Original Article

Original Article

Financial Management Behavior: Case Study of Gen Z and Millennial Gen Bekasi Regency

Abdul Latif[1]✉, Erna Apriani[2], Dian Rachmawati Afandi[3], Akfika Rizky Sabilla[4]
[1,2,3]Universitas Pelita Bangsa
[4]Universitas Insan Pembangunan Indonesia
Correspondence Author: abdullatif@pelitabangsa.ac.id✉

Abstract:

The role of Gen Z and Gen Millennials is vital as social capital, the financial behavior of Gen Z and Gen Millennials is an important capital in the future journey of the Indonesian economy, and the financial management behavior of Gen Z and Gen Millennials will have an impact on the level of education and finance, from this urgency the financial management behavior of Gen Z and Gen Millennials needs to be studied as an urgency in this study. The research objectives are formulated using specific objectives by analyzing the role of financial knowledge, personality traits, and education level in the financial management behavior of Gen Z and Gen Millennials. The data analysis method in this research is a quantitative approach. The analysis method uses Structural Equation Modeling (SEM) with SmartPLS software. The study samples were Gen Z and Gen Millennials in Bekasi Regency. The research sampling technique used purpose sampling with online and direct questionnaire techniques and interviews. The sample determined by the purpose sampling technique was 100 respondent samples. The results showed that the financial knowledge variable has no effect on financial management behavior, the personality traits variable has a significant effect on financial management behavior, and the level of education variable significantly affects the financial management behavior of Gen Z and Gen millennials in Bekasi Regency.

Keywords: Financial Management Behavior, Financial Knowledge, Personality Traits, and Education Level.

Introduction

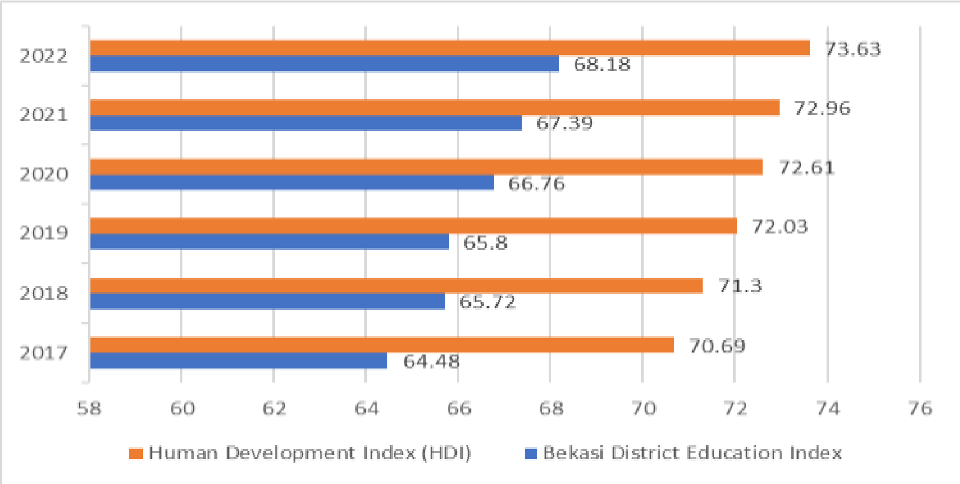
Financial management practices have recently received serious attention in organizations or society (Putri et al., 2023). Today's generation is often considered less responsible for financial management resources and lacks good financial management behavior. This is because people today grow up among luxurious facilities and lifestyles,

https://jurnal.usk.ac.id/riwayat

Received: September 16, 2024 – Revised: October 2, 2024- Accepted: November 13, 2024 - Published online: January 23, 2025

easy credit card creation and use, and a culture of debt that is considered commonplace (Farrell et al., 2016). Basic knowledge about finance is needed to manage people's finances, especially the younger generation, and to lead to sound financial management behavior (Ajzen, 2011).

These factors, including family financial management behaviors and demographic factors, can influence it. Demographic factors can influence a person's behavior, including in managing their financial behavior, where indirectly, the perceptions and attitudes of individuals tend to have differences in gender, age, and income (Hamid et al., 2022). According to (Cahyaningrum & Fikri, 2021), demographic characteristics include age, gender, education, family, and occupation, which influence family financial behavior. Financial behavior management is a problem widely discussed in society, primarily related to consumptive behavior in a fan. According to (Nobriyani & Haryono, 2019), A fan tends to think short-term in implementing impulsive shopping. Implementing a fan's shopping is more likely to fulfill his desires than his needs. Many individuals with sufficient income still experience financial problems due to irresponsible financial behavior (Putri et al., 2023).



Source: BPS West Java (2024)

Figure 1. Education Index and Human Development Index (HDI)

Figure 1 above compares the Human Growth Index (HDI) and the Education Index in the Bekasi district for 2017-2022. The average education index in Bekasi Regency is still below 70; this means that the level of education in the Bekasi Regency community is still minimal; when viewed by its industrial friends, Bekasi Regency is the largest industrial area in West Java. This information should be balanced with the relevant level of education in general. Every year, the Bekasi district education index has relatively increased from the lowest in 2017 in the observation period, which was 64.48, and the highest in the observation period, was 68.18; this indicates that the education index in Bekasi district still has much hope to continue to improve and grow superior human resources and be able to compete in science and technology, so that the relationship with research if the education index is getting better, the financial behavior of the community is expected to have a better impact, in order to be able to develop with positive financial behavior for the long term.

Financial Management Behavior is a person's ability to manage money, starting with planning, budgeting, controlling, managing, controlling, obtaining, and saving daily financial funds. The emergence of financial management behavior is motivated by the magnitude of a person's desire to meet one's needs by the income he gets (Farrell et al., 2016). Financial Knowledge is related to the wise use of money, but it can still provide benefits in terms of the economy (Sahara et al., 2022). Research (Lusardi et al., 2017) and (Nobriyani & Haryono, 2019) revealed that financial knowledge has a positive relationship with financial management behavior. The research results (Chen et al., 2023) and (Hamid et al., 2022) say financial knowledge does not influence financial management behavior. Personality traits are behaviors that can influence individuals in planning their finances; someone will get better at doing their financial planning when they have higher Personality traits (Çineli & Mugiyama, 2023). According to (Nakavachara, 2010) and (Igamo et al., 2024), there is a positive influence with research conducted by (Sahara et al., 2022), which states that there is a significant influence between personality traits and financial management behavior.

Literature Review

Theory of Planned Behavior (TPB)

TPB is a theory that predicts planned behavior. According to this theory, a person's behavior is based on an intention or goal (Sampe et al., 2023). Three factors are believed to determine a person's intention to behave: attitudes, subjective norms, and perceptions related to behavioral control. There are three important points in background factors: information, social, and personal (Ajzen, 2011).

Financial Management Behavior

Financial management behavior is a person's ability to manage, namely planning, budgeting, checking, managing, controlling, searching, and storing daily financial funds (Sahara et al., 2022). The emergence of financial management behavior is the impact of a person's desire to meet his life needs according to the level of income earned. Financial Management Behavior is a person's ability to manage daily financial funds (planning, budgeting, checking, managing, controlling, searching, and storing) (Nobriyani & Haryono, 2019). The emergence of Financial Management Behavior is the impact of a person's desire to meet his life needs according to the level of income earned. Financial Management Behavior relates to a person's financial responsibility regarding managing their finances.

Education Level

Education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious and spiritual strength, self-control, personality (Putri et al., 2023), intelligence, noble character, and skills needed by themselves, society, nation, and state. Education is a process or effort for individuals to increase knowledge and higher understanding needed by themselves, society, nation, and state. Education is a process that aims to increase skills and knowledge, increase independence, and develop one's personality. Education is a process or effort for individuals to increase knowledge and higher understanding needed by themselves, society, nation, and state.

Personality Traits

Personality traits are an inherent system and a characteristic in individuals that contributes consistently to their thoughts or ideas, feelings, and behavior. Based on income is not a measure of a person experiencing financial problems in his family.

Individual behavioral factors that affect their success in planning their finances. This includes how a person's behavior uses all the income he has. They are often allocated through expenses based on their behavior, which is reflected in their lifestyle, desires, and environmental influences (Charlyvia & Rivaâ, 2023).

Financial Knowledge

Knowledge refers to what individuals know about personal finance matters, as measured by their level of knowledge about various personal finance concepts. Financial knowledge is mastery of various things about the financial world. A person with low financial knowledge tends not to understand financial matters, lacks good financial behaviour and is less skilled in dealing with economic shocks. Financial knowledge is not only able to make someone use money wisely but can also benefit the economy (Vernimmen et al., 2022). A person with higher financial knowledge can make good decisions for their family and thus can improve their economic security and well-being. Besides, a financially knowledgeable person who makes informed choices is essential for an effective and efficient market (Farrell et al., 2016).

Methods

This type of research is associative causality research. Associative causality is a quantitative approach to finding the relationship between two or more variables (Arikunto, 2019); these variables are financial knowledge and personality traits as independent variables, financial management behavior as the dependent variable, and the level of education as a mediating variable. According to (Gujarathi, 2022), population is an object and subject in a generalization area with characteristics and quantities chosen by researchers in studying and making conclusions; the sample in the study was the millennial generation and Gen Z in the Bekasi district. The sampling technique in this study used online and direct questionnaire techniques and interviews with the sample determination method based on data on the labor force working above 15 (fifteen) years in Gen Z and Millennial Gen in Bekasi district regional statistical data with 100 overall research samples.

The data analysis technique used in testing the research variables used the SEM (Structural Equation Modeling) method operated through the SmartPLS program (Ghozali, 2018). SEM is a multivariate statistical technique combining factor analysis and regression analysis (correlation). It aims to test the relationships between variables in a model, be it between indicators and constructs or relationships between constructs. Opinion (Ghozali, 2018) SEM (Structural Equation Modeling) is a statistical technique capable of analyzing the pattern of relationships between latent constructs and their indicators, latent constructs with each other, and measurement errors directly; SEM allows analysis between several dependent and independent variables directly against the research hypothesis.

Results

Outer Model Results

Validity Test Results

Table 1. Average Variance Extracted (AVE) Test Results

	Average Variance Extracted (AVE)
Financial Knowledge	0.566

Financial Management Behavior	0.531
Personality Traits	0.571
Education Level	0.623

Source: SmartPLS (2025)

Table 1 is the result of a statistical test that the Average Variance Extracted (AVE) value in each Financial Knowledge (X1) variable of 0.566, Financial Management Behavior (Y) of 0.531, Personality Traits (X2) variable of 0.571, and Education Level (X3) of 0.623, it can be concluded that all variables in this study have an AVE value> 0.50 and are declared valid.

Reliability Test Results

Table 2. Cronbach Alpha Test Results

	Cronbach's Alpha
Financial Knowledge	0.862
Financial Management Behavior	0.873
Personality Traits	0.857
Education Level	0.899

Source: SmartPLS (2025)

Table 2 shows the results of statistical tests: the Cronbach alpha value for each Financial Knowledge (X1) variable is 0.862, Financial Management Behavior (Y) is 0.873, and Personality Traits (X2) is 0.857. Education Level (X3) is 0.899. Thus, it can be concluded that all variables in this study have a Cronbach alpha value> 0.70 and are declared reliable.

Inner Model Results

R Square Test Results

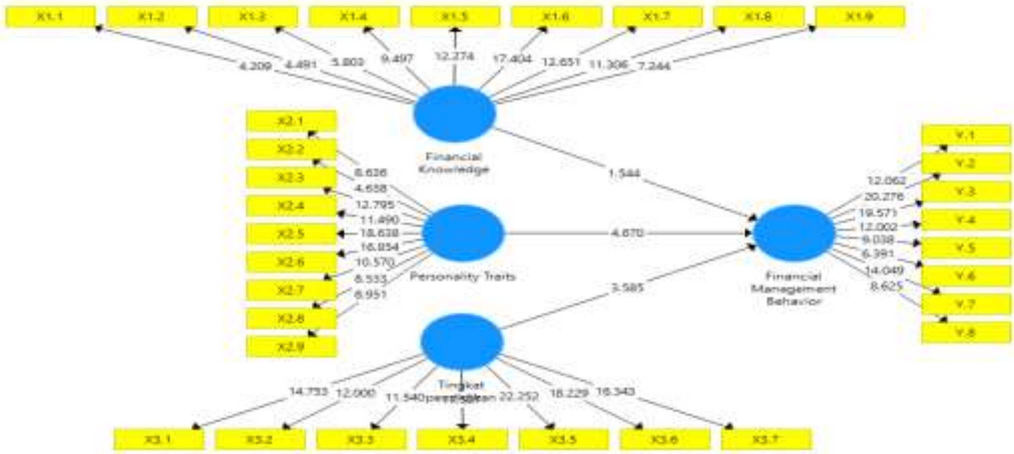
Table 3. R Square Test Results

	R Square	Adjusted R Square
Financial Management Behavior	0.573	0.560

Source: SmartPLS (2025)

In Table 3, the R-square value on the Financial Management Behavior variable is 0.573, which indicates that the model has a relationship. 57.3% of the Financial Management Behavior variable is influenced by Financial Knowledge, Personality Traits, and Level of Education, and the remaining 42.7% is influenced by other variables that have not been studied in this study. Relationship, where 57.3% of the Financial Management Behavior variable is influenced by Financial Knowledge, Personality Traits, and Level of education, the remaining 42.7% is influenced by other variables that have not been examined in this study.

Bootstrapping Test Results



Source: SmartPLS (2025)

Figure 1. Bootstrapping Test Results

Figure 1 above is the structure of the construct on other constructs, such as independent variables, dependent variables, inner model, outer model, R-Square, and research hypotheses.

Path Coefficient Test Results

Table 4. Path Coefficient Test Results

	Sample Original (O)	Average Sample (M)	STDEV	(|O/STDEV|)	P Values
FK → FMB	0.120	0.118	0.075	1.588	0.116
PT → FMB	0.442	0.435	0.105	4.202	0.000
TP → FMB	0.396	0.405	0.110	3.592	0.001

Source: SmartPLS (2025)

From Table 4 above, it can be concluded that:

Financial Knowledge of Financial Management Behavior is known that the value of P Values of 0.116 are more significant than 0.05; therefore, there is no effect on Financial Management Behavior. Personality Traits on Financial Management Behavior It is known that a value of 0.000 is smaller than 0.05. Therefore, it has a significant effect on financial management behavior. The level of education on Financial Management Behavior is known that the P Values value of the variable is 0.001, smaller than 0.05. Therefore, it has a significant effect on financial management behavior.

Discussion

Relationship between Financial Knowledge and Financial Management Behavior

The results of statistical research found that financial knowledge does not affect financial management behavior. Financial knowledge factors do not always influence financial management behavior; someone sometimes does not have financial knowledge in managing finances because financial knowledge must be with a complicated and long learning process, while a person's financial behavior can be due to internal environmental factors such as a culture of saving in a hereditary family. The culture runs. The research results from (Nobriyani & Haryono, 2019) found that the internal environment influences a person's financial behavior, so financial knowledge is usually classified into soft skills that require a learning process. (Blount et al., 2023) argues that a person's financial behavior can be seen from how a person has a lifestyle in everyday life so that the form of assets owned can be seen as an overview of financial behavior. Money has become a central tool for transactions in order to meet needs. However, in reality, many individuals, especially Gen Z and Millennial Women, are trapped in consumptive behavior and cannot manage their finances properly and correctly.

Relationship between Personality Traits and Financial Management Behavior

Research results supported by statistics show that personality traits impact financial management behavior. According to the theory of the Big Five personality, human behavior is formed on five personality components: beliefs, dispositions, attitudes, and others. According to this theory, the better an individual's personality, the better financial planning that individual has. One of the things that affects changes in financial behavior is personality or personality traits. The findings of this study align with research proposed by (Hamid et al., 2022), which shows that personality aspects are important for creating good financial management behavior; this is because each individual must have a different personality type so that the way they manage their finances also varies. This research is also supported by the study's results (Firli & Hidayati, 2021), which reveal that personality variables affect financial behavior. However, the influence of an individual's financial management behavior is not only seen from the good and bad personality formed from the environment, and the level of individual prudence is not solely caused by personality. The findings in this study are influenced by the respondents' thoughts or views that every financial decision always aims to improve financial behavior.

Relationship between Education Level and Financial Management Behavior

From the results that have been studied, the Education Level variable influences Financial Management Behavior. Differences in education affect how a person manages finances, making it one of the most important factors in financial management. A person who has work experience with at least a high school education generally has a better level of readiness to manage finances in detail by considering risks. Hence, the financial behavior of this group of individuals tends to be wiser than that of individuals with lower levels of education. Individuals with better education tend to consider investments and choose good and profitable investment instruments for the future, which allows them to manage their finances more effectively and wisely. Thus, the level of education has a significant effect on Financial Management Behavior. This finding is in line with the opinion of (Infante & Mardika, 2024) and (Sahara et al., 2022), which state that women with higher levels of education tend to be wiser in managing their finances, which positively impacts the people around them, especially their closest family.

Conclusion

The approach in this research is descriptive quantitative with the direction of research to analyze the factors that influence the financial management behavior of Gen Z and Millennial Gen Women in Bekasi Regency who work above 15 years and above. The research variables are financial knowledge and personality traits on financial management behavior with the mediating dimension of education level. The research findings and data analysis show that financial knowledge does not affect financial management behavior. Personality traits have a significant effect on financial management behavior, and the level of education also significantly affects financial management behavior. The research limitation is that the sample comprises millennial and Generation Z women working in the Bekasi Regency area. Suggestions to researchers in future studies related to samples can be observed for the male gender, or men and women, as well as expanding the research coverage area and using other variables not used in this study.

References

Ajzen, I. (2011). The theory of planned behaviour: Reactions and reflections. In *Psychology & health* (Vol. 26, Issue 9, pp. 1113–1127). Taylor & Francis.

Arikunto, S. (2019). *Prosedur Penelitian*. Rineka Cipta.

Azis, A., & Kusnafizal, T. (2024). Information and Communication Technology in the Learning Process. *JTP-Jurnal Teknologi Pendidikan*, *26*(1), 158-170.

Blount, I., Triana, M. del C., Richard, O., & Li, M. (2023). How women CEOs' financial knowledge and firm homophily affect venture performance. *Journal of Business Research*, *155*, 113459. https://doi.org/https://doi.org/10.1016/j.jbusres.2022.113459

Cahyaningrum, B., & Fikri, M. A. (2021). Peran pemediasi locus of control pada pengaruh financial knowledge dan financial attitude terhadap financial management behavior. *Jurnal Ilmu Manajemen*, *9*(4), 1500–1515.

Charlyvia, I., & Rivaâ, A. R. (2023). Pengaruh Literasi Keuangan, Personality Traits, dan Pengendalian Diri terhadap Perilaku Pengelolaan Keuangan (Studi pada Penggemar Artis Thailand). *J-MAS (Jurnal Manajemen Dan Sains)*, *8*(1), 189–195.

Chen, F., Yu, D., & Sun, Z. (2023). Investigating the associations of consumer financial knowledge and financial behaviors of credit card use. *Heliyon*, *9*(1), e12713. https://doi.org/https://doi.org/10.1016/j.heliyon.2022.e12713

Çineli, B., & Mugiyama, R. (2023). Money management over the course of marriage: Parenthood, employment and household financial organization in Japan. *Advances in Life Course Research*, *56*, 100544. https://doi.org/https://doi.org/10.1016/j.alcr.2023.100544

Fauzan, R., Harsono, K., Meisandy, R. P., Barokah, M., & Muhaimin, M. I. (2024). Optimising Human Resource Management as an Effort to Improve Employee Performance through Digital Attendance. *Riwayat: Educational Journal of History and Humanities*, *7*(1), 16-25.

Farrell, L., Fry, T. R. L., & Risse, L. (2016). The significance of financial self-efficacy in explaining women's personal finance behaviour. *Journal of Economic Psychology*, *54*, 85–99. https://doi.org/https://doi.org/10.1016/j.joep.2015.07.001

Firli, A., & Hidayati, N. (2021). The influence of financial knowledge, financial attitude, and personality towards financial management behavior on productive age population. *Review of Integrative Business and Economics Research*, *10*, 43–55.

Ghozali, I. (2018). SPSS Aplikasi Analisis Multivariate Statistik. *Badan Penerbit Universitas Diponegoro1*.

Gujarathi, D. M. (2022). *Gujarati: Basic Econometrics*. McGraw-hill.

Hamid, N., Refrianti, D., Ma'mum, S. Z., & Yusuf, M. (2022). Pengaruh Financial Knowledge, Financial Attitude dan Personality terhadap Financial Management Behavior (Studi Kasus pada Pelaku UMKM di MTQ Kota Kendari). *ECOTECHNOPRENEUR: Journal Economics, Technology And Entrepreneur*, *1*(01), 69–81.

Igamo, A. M., Rachmat, R. Al, Siregar, M. I., Gariba, M. I., Cherono, V., Wahyuni, A. S., & Setiawan, B. (2024). Factors Influencing Fintech Adoption for Women in the post-Covid-19 Pandemic. *Journal of Open Innovation: Technology, Market, and Complexity*, 100236. https://doi.org/https://doi.org/10.1016/j.joitmc.2024.100236

Infante, Y. O. T. A. Y., & Mardika, D. R. W. (2024). Determinant of Financial Management Behavior: Evidence From MSMES Gen-Z. *International Journal of Management and Digital Business*, *3*(1), 32–43.

Lusardi, A., Michaud, P.-C., & Mitchell, O. S. (2017). Optimal financial knowledge and wealth inequality. *Journal of Political Economy*, *125*(2), 431–477.

Nakavachara, V. (2010). Superior female education: Explaining the gender earnings gap trend in Thailand. *Journal of Asian Economics*, *21*(2), 198–218. https://doi.org/https://doi.org/10.1016/j.asieco.2009.09.006

Nobriyani, A. P., & Haryono, N. A. (2019). Faktor-faktor yang memengaruhi financial management behavior pada keluarga tki di kabupaten ponorogo. *Jurnal Ilmu Manajemen*, *7*(3).

Putri, R. S., Tubastuvi, N., Rahmawati, I. Y., & Endratno, H. (2023). The Effect of Financial Literacy, Financial Knowledge, Financial Attitudes and Personality on Financial Management Behavior in MSME. *BASKARA: Journal of Business and Entrepreneurship*, *5*(2), 136–151.

Sahara, Y., Fuad, M., & Setianingsih, D. (2022). The role of financial attitude, financial experience, financial knowledge and personality on student's personal financial management behavior. *SOROT*, *17*(3), 167–176.

Sampe, F., Irawan, J. L., Raprayogha, R., Ernayani, R., Fitria, N., Ayuandani, W., Fiddah, A. I., Yanthiani, L., Levany, Y., Ruhliandini, P. Z., & Latif, A. (2023). *Manajemen Keuangan Perusahaan Lanjutan*. Sada Kurnia Pustaka. https://books.google.co.id/books?id=brGqEAAAQBAJ

Setiawati, I., Wardani, S., & Lestari, W. (2024). Development of Wordwall-based Indonesian Geographical Condition Assessment Instrument in Modipaskogo E-Book for Elementary School Students. *Riwayat: Educational Journal of History and Humanities*, *7*(1), 48-65.

Vernimmen, P., Quiry, P., & Le Fur, Y. (2022). *Corporate finance: theory and practice*. John Wiley & Sons.