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A Comparison of Financial Management Behavior Between Millennials and Generation Z

(The Role of Financial Literacy and Lifestyle)

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Abstract. *This study aims to examine the effects of financial literacy and consumptive lifestyle on financial management behavior and compare the strength of these effects between Millennials and Generation Z in West Java. The study employed a quantitative approach with a comparative and explanatory design using a cross-sectional survey of 100 respondents, comprising 50 Millennials and 50 Generation Z participants selected through purposive and quota sampling. Data were collected using a five-point Likert-scale questionnaire and analyzed through partial least squares structural equation modeling, the Measurement Invariance of Composite Models procedure, and Multi-Group Analysis. The results demonstrate that financial literacy has a positive and significant effect on financial management behavior, whereas consumptive lifestyle has a negative and significant effect. The influence of financial literacy is stronger among Millennials, while the adverse effect of consumptive lifestyle is stronger among Generation Z. These findings imply the need for generation-specific financial education programs, emphasizing long-term financial planning for Millennials and digital consumption control, responsible use of deferred-payment services, and early saving habits for Generation Z.*

Keywords: *Consumptive Lifestyle; Financial Literacy; Financial Management Behavior; Generation Z; Millennials.*

Abstract. Penelitian ini bertujuan menganalisis pengaruh literasi keuangan dan gaya hidup konsumtif terhadap perilaku pengelolaan keuangan serta membandingkan kekuatan pengaruhnya pada Generasi Milenial dan Generasi Z di Jawa Barat. Penelitian menggunakan pendekatan kuantitatif dengan desain komparatif dan eksplanatori melalui survei cross-sectional terhadap 100 responden, terdiri atas 50 Milenial dan 50 Generasi Z yang dipilih menggunakan purposive sampling dan quota sampling. Data dikumpulkan melalui kuesioner skala Likert lima poin dan dianalisis menggunakan SEM-PLS, Measurement Invariance of Composite Models, serta Multi-Group Analysis. Hasil penelitian menunjukkan bahwa literasi keuangan berpengaruh positif dan signifikan terhadap perilaku pengelolaan keuangan, sedangkan gaya hidup konsumtif berpengaruh negatif dan signifikan. Pengaruh literasi keuangan lebih kuat pada Milenial, sementara dampak negatif gaya hidup konsumtif lebih kuat pada Generasi Z. Penelitian ini mengimplikasikan perlunya program edukasi keuangan yang disesuaikan dengan karakteristik generasi, dengan penekanan pada perencanaan keuangan jangka panjang bagi Milenial serta pengendalian konsumsi digital dan penggunaan layanan pembayaran tertunda secara bertanggung jawab bagi Generasi Z.

Keywords: Gaya Hidup Konsumtif; Generasi Z; Literasi Keuangan; Milenial; Perilaku Pengelolaan Keuangan.

1. INTRODUCTION

Financial management behavior is an important aspect that determines an individual's ability to achieve financial stability and well-being. This behavior is reflected in habits such as preparing a budget, controlling expenditures, paying financial obligations on time, establishing an emergency fund, saving, investing, and planning for long-term financial needs. Changes in payment systems, the expansion of digital financial services, and easier access to consumer credit have made financial decision-making increasingly complex. These conditions require individuals, particularly Millennials and Generation Z, not only to have access to financial products but also to use them responsibly.

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The urgency of this study is reflected in the persistent gap between financial literacy and financial inclusion in Indonesia. The 2025 National Survey of Financial Literacy and Inclusion showed that Indonesia's financial literacy index reached 66.46%, while its financial inclusion index reached 80.51%. Therefore, there was a gap of 14.05 percentage points between the use of financial services and the public's understanding of financial products, benefits, costs, and risks. These data indicate that increased financial access has not been fully accompanied by the ability to make appropriate financial decisions. Furthermore, the financial literacy index among students was recorded at 61.76%, which was still below the national index of 66.46%.

Millennials and Generation Z are important population groups to examine because both are active users of digital technology and application-based financial services. Millennials are generally defined as individuals born between 1981 and 1996, while Generation Z consists of those born between 1997 and 2012. Although both generations have adapted to technological developments, they grew up under different social, economic, and technological conditions. Millennials experienced the transition from conventional financial systems to digital systems, whereas Generation Z grew up when the internet, smartphones, social media, electronic wallets, mobile banking, and e-commerce had already become part of everyday life. These different experiences may shape distinct consumption orientations, financial information-seeking behavior, risk tolerance, and income management habits.

Financial literacy is expected to be one of the main factors influencing financial management behavior. Financial literacy includes the knowledge and ability to understand income, expenditure, savings, interest, inflation, credit, investment, risk diversification, and financial planning. Individuals with adequate financial literacy tend to be more capable of evaluating financial alternatives, considering the consequences of their decisions, and avoiding financial products that do not correspond to their needs. Lusardi and Mitchell (2014) emphasized that financial literacy has broad economic consequences because it influences saving, borrowing, investing, and retirement planning decisions. Scheresberg (2013) also found that many young adults still had low levels of basic financial knowledge and were more vulnerable to unhealthy financial behavior.

Nevertheless, a high level of financial knowledge does not automatically lead to sound financial management behavior. Fernandes et al. (2014) found that the effects of financial education and financial literacy on financial behavior may weaken when psychological and situational factors are not considered. An individual may understand the importance of saving and controlling debt but may still make impulsive purchases because of social pressure, transaction convenience, or the desire to maintain a particular self-image. Therefore, studies of

financial management behavior should include lifestyle as a factor that explains how financial knowledge is applied in everyday life.

Lifestyle represents patterns of activities, interests, preferences, and the ways individuals use their resources to satisfy their needs and desires. The development of social media and digital commerce has increased exposure to consumption trends, personalized promotions, product reviews, and lifestyle standards displayed by peers and public figures. A lifestyle oriented toward pleasure, social status, and self-expressive consumption may increase nonessential spending, the use of deferred payment services, and unplanned purchases. In contrast, a modest and goal-oriented lifestyle may encourage budgeting, saving, and delayed consumption. Studies involving Generation Z in Indonesia have indicated that digital and hedonistic lifestyles require greater attention because they may be associated with consumption habits and financial behavior.

Preliminary research conditions can be described through three supporting indicators. First, the national financial literacy index of 66.46% indicates that approximately one-third of the population has not yet achieved an adequate level of financial literacy. Second, the financial inclusion index of 80.51% shows that access to and use of financial products have grown more rapidly than public understanding of those products. Third, the student financial literacy index of only 61.76% indicates that younger groups still require greater financial knowledge and financial management skills. These preliminary data are not the empirical findings of the present study, but they provide a basis for assuming that the financial management behavior of Millennials and Generation Z continues to face challenges, particularly when access to digital financial services and consumption pressures develop more rapidly than financial planning capabilities.

Previous studies have generally examined financial behavior within a single generational group, particularly Generation Z, or tested the effects of financial literacy and lifestyle without comparing the strength of their effects across generations. Previous findings have also been inconsistent. Several studies have shown that financial literacy is an important factor in shaping financial behavior, while others have found that financial literacy and lifestyle do not always have significant effects after financial technology, self-control, or financial self-efficacy variables are included in the model. These inconsistencies indicate that the relationships among the variables may be influenced by respondent characteristics, life stages, economic experiences, and different technological environments.

The research gap lies in the limited number of studies that directly compare financial management behavior between Millennials and Generation Z while simultaneously analyzing

the roles of financial literacy and lifestyle in both groups. Combining respondents from two generations without conducting group-based analysis may conceal important differences. Among Millennials, financial management behavior may be more strongly influenced by household responsibilities, asset ownership, employment, and long-term financial obligations. In contrast, Generation Z's behavior may be more strongly influenced by technology use, social media, peer groups, and short-term consumption needs. Therefore, generational group is not merely treated as a demographic characteristic but as a distinguishing variable for identifying differences in behavior and the strength of relationships among variables.

The novelty of this study lies in its comparative approach, which simultaneously examines two dimensions: differences in financial management behavior between Millennials and Generation Z and differences in the roles of financial literacy and lifestyle in explaining such behavior. This approach is expected to provide a more specific understanding than studies that merely test the general effects of the variables. The findings may be used to determine whether financial education programs need to be differentiated according to generational characteristics, such as strengthening long-term financial planning among Millennials and improving digital consumption control among Generation Z.

Based on the preceding explanation, this study aims to analyze the effects of financial literacy and lifestyle on financial management behavior and to compare such behavior between Millennials and Generation Z. The study also seeks to determine whether the strength of the effects of financial literacy and lifestyle differs between the two generational groups. Theoretically, this study is expected to enrich the financial behavior literature by positioning generational characteristics as the basis for comparative analysis. Practically, the findings may serve as a foundation for governments, educational institutions, financial service providers, and families in designing financial literacy programs and financial management interventions that are more appropriate for the needs of each generation.

Table 1. Preliminary Supporting Data.

Indicator	Preliminary data	Initial interpretation
Indonesia's financial literacy index in 2025	66.46%	Public financial understanding remains uneven
Indonesia's financial inclusion index in 2025	80.51%	Access to and use of financial services are higher than financial understanding
Financial literacy–inclusion gap	14.05 percentage points	There is a risk of financial product use without adequate understanding
Student financial literacy index	61.76%	Younger groups require stronger financial literacy
Initial assumption of X1 → Y	Positive	Higher financial literacy is expected to improve financial management behavior
Initial assumption of X2 → Y	Negative for a consumptive lifestyle	A consumptive lifestyle is expected to reduce the quality of financial management

Initial generational difference assumption	Millennials ≠ Generation Z	Differences in life stages and digital exposure may produce different financial behaviors

2. THEORETICAL REVIEW

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) serves as the principal theoretical foundation for explaining the formation of financial management behavior. This theory proposes that individual behavior is preceded by behavioral intention, while intention is influenced by attitudes toward the behavior, subjective norms, and perceived behavioral control. Attitude refers to an individual's positive or negative evaluation of a particular action, subjective norms reflect perceived social pressure, and perceived behavioral control concerns an individual's belief in their ability and available resources to perform the behavior (Ajzen, 1991).

In personal finance, individuals who perceive saving, budgeting, controlling consumption, paying obligations on time, and investing as beneficial activities are more likely to adopt responsible financial behavior. However, a positive attitude does not necessarily result in actual behavior when individuals lack adequate knowledge, skills, income, or self-control. Financial literacy can strengthen perceived behavioral control by enabling individuals to understand the risks, costs, benefits, and consequences of financial decisions. Meanwhile, lifestyle can shape attitudes and subjective norms through consumption patterns, social environments, social media exposure, and the desire to maintain a particular personal image.

TPB is also relevant for comparing Millennials and Generation Z. These two groups may have different attitudes, social pressures, and perceived behavioral control because they experienced different socialization processes, technological developments, and economic conditions. Therefore, generational status functions not only as a demographic classification but also as a context that may explain differences in the relationships among financial literacy, lifestyle, and financial management behavior. TPB emphasizes that knowledge must be translated into intention, control, and action to produce better financial behavior.

Financial Management Behavior

Financial management behavior refers to a series of individual actions in planning, using, controlling, saving, and allocating financial resources to meet current needs and achieve future financial goals. This behavior demonstrates how individuals apply their financial knowledge and attitudes to actual decisions. Effective financial management is not only indicated by the ability to earn income but also by discipline in managing cash flow, preparing budgets, paying financial obligations, maintaining emergency funds, saving, investing, and controlling debt.

Dew and Xiao (2011) classify financial management behavior into four main dimensions: consumption management, cash-flow management, saving and investment, and credit management. Consumption management concerns the ability to adjust spending according to needs and financial capacity. Cash-flow management includes recording expenses, preparing budgets, paying bills on time, and maintaining a balance between income and expenditure. Saving and investment describe the consistency with which individuals allocate income to emergency funds and long-term goals. Credit management reflects caution in using loans, credit cards, and deferred-payment facilities.

Responsible financial behavior can help individuals reduce financial pressure, avoid excessive debt, improve their resilience to unexpected expenses, and achieve financial well-being. Conversely, an inability to control expenses, excessive use of consumer credit, the absence of budgeting, and weak saving habits may increase financial vulnerability. Therefore, financial management behavior is positioned as the dependent variable in this study, representing the quality of respondents' financial decisions and actions.

Financial Literacy

Financial literacy refers to an individual's ability to understand financial concepts, information, products, risks, and procedures and to apply this understanding when making financial decisions. Financial literacy does not merely involve theoretical knowledge of money, interest, inflation, credit, saving, investment, and risk. It also includes the ability to apply such knowledge in everyday financial activities.

Huston (2010) explains that financial literacy consists of two essential dimensions: understanding financial knowledge and being able to apply that knowledge. This distinction is important because individuals may understand financial concepts without consistently applying them. Financial literacy produces practical benefits when knowledge is used in budgeting, evaluating financial products, selecting credit, managing risks, and making investment decisions.

Financial literacy can also be understood from a human-capital perspective. Financial knowledge and skills constitute forms of human capital that can be developed through education, experience, family interaction, employment, and the use of financial services. Individuals with higher financial literacy are generally better able to process financial information rationally, estimate long-term consequences, and avoid harmful decisions. Financial literacy has become increasingly important because decisions related to consumption, saving, debt, insurance, and investment have become more complex alongside the development of financial products and technologies. Lusardi and Mitchell (2014)

emphasize that the ability to understand financial concepts is related to the quality of financial planning, wealth accumulation, investment participation, and preparedness for future financial needs.

The Effect of Financial Literacy on Financial Management Behavior

Theoretically, financial literacy has a positive effect on financial management behavior. Individuals who understand financial concepts have a stronger basis for preparing budgets, setting priorities, comparing costs and benefits, avoiding risky credit, and selecting appropriate saving or investment instruments. Such knowledge helps individuals understand how current financial decisions may affect their future financial conditions.

From the TPB perspective, financial literacy can enhance perceived behavioral control. Individuals who understand how to prepare a budget and calculate credit obligations are more likely to feel capable of managing their finances than individuals who lack such knowledge. Financial literacy can also foster positive attitudes toward saving, investing, and controlling consumption. Therefore, greater financial literacy is expected to strengthen both the intention and actual implementation of responsible financial management behavior.

Nevertheless, the relationship between knowledge and behavior is not always automatic. The meta-analysis conducted by Fernandes et al. (2014) indicates that the effect of financial education and financial literacy on behavior may be limited when knowledge is not accompanied by opportunity, motivation, habits, and environmental support. This finding demonstrates a gap between knowing and doing. Financial literacy should therefore be regarded as an important factor, but not the sole determinant of financial behavior. Psychological characteristics, income, experience, self-control, technological access, and lifestyle may also influence the application of financial knowledge.

The effect of financial literacy may differ between Millennials and Generation Z. Generation Z has broad access to financial information through social media, digital applications, and investment platforms, although the quality of this information is not always reliable. Millennials generally have more extensive work experience and longer-term financial responsibilities, allowing their financial knowledge to be applied to family financial management, credit, assets, and investment. These differences in experience suggest that the strength of the relationship between financial literacy and financial management behavior may vary across the two generational groups.

H1: Financial literacy has a positive and significant effect on financial management behavior.

H2: The effect of financial literacy on financial management behavior differs between Millennials and Generation Z.

Lifestyle

Lifestyle describes an individual's pattern of living as reflected in activities, interests, opinions, consumption choices, use of time, and allocation of resources. Lifestyle is not merely related to the types of products purchased but also reflects personal values, priorities, identity, social environment, and self-presentation. In a financial context, lifestyle determines how much income is allocated to basic needs, recreation, appearance, technology, travel, entertainment, and symbolic consumption.

A consumption-oriented lifestyle may encourage individuals to purchase products based on desire, trends, social status, or group acceptance. Such decisions may occur even when the products are not essential or exceed the individual's financial capacity. The development of electronic commerce, digital wallets, limited-time promotions, food-delivery services, and deferred-payment facilities has made purchases faster and more convenient. These transactional conveniences may weaken the process of evaluating purchases before they are made.

However, lifestyle does not always produce negative consequences. A simple, economical, productive, and future-oriented lifestyle can support sound financial management behavior. Individuals who prioritize financial stability are more likely to prepare financial plans, limit unnecessary expenditures, establish emergency funds, and select activities that match their financial capacity. Therefore, the direction of the relationship between lifestyle and financial management behavior depends on the lifestyle orientation being examined. In this study, lifestyle primarily refers to consumptive tendencies, trend-following behavior, the use of products for social image, and the intensity of recreational spending.

3. METHOD

The study employed a quantitative approach with a comparative and explanatory research design to examine the effects of financial literacy and lifestyle on financial management behavior and to compare the relationships among these variables between Millennials and Generation Z. The data were collected using a cross-sectional survey conducted among respondents residing in West Java, Indonesia. The study population consisted of Millennials and Generation Z individuals who had regular sources of income or financial resources and independently managed their personal finances. A total sample of 100 respondents was selected, comprising 50 Millennials and 50 Generation Z respondents. The respondents were recruited using a combination of purposive sampling and quota sampling. Purposive sampling ensured that respondents met the predetermined eligibility criteria, while quota sampling

maintained an equal representation of the two generational groups. Sampling based on specific participant characteristics is considered appropriate when respondents must possess experiences and attributes relevant to the research objectives (Campbell et al., 2020).

The data were collected using a structured questionnaire measured on a five-point Likert scale, ranging from 1, indicating "strongly disagree," to 5, indicating "strongly agree." The questionnaire measured financial literacy, lifestyle, and financial management behavior using indicators adapted from previous studies and adjusted to the context of personal financial management. The data were analyzed using partial least squares structural equation modeling with SmartPLS. The measurement model was assessed using outer loadings, Cronbach's alpha, composite reliability, average variance extracted, and the heterotrait-monotrait ratio. The structural model was evaluated using path coefficients, the coefficient of determination, effect size, predictive relevance, t-statistics, and p-values generated through the bootstrapping procedure (Hair et al., 2019). Before comparing the generational groups, measurement invariance was evaluated using the Measurement Invariance of Composite Models procedure, which involved configural invariance, compositional invariance, and the equality of composite means and variances. After partial measurement invariance was established, differences in the structural relationships between Millennials and Generation Z were examined using Multi-Group Analysis and permutation testing. An independent-samples mean difference test was also performed to identify differences in financial literacy, lifestyle, and financial management behavior between the two groups (Henseler et al., 2016).

4. RESULTS AND DISCUSSION

Descriptive Statistics

Descriptive analysis was conducted to describe the levels of financial literacy, consumptive lifestyle, and financial management behavior in both generational groups. The mean values were calculated using a five-point Likert scale.

Table 2. Descriptive Analysis Results.

Variable	Millennials	Generation Z	Overall Mean	Interpretation
Financial literacy	4.02	3.68	3.85	High
Consumptive lifestyle	3.18	3.74	3.46	High
Financial management behavior	3.91	3.47	3.69	High

The results indicate that Millennials had a higher level of financial literacy than Generation Z. The mean financial literacy score among Millennials was 4.02, while Generation Z recorded a mean score of 3.68. This difference suggests that Millennial respondents were

relatively more capable of understanding budgeting, savings, credit, investment, inflation, and the risks associated with financial products.

Millennials also demonstrated better financial management behavior, with a mean score of 3.91, compared with 3.47 among Generation Z. Millennials tended to be more organized in preparing budgets, paying financial obligations, controlling expenditures, saving, and preparing for long-term financial needs. This condition may be associated with greater work experience, more stable income, family responsibilities, asset ownership, and more substantial financial obligations.

In contrast, Generation Z recorded a higher consumptive lifestyle score of 3.74, compared with 3.18 among Millennials. This result indicates that the consumption decisions of Generation Z were more strongly influenced by trends, digital promotions, social media, public-figure recommendations, peer-group acceptance, and the convenience of transactions through electronic wallets and deferred-payment facilities. However, this finding does not mean that all Generation Z respondents had poor financial behavior. Rather, it indicates that consumptive lifestyle pressures were stronger within this group.

Measurement and Structural Model Evaluation

The measurement model was evaluated by examining construct reliability and validity. Reliability was assessed using Cronbach's alpha and composite reliability, while convergent validity was assessed using average variance extracted. The structural model was subsequently evaluated using the coefficient of determination and predictive relevance.

Table 3. SmartPLS Model Evaluation Results.

Construct/Indicator	Cronbach's Alpha	Composite Reliability	AVE/R^2/Q^2	Decision
Financial literacy	0.877	0.911	AVE = 0.671	Reliable and valid
Consumptive lifestyle	0.858	0.898	AVE = 0.638	Reliable and valid
Financial management behavior	0.903	0.925	AVE = 0.672	Reliable and valid
Overall model	–	–	R^2 = 0.586	Moderate
Predictive relevance	–	–	Q^2 = 0.372	Predictively relevant

The Cronbach's alpha values for all constructs exceeded 0.70, ranging from 0.858 to 0.903. Composite reliability values also exceeded the minimum threshold of 0.70, ranging from 0.898 to 0.925. Therefore, all constructs demonstrated satisfactory internal consistency.

The average variance extracted values for all constructs were above 0.50. Financial literacy had an AVE value of 0.671, consumptive lifestyle had an AVE value of 0.638, and financial management behavior had an AVE value of 0.672. These values indicate that each

construct explained more than 50% of the variance in its indicators. Therefore, the measurement model fulfilled the requirements for convergent validity.

Discriminant validity testing using the heterotrait-monotrait ratio also showed that all relationships between constructs were below 0.90. The HTMT value between financial literacy and financial management behavior was 0.782, the value between consumptive lifestyle and financial management behavior was 0.684, and the value between financial literacy and consumptive lifestyle was 0.536. These results indicate that the three constructs measured empirically distinct concepts.

The R^2 value for financial management behavior was 0.586, indicating that financial literacy and consumptive lifestyle jointly explained 58.6% of the variance in financial management behavior. The remaining 41.4% was explained by other variables not included in the model, such as income, self-control, financial attitudes, financial experience, financial self-efficacy, family influence, and financial technology usage.

The Q^2 value of 0.372 was greater than zero, demonstrating that the model had satisfactory predictive relevance. This means that financial literacy and lifestyle were not only capable of explaining financial management behavior in the research sample but also had sufficient predictive ability.

Hypothesis Testing and Generational Comparison

Hypothesis testing was conducted using a bootstrapping procedure with 5,000 subsamples. A hypothesis was accepted when the *t-statistic* exceeded 1.96 and the *p-value* was below 0.05. Differences in coefficients between Millennials and Generation Z were examined using Multi-Group Analysis.

Table 4. Hypothesis Testing and Multi-Group Analysis Results.

Relationship	Coefficient	t-Statistic	p-Value	Result
Financial literacy → financial management behavior	0.574	7.214	0.000	Positive and significant
Consumptive lifestyle → financial management behavior	−0.329	4.186	0.000	Negative and significant
Financial literacy → financial behavior: Millennials	0.681	5.892	0.000	Significant
Financial literacy → financial behavior: Generation Z	0.426	3.107	0.002	Significant
Generational difference in financial literacy effect	0.255	–	0.031	Significantly different
Lifestyle → financial behavior: Millennials	−0.218	2.146	0.032	Significant
Lifestyle → financial behavior: Generation Z	−0.447	4.023	0.000	Significant
Generational difference in lifestyle effect	0.229	–	0.042	Significantly different

The hypothesis-testing results demonstrate that financial literacy had a positive and significant effect on financial management behavior. The path coefficient of 0.574 indicates that an increase in financial literacy was associated with an improvement in financial management behavior. The *t-statistic* of 7.214 and *p-value* of 0.000 confirm that the effect was statistically significant.

Consumptive lifestyle had a negative and significant effect on financial management behavior. The coefficient of −0.329 indicates that stronger consumptive tendencies were associated with lower-quality financial management behavior. The effect was statistically significant, with a *t-statistic* of 4.186 and a *p-value* of 0.000.

The Multi-Group Analysis results indicate that the effect of financial literacy on financial management behavior was stronger among Millennials. The coefficient for Millennials was 0.681, while the coefficient for Generation Z was 0.426. The coefficient difference of 0.255 was statistically significant at a *p-value* of 0.031. This result means that financial knowledge was more effectively translated into financial management practices among Millennials.

In contrast, the negative effect of consumptive lifestyle was stronger among Generation Z. The lifestyle coefficient for Generation Z was −0.447, while the coefficient for Millennials was −0.218. The difference was statistically significant, with a *p-value* of 0.042. This finding indicates that the financial management behavior of Generation Z was more sensitive to trends, social media exposure, digital promotions, and the convenience of application-based transactions.

Discussion

The Effect of Financial Literacy on Financial Management Behavior

Financial literacy was found to have a positive and significant effect on financial management behavior. Individuals who understood income, expenditure, interest, inflation, savings, credit, investment, and financial risks were more capable of planning the use of their money rationally. They were also better able to compare financial products, calculate the consequences of debt, prepare budgets, and establish financial goals.

This finding supports the Theory of Planned Behavior, which explains that behavior is influenced by attitudes, subjective norms, and perceived behavioral control. Financial knowledge improves an individual's perceived ability to control financial decisions. Individuals who understand how to prepare a budget and calculate credit costs are more likely to feel capable of controlling their expenditures and financial obligations. Ajzen (1991) explains that perceived behavioral control can strengthen behavioral intention and actual behavior when individuals believe that they possess the necessary abilities and resources.

The result is also consistent with Lusardi and Mitchell (2014), who found that financial literacy is associated with saving, borrowing, investing, wealth accumulation, and preparation for future needs. Financial literacy represents a form of human capital that assists individuals in processing financial information and evaluating the economic consequences of their decisions.

Nevertheless, the coefficient of 0.574 indicates that financial knowledge is not the only determinant of financial management behavior. Individuals may understand the importance of saving and limiting debt but continue to make impulsive purchases because of social pressure, inadequate self-control, limited income, and transactional convenience. Fernandes et al. (2014) similarly found that the effect of financial education and literacy on behavior may weaken when psychological factors and individual characteristics are considered.

Therefore, financial education should not be limited to the delivery of financial concepts. Financial literacy programs should include practical exercises involving budget preparation, expenditure recording, loan-cost calculation, emergency-fund development, savings-target determination, and investment-product evaluation. Practical approaches can reduce the gap between financial knowledge and actual behavior.

The Effect of Lifestyle on Financial Management Behavior

Consumptive lifestyle had a negative and significant effect on financial management behavior. Individuals who frequently purchased products because of trends, social image, promotions, or a desire to follow their social environment were more likely to experience difficulties in controlling expenditures and allocating income to savings and investments.

Lifestyle influences how individuals establish priorities between needs and desires. A strong consumption orientation may encourage individuals to use their income for short-term satisfaction, even when doing so reduces their ability to achieve long-term financial goals. This condition has become increasingly significant because e-commerce platforms, electronic wallets, limited-time promotions, and buy-now-pay-later facilities have made purchasing processes faster and easier.

From the perspective of the Theory of Planned Behavior, lifestyle is related to attitudes and subjective norms. The desire to gain social acceptance, follow trends, or present a particular self-image can create a favorable attitude toward consumption. Norms within peer groups and social media environments may also generate pressure to purchase particular products or participate in certain activities.

The negative effect of lifestyle indicates that financial-behavior improvement programs should incorporate consumption-control strategies. Individuals need to be trained to distinguish

needs from desires, delay purchases, establish expenditure limits, reduce the use of consumer credit, and evaluate the usefulness of products before completing transactions.

Differences Between Millennials and Generation Z

The findings demonstrate that the effect of financial literacy was stronger among Millennials. This condition may be explained by their greater financial experience and responsibilities. Millennials are generally more likely to manage family obligations, loan installments, insurance, children's education costs, asset purchases, and retirement preparation. Consequently, their financial knowledge is more frequently applied to actual financial decisions.

Generation Z has broad access to financial information, but not all available information is reliable or sufficiently comprehensive. Financial information distributed through social media may be brief, promotional, or inadequately supported by explanations of risk. Therefore, greater access to information does not necessarily result in consistent financial-management capabilities.

The stronger lifestyle effect among Generation Z indicates that this group is more vulnerable to digital consumption environments. Generation Z grew up when social media, e-commerce, digital wallets, food-delivery services, and personalized promotions had become integrated into everyday life. The separation between purchase and payment through buy-now-pay-later facilities may also reduce awareness of the actual financial burden.

These results confirm that financial-literacy programs should be differentiated according to generational characteristics. Programs for Millennials should emphasize debt management, investment, insurance, education funds, home ownership, and retirement planning. Programs for Generation Z should focus on controlling digital consumption, understanding buy-now-pay-later risks, preventing impulsive purchases, ensuring transaction security, verifying investment information, and establishing saving habits from an early age.

Overall, the study demonstrates that financial literacy improves financial management behavior, while consumptive lifestyle reduces it. The effect of financial literacy was stronger among Millennials, whereas the effect of lifestyle was stronger among Generation Z. These differences indicate that generation is not merely a demographic characteristic but also a contextual factor that influences how knowledge and lifestyle are translated into financial decisions.

4. CONCLUSION

This study concludes that financial literacy and lifestyle are important determinants of financial management behavior among Millennials and Generation Z in West Java. Financial literacy positively improves individuals' ability to prepare budgets, control expenditures, manage financial obligations, save, invest, and plan for future financial needs, whereas a consumptive lifestyle weakens these practices by encouraging impulsive and nonessential spending. The findings also reveal significant generational differences, with financial literacy exerting a stronger influence on Millennials because of their broader financial experience and long-term responsibilities, while consumptive lifestyle has a stronger negative effect on Generation Z due to greater exposure to social media, digital promotions, e-commerce, and application-based payment facilities. The contribution of this study lies in integrating financial literacy, lifestyle, and generational comparison within a single explanatory model, thereby enriching the literature on personal financial behavior. Its implications highlight the need for generation-specific financial education, emphasizing debt, investment, insurance, and retirement planning for Millennials, while prioritizing digital consumption control, responsible use of deferred-payment services, investment-information verification, and early saving habits for Generation Z.

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