knowledge -> Financial Literacy	0.359	0.720	No Significant Effect

Source: Processed data output (Smart PLS 3), 202 4

From the results above it can be concluded:

1. Financial behavior analysis has a significant influence on Financial Literacy, with a t-statistics value of 3.407 and a P-value of 0.001. This means that an increase in financial behavior will contribute significantly to increasing financial literacy. This means that financial behavior has a positive relationship to financial literacy. Because financial behavior will be reflected in a person's attitude when making financial planning, which starts at the stage when determining financial goals. And financial behavior is very important for every individual. Likewise, wise financial literacy in managing personal finances will be easier, such as saving regularly and having investments, especially for generation Z because it is very necessary for them to pay attention to their finances in a good future. The higher the financial behavior, the higher the financial literacy. This research is in line with research Ibrahim & Verliyantina (2012) which states that financial behavior is significantly influenced by financial literacy. This proves that better finances are associated with a higher level of financial literacy.
2. Financial Attitudes also have a significant influence on Financial Literacy, with a t-statistics value of 2.775 and a P -value of 0.006. This means that an increase in Financial Attitude will contribute significantly to increasing Financial Literacy. This means that the role of literacy attitude is very influential on financial literacy, financial attitude is needed in someone, especially generation Z, because literacy attitude is a benchmark that can be considered according to individual thinking if they are going to carry out an evaluation of financial management practices to form principles in realizing and maintaining the principles that make financial decisions. We can understand someone who has a financial attitude about how someone acts in carrying out good management in realizing their dreams. The results of this analysis are in line with research Yusfiarto et al., (2023) which states that financial attitude has a significant effect on financial literacy.
3. For Financial Knowledge, the analysis results show no has a significant influence on Financial Literacy, with a t-statistics value of 0.359 and a P -value of 0.720. This

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indicates that an increase in Financial Knowledge will not have a significant impact on increasing Financial Literacy. This means that financial knowledge for generation Z is lacking in financial literacy. Literacy knowledge is very important for generation Z, so it needs to be improved further. Financial knowledge is very much needed in resolving financial problems that will arise because of a lack of knowledge. Good financial knowledge comes from someone who always tries to improve their understanding of finance through various methods, such as reading and studying about finance. From that knowledge, a person's financial literacy will also become better in financial knowledge. This research is in line with research (Thomas & Gupta, 2021)which states that the influence of financial knowledge has no effect on financial literacy.

From the results of this analysis, it can be concluded that both financial behavior and financial attitudes has a significant influence on financial literacy, while financial knowledge does not have a significant influence. Therefore, to increase Financial Literacy, it is necessary to focus on improving Financial Behavior and Financial Attitude.

Simultaneous Test

Before we go any further in the interpretation of the analysis results, let us understand the concept of simultaneous tests that are used to evaluate the overall significance of a regression model. Table 8 presents the results of the simultaneous test, or ANOVA *(Analysis of Variance),* which compares the variability values that describe the type of regression with the variables that are not described in the model. In this context, the dependent variable tested is financial literacy, while the predictor or independent variable includes financial Behavior, Financial Knowledge, and Financial Attitude. The criteria used in evaluating the significance of the model are the total significance (Sig.) < 0.05.

Table 8 Simultaneous Test

Sum of Squares	Mean Square	F	Sig.
287,871	95,957	44,676	,000 [b]
247,003	2,148		
534,874			

Source: Processed data output (Smart PLS 3), 202 4

From the analysis, the Sig. obtained is 0.000, which indicates that the overall regression model is significant at the 0.05 significance level. This means that the variables Financial Behavior, financial knowledge, and financial attitudes directly contribute significantly in explaining variations in Financial Literacy. In this context, the total variability described in the type of regression (Sum of Square Regression) is 287.871, while the total variability not described in the type (Sum of Square Residual) is 247.003. So, it is proven that this type of regression can explain most of the modifications in Financial Literacy, with a high level of confidence. Thus, the results of this simultaneous test provide confidence that the type of regression used is a type that is statistically significant in explaining the relationship between financial behavior, financial knowledge and financial attitude variables and financial literacy.

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CONCLUSION

The conclusion drawn from the data analysis underscores the significant impact of financial behavior and attitudes on the level of financial literacy among Generation Z, whereas financial knowledge alone does not yield a significant influence. This suggests that fostering positive financial behaviors and attitudes can enhance understanding and proficiency in managing personal finances. However, mere knowledge of finance is insufficient to improve financial literacy. The overall regression model attains significance, affirming that financial behavior, financial knowledge, and financial attitude collectively play a crucial role in elucidating variations in financial literacy. Nonetheless, this study is subject to limitations, including restricted sample coverage of Generation Z, reliance solely on survey-based data collection methods, and the absence of consideration for mediating or moderating factors. Hence, for future research endeavors, it is recommended to broaden the scope of the sample, employ a diverse array of research methodologies, and explore potential mediating and moderating factors that could influence the relationship between the variables under scrutiny.

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