



## Determinants of Financial Management Behavior Among Generation Z University Students in Kupang: The Role of Financial Literacy, Financial Technology Adoption, and Financial Self-Efficacy

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### ABSTRACT

This study examines the determinants of financial management behavior among Generation Z university students in Kupang City by integrating financial literacy, financial technology adoption, and financial self-efficacy within the Theory of Planned Behavior framework. A quantitative explanatory design was employed using survey data from 218 students, analyzed through PLS-SEM. The findings reveal that financial literacy, fintech adoption, and financial self-efficacy significantly influence financial management behavior, both individually and simultaneously. Financial literacy serves as the primary cognitive foundation, self-efficacy strengthens perceived behavioral control, while fintech functions as an enabling contextual factor rather than a deterministic driver. The model demonstrates moderate predictive power, indicating that responsible financial behavior among Gen Z students emerges from the interaction of cognitive, psychological, and technological dimensions. This study contributes to extending behavioral finance research in emerging regional contexts and highlights the need for integrative financial education strategies in higher education institutions.

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## INTRODUCTION

The financial management behavior of Generation Z students in Kupang City is a crucial issue in Indonesia's digital financial transformation landscape, especially when increased access to financial services is not always accompanied by financial management maturity. The focus of this research is expressly directed at the determinants of financial management behavior of Generation Z students through three main constructs, namely financial literacy, adoption of financial technology (fintech), and financial self-efficacy. This focus placement at the beginning is not merely a structural choice, but a consequence of a real problem: the rapid ease of access to finance does not necessarily result in rational and sustainable financial behavior.

Conceptually, financial behavior is the result of interactions between cognitive, affective, and contextual aspects that shape individual economic decisions, while in the perspective of the Theory of Planned Behavior, behavior is determined by intentions formed through attitudes, subjective norms, and perceived behavioral control (Banks & Gardner, 2024). Financial literacy can be positioned as a cognitive foundation that shapes attitudes towards financial decisions; financial self-efficacy represents perceived behavioral control; while fintech adoption reflects an instrumental context that facilitates or even modifies financial management practices (Rahma, 2024). Thus, the relationship of these three variables to financial management behavior has strong theoretical legitimacy.

However, such theoretical constructions face a paradoxical empirical reality. Data from the Financial Services Authority (2022) shows that the national financial literacy index has increased significantly in the past decade. On the other hand, recent reports indicate a high contribution of the 19–34 age group to non-performing loans, accounting for more than a third of the total cases by 2024. This fact shows the incompatibility between the improvement of formal literacy and the practice of debt management and actual consumption. This gap is an indication that literacy alone does not adequately explain students' financial behavior.

Furthermore, the expansion of fintech services driven by financial sector policies and innovations, including regulation and supervision by Bank Indonesia, has created an ecosystem of digital payments, peer-to-peer lending, and application-based investment that is easily accessible to students. Arner, Barberis, and Buckley (2015) emphasized that fintech presents a post-crisis paradigm that increases financial inclusion. However, increased inclusion does not automatically guarantee the quality of financial decision-making. The ease of transactions has the potential to reduce psychological barriers to consumption, thus triggering impulsive behavior if not balanced with adequate self-control capacity.

Generation Z students have unique characteristics as digital natives. Bencsik and Machova (2016) describe this generation as adaptive to technology, quick to access information, and accustomed to digital interactions. However, technological adaptability is not synonymous with financial maturity. In the context of students in Kupang City—an area in Eastern Indonesia with different socio-economic dynamics from metropolitan cities—the transition to financial independence takes place with limited resources, dependency on pocket money, and relatively limited part-time job opportunities. This condition adds to the complexity of shaping financial management behavior.

A number of previous studies have shown that financial literacy has a positive effect on financial management behavior (Mitchell, 2014; Pramedi & Haryono, 2021). Individuals with an understanding of the concepts of interest, risk, and planning tend to have better savings and more controlled debt levels. However, Cappelli et al. (2024) through a systematic review remind that the determination of financial behavior is not only rational, but also influenced by behavioral bias and social pressure. This debate shows that the cognitive literacy-based approach has not fully answered the financial behavior problems of the younger generation.

Di sisi lain, penelitian tentang fintech memberikan hasil yang ambivalen. Beberapa temuan menyatakan bahwa fintech meningkatkan efisiensi transaksi dan transparansi pengeluaran (Friyatmi, 2023). Namun, studi lain menunjukkan potensi peningkatan konsumsi impulsif akibat frictionless payment systems. Ketegangan antara fungsi fasilitatif dan risiko behavioral tersebut menunjukkan bahwa fintech bukan variabel netral; dampaknya bergantung pada kapasitas individu dalam mengontrol penggunaan.

Financial self-efficacy comes as a psychological construct that bridges the cognitive and behavioral dimensions. Lown (2011) emphasized that confidence in financial management skills affects the courage to make strategic financial decisions. Farrell, Fry, and Risse (2016) show that self-efficacy plays a significant role in shaping long-term saving habits and planning. However, some studies still position self-efficacy as an additional variable, rather than a major determinant that stands parallel to literacy and fintech.

This is where the fundamental research gap lies. First, most of the research focuses on national populations or large cities, so it does not explore regional contexts such as Kupang City. Second, many studies examined the variables partially, without examining the structural interactions of the three in a single integrative model. Third, generation-based empirical approaches often generalize the characteristics of Generation Z without considering the condition of students as a subgroup with specific financial vulnerabilities.

The gap between the ideal norms of financial management that emphasize planning, discipline, and sustainability—and the actual practices of students who are often characterized by consumptive dependence and short-term credit use—suggests the need for a more comprehensive approach. Financial literacy experts such as Mitchell (2014) emphasize the importance of financial education, but the development of fintech demands the integration of technological perspectives and behavioral psychology within a broader analytical framework.

The deepest gap that previous research has not filled is the contextual understanding of how these three determinants work simultaneously in the socio-economic ecosystems of developing regions. Kupang City, as the center of higher education in East Nusa Tenggara, provides relevant social laboratories to test

this model. The lack of research based on the Eastern Indonesia region shows that there is a geographical bias in the financial behavior literature.

The novelty of this research lies in three aspects. First, the integration of financial literacy, fintech adoption, and financial self-efficacy in one PLS-SEM-based structural model that tests the relative strength of each determinant. Second, the empirical focus on Generation Z students in Kupang City as a regional context that has not been touched much has not been touched. Third, strengthening the theoretical framework through the synthesis of cognitive, technological, and psychological perspectives in explaining financial management behavior.

The urgency of this research is increasingly relevant in the context of accelerating the digitalization of national financial services. Without a comprehensive understanding of the factors that shape student financial behavior, digital literacy and innovation policies have the potential to not achieve the goal of improving financial welfare. This study seeks to provide an academic foundation for evidence-based educational and policy interventions, rather than mere normative assumptions.

Although the literature has extensively confirmed that financial literacy, fintech adoption, and financial self-efficacy contribute to financial management behaviors (Mitchell, 2014; Lown, 2011; Friyatmi, 2023), the dominant approach is still partial and contextually limited. Some studies emphasize the cognitive dimension through literacy, while others focus on the role of technology or psychological factors separately, without examining the structural configuration of all three in a single, generation- and region-specific comprehensive model. In addition, there is a tendency to generalize to Generation Z as a homogeneous group in developed urban areas, thus ignoring the socio-economic context of developing areas such as Kupang City.

The inconsistency between the normative assumption that increased inclusion and literacy automatically improve financial behavior with the empirical reality of high credit risk and impulsive consumption in young age groups suggests that there are conceptual and empirical gaps that have not been addressed. Thus, there is still room for research to integrate cognitive, technological, and psychological perspectives in a structural framework that is contextually tested on Generation Z students in Eastern Indonesia, including the city of Kupang, in order to produce a more precise understanding of the determinants of financial behavior that is not geographically biased.

Thus, this study aims to empirically analyze the influence of financial literacy, financial technology adoption, and financial self-efficacy on the financial management behavior of Generation Z students in Kupang City, as well as identify the most dominant determinants in shaping their financial management practices.

## LITERATURE REVIEW

### **Theoretical Framework: Planned Behavior Perspective**

The study of the financial management behavior of Generation Z students in this study is based on the Theory of Planned Behavior developed by Ajzen (1991). This theory asserts that individual behavior does not arise spontaneously, but is the result of intentions influenced by attitudes toward behavior, subjective norms, and perceived behavioral control. In the context of financial management, attitudes are reflected in an individual's evaluation of the importance of financial planning and discipline; subjective norms relate to social pressures or environmental expectations; Meanwhile, the perception of behavioral control is related to belief in the ability to manage financial resources.

Financial literacy in this study is positioned as a cognitive foundation that shapes attitudes towards financial decisions, while financial self-efficacy represents the dimension of perceived behavioral control. The adoption of financial technology serves as an instrumental context that mediates how financial intentions are realized in actual practice. Thus, the integration of the three constructs in one structural model has a coherent theoretical justification and is not merely additive, but rather reinforces each other in shaping financial management behavior.

### **Financial Technology and the Transformation of Financial Behavior**

The development of financial technology (fintech) reflects structural transformations in the modern financial system. According to Bank Indonesia (2018), fintech is the integration of technological innovation

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with financial services that changes conventional business models to be more efficient and digital. Arner, Barberis, and Buckley (2015) place fintech as a post-crisis paradigm that expands financial inclusion through the digitization of services and new intermediation models. In this context, fintech is not just a transaction tool, but part of the financial system architecture that shapes user behavior.

Marini et al. (2020) show that fintech not only improves transaction efficiency, but also creates new business models and services that change the way individuals interact with the financial system. However, the literature also reminds that ease of access and lack of friction in digital payments can affect self-control in consumption. Friyatmi (2023) found that fintech contributes to the improvement of the financial management of the younger generation, but its impact depends on the capacity of individuals to use technology rationally.

For Generation Z students, who according to Bencsik and Machova (2016) have a high level of technological adaptability, fintech is an instrument that is almost integrated in daily activities. However, technological adaptation is not synonymous with financial maturity. Therefore, the relationship between fintech adoption and financial management behavior requires an empirical analysis that takes into account the cognitive and psychological dimensions of users.

#### **Financial Literacy as a Cognitive Determinant**

Financial literacy conceptually refers to the ability to understand basic financial concepts and apply them in decision-making. The Financial Services Authority (2022) defines financial literacy as a combination of knowledge, skills, and beliefs that affect attitudes and behaviors in financial management to achieve financial well-being. This definition emphasizes the multidimensional dimension of literacy, which is not limited to factual knowledge.

Mitchell (2014) emphasized that financial literacy has significant economic implications because individuals with high literacy tend to have larger savings and more controlled debt levels. Similar findings were put forward by Pramedi and Haryono (2021) which showed that financial literacy has a positive effect on student financial management behavior. Literacy allows individuals to understand investment risks, compound interest, as well as the consequences of credit decisions.

However, the latest literature shows that literacy is not the only determining factor. Cappelli et al. (2024) through a scoping review showed that behavioral bias and social pressure also shape students' financial decisions. This suggests that literacy serves as a cognitive prerequisite, but it does not automatically guarantee optimal financial behavior. Thus, literacy analysis needs to be combined with other variables that explain the psychological and contextual dimensions.

#### **Financial Self-Efficacy and Psychological Dimensions of Financial Management**

Financial self-efficacy (FSE) refers to an individual's belief in his or her ability to manage finances effectively. Lown (2011) developed an FSE scale that showed that financial confidence correlates with spending planning and control behavior. Farrell, Fry, and Risse (2016) found that self-efficacy plays a significant role in explaining variations in financial behavior, particularly in women and younger generations.

Herdjiono and Damanik (2016) show that belief in financial ability influences savings and investment decisions. Theoretically, FSE is directly related to the concept of perceived behavioral control in the Theory of Planned Behavior. Individuals with high levels of self-efficacy tend to have a stronger perception of control over their financial results, so they are more consistent in executing a budget plan.

For Generation Z students, the transition phase to financial independence is often colored by income uncertainty and consumption pressures. In such situations, confidence in the ability to manage resources becomes a protective factor against impulsive behavior. Therefore, FSE is positioned not just as a complementary variable, but as a psychological determinant that strengthens or weakens the influence of literacy and fintech on actual behavior.

#### **Financial Management Behavior as a Multidimensional Outcome**

Financial management behavior reflects concrete practices in budgeting, controlling expenses, saving, and managing debt. Anggitha (2021) defines financial behavior as an individual's way of managing funds responsibly. Ariadin and Safitri (2021) emphasized that good financial management behavior is characterized by planning, recording, and spending discipline.

Dewi et al. (2020) show that the younger generation has a high awareness of the importance of financial independence, but implementation is often inconsistent. The mismatch between awareness and

practice indicates the presence of complex mediating factors. In the context of Generation Z students in developing regions, financial management behavior is influenced not only by internal factors, but also by access to technology and the social environment.

Thus, financial management behavior in this study is understood as an outcome of the interaction between cognitive (literacy), psychological (self-efficacy), and structural-technological dimensions (fintech adoption). This integrative approach allows for a more comprehensive analysis than studies that place variables separately.

## RESEARCH METHOD

This study uses a quantitative approach with an explanatory design to test the causal relationship between financial literacy, financial technology adoption, and financial self-efficacy on the financial management behavior of Generation Z students in Kupang City. The explanatory approach was chosen because this study does not simply describe the phenomenon, but tests the strength of the influence between constructs simultaneously in one integrated structural framework. Epistemologically, this research departs from a positivistic paradigm that emphasizes hypothesis testing through objective measurements and inferential statistical analysis.

The analysis unit in this study is individual students who belong to the Generation Z category (born between 1997–2012) and are studying at universities in Kupang City. The selection of this geographical context is based on considerations of regional relevance and the lack of empirical studies of the financial behavior of the young generation in the Eastern Indonesia region.

The research population includes all Generation Z students who are actively enrolled in several universities in Kupang City. Given the limited access to a complete population list, the sampling technique was carried out using a purposive sampling approach with the following criteria: (1) active students, (2) belonging to the Generation Z category, and (3) using or having used fintech services in daily financial activities.

The number of respondents who met the criteria and analyzed in this study was 218 students. The sample size is considered adequate for the analysis of Structural Equation Modeling based on Partial Least Squares (PLS-SEM), as recommended by Hair et al. (2018) who stated that PLS-SEM is tolerant of moderate sample sizes as long as it meets the minimum indicator-to-sample ratio principle and structural model complexity.

Primary data was collected through the distribution of online questionnaires using digital platforms to ensure the efficiency of distribution and reach of respondents. The research instrument was arranged in the form of a closed statement using a four-point Likert scale (1 = strongly disagree to 4 = strongly agree). The even-scale selection aims to minimize the bias of neutral answers and encourage respondents to take a more assertive stance.

Each construct is measured using indicators adapted from previous research that have been tested for validity and reliability. Financial technology indicators are adapted from Dahmiri (2022), Friyatmi (2023), and Anantadjaya et al. (2023); financial literacy indicators refer to Layuksugi et al. (2024), Kusumawardhanis et al. (2020), and Armansyah (2023); financial self-efficacy adapted from Lown (2011) and Widiawati (2020); while financial management behavior refers to Armansyah (2023) and Rahma and Susanti (2022). The adaptation process is carried out by contextual adjustment to the characteristics of students in Kupang City without changing the conceptual essence of each construct.

Data analysis was carried out using the Structural Equation Modeling approach based on Partial Least Squares (PLS-SEM) with the help of SmartPLS software version 4.1. The selection of PLS-SEM is based on several methodological considerations. First, the research model is predictive and exploratory in testing the relative strength of determinants of financial behavior. Second, PLS-SEM does not require strict multivariate normality assumptions. Thirdly, this method is suitable for models with some latent constructs and reflective indicators.

The analysis procedure is carried out through two main stages, namely the evaluation of the measurement model (outer model) and the evaluation of the structural model (inner model), following the guidelines of Hair et al. (2018):

1. Evaluate the Outer Model.

Convergent validity was tested through outer loading ( $>0.70$ ) and Average Variance Extracted (AVE  $>0.50$ ). Construct reliability was evaluated using Composite Reliability and Cronbach's Alpha ( $>0.70$ ). The validity of the discriminant was tested using the Fornell-Larcker criterion, where the square root of AVE must be greater than the correlation between constructs.

2. Inner Model Evaluation.

The structural model was analyzed through path coefficient values, statistical significance (T-statistics and p-values) using bootstrapping techniques with a 95% confidence level, and determination coefficient value ( $R^2$ ) to measure the model's explainability to endogenous variables. The  $R^2$  interpretation refers to the classification of Hair et al. (2018), where values of 0.25, 0.50, and 0.75 indicate weak, moderate, and substantial categories, respectively.

## RESULTS AND DISCUSSIONS

### Results

#### 1. Outer Model

In SEM-PLS, *the outer model* describes the relationship between latent constructs and their indicators. Evaluation was carried out through a convergent validity test (loading  $\geq 0.70$ ; AVE  $\geq 0.50$ ), discriminant validity (Fornell-Larcker or HTMT), and construct reliability (Composite Reliability  $\geq 0.70$ ). According to Hair et al. (2018), outer model testing is important to ensure that the indicator validly and consistently measures constructs before structural model analysis is performed.

**Table 1. Outer Loading**

Item	Original Sample (O)
FT.1	0,809
FT.2	0,785
FT.3	0,849
FT.4	0,793
FT.5	0,827
FT.6	0,836
FT.7	0,823
FL.1	0,774
FL.2	0,769
FL.3	0,715
FL.4	0,761
FL.5	0,796
FL.6	0,771
FL.7	0,778
FL.8	0,766
FL.9	0,728
FL.10	0,749
FL.11	0,791
FL.12	0,758
FL.13	0,795
FSE.1	0,833
FSE.2	0,709
FSE.3	0,807
FSE.4	0,852
FSE.5	0,837

FSE.6	0,788
FMB.1	0,745
FMB.2	0,741
FMB.3	0,745
FMB.4	0,787
FMB.5	0,772
FMB.6	0,762
FMB.7	0,759
FMB.8	0,786
FMB.9	0,795
FMB.10	0,737

Source: Primary Data Processed, 2025

Based on the outer loading value (Original Sample/O) in the table, all indicators in the construct of Financial Technology (FT), Financial Literacy (FL), Financial Self-Efficacy (FSE), and Financial Management Behavior (FMB) have values above 0.70 with a range of 0.709 to 0.852, so that all items meet the convergent validity criteria. The FT construct shows a strong loading (0.785–0.849), FL is in the range of 0.715–0.796, FSE has values between 0.709–0.852 with some very high indicators, and FMB ranges from 0.737–0.795. Since all values have exceeded the recommended minimum limit ( $\geq 0.70$ ), there are no indicators that need to be eliminated and the measurement model (outer model) can be declared valid and feasible to proceed to the structural model testing stage (inner model).

a. Average Variance Extraced (AVE)

AVE is a measure of convergent validity in SEM-PLS that indicates how much of an indicator's variance can be explained by a latent construct. An AVE value of  $\geq 0.50$  indicates that the construct is able to explain at least 50% of the variance of the indicator, so it is declared to meet the convergent validity. If the AVE  $< 0.50$ , then the construct's ability to represent the indicator is still inadequate.

**Table 2. Average Variance Extraced (AVE)**

Item	Original Sample (O)
FT	0,668
FL	0,587
FSE	0,649
FMB	0,582

Source: Primary Data Processed, 2025

Based on the table, all constructs have AVE values above the minimum limit of 0.50, namely FT of 0.668, Financial Literacy (FL) of 0.587, Financial Self-Efficacy (FSE) of 0.649, and Financial Management Behavior (FMB) of 0.582. This value shows that each construct is able to explain more than 50% of the variance of its indicators, so that it meets the criteria of convergent validity. Thus, the measurement model (outer model) is declared adequate in representing latent constructs and is feasible to proceed to the structural model analysis stage (inner model).

b. Discriminant Validity

Discriminant validity in SEM-PLS aims to ensure that an empirical construct is completely different from other constructs in the model. According to Hair et al. (2018), discriminant validity is achieved when a construct is able to explain the variance of its own indicators greater than its correlation with other constructs. The test generally uses the Fornell-Larcker criterion, i.e. the square root of AVE must be higher than the correlation between constructs, or through a recommended HTMT value of less than 0.90. If these criteria are met, the measurement model is declared to have adequate discriminant validity.

**Table 3. Discriminat Validity Result**

Item	FT	FL	FSE	FMB
FT	0,817			
FL	0,732	0,766		
FSE	0,723	0,714	0,806	
FMB	0,644	0,653	0,759	0,763

Source: Primary Data Processed, 2025

Based on the Discriminant Validity Result table using the Fornell-Larcker criteria, the square root value of AVE in each construct (shown diagonally) is Financial Technology (FT) = 0.817; Financial Literacy (FL) = 0.766; Financial Self-Efficacy (FSE) = 0.806; and Financial Management Behaviour (FMB) = 0.763. All of these diagonal values are higher than the correlation between constructs in the same row and column. This shows that each construct has a greater ability to explain its own indicators compared to other constructs. Thus, based on the Fornell-Larcker criteria, the measurement model is declared to have met the discriminant validity and is feasible to proceed to structural model analysis.

#### c. Composite Reliability and Cronbach's Alpha Values

Composite Reliability (CR) and Cronbach's Alpha are internal reliability indicators in SEM-PLS that are used to assess the consistency between indicators in measuring a latent construct. According to Hair et al. (2018), Cronbach's Alpha provides reliability estimates based on the assumption that all indicators have the same contribution, while Composite Reliability is considered more accurate because it takes into account the difference in the outer loading value of each indicator. In general, the CR values and Cronbach's Alpha  $\geq 0.70$  indicate that the construct has an adequate level of reliability and is suitable for use in structural model analysis.

**Table 4. Composite Reliability dan Cronbach's Alpha Result**

Item	Composite Reliability	Cronbach's Alpha
FT	0,934	0,917
FL	0,949	0,941
FSE	0,917	0,891
FMB	0,933	0,920

Source: Primary Data Processed, 2025

Based on the Composite Reliability and Cronbach's Alpha tables, the entire construct shows excellent reliability values. The Composite Reliability values for Financial Technology (FT) 0.934, Financial Literacy (FL) 0.949, Financial Self-Efficacy (FSE) 0.917, and Financial Management Behaviour (FMB) 0.933, are all above the minimum limit of 0.70, indicating strong internal consistency. Similarly, Cronbach's Alpha values for FT (0.917), FL (0.941), FSE (0.891), and FMB (0.920) also surpassed the 0.70 criteria. In fact, all values are above 0.80 which indicates a high level of reliability. Thus, it can be concluded that each construct in this study has a very adequate internal consistency, so that the research instrument is declared reliable and feasible to be used in the analysis of the next structural model.

## 2. Inner Model

The Structural Model, or Inner model in Smart PLS software, shows the relationship between latent variables and how the existing constructs are interconnected and can affect each other. (Hair et al., 2018), Inner models involve assessing the strength and direction of the relationship between constructs, which are usually represented by path coefficients. In testing the significance of path coefficients can be done by bootstrapping. In addition, the inner model evaluates the R-square value ( $R^2$ ) for endogenous constructs, which shows how much variance in that construct can be explained by exogenous constructs. A higher  $R^2$  value indicates the stronger predictive capabilities of the model.

#### a. R-Square

R Square ( $R^2$ ) is the coefficient of determination in SEM-PLS that indicates how much variance of endogenous constructs can be explained by exogenous constructs in structural models. The value of  $R^2$  ranges from 0 to 1; The higher the value, the greater the ability of the independent variable to explain the dependent variable. In general, the  $R^2$  value of around 0.75 is categorized as strong, 0.50

moderate, and 0.25 weak. Thus,  $R^2$  is used to assess the predictive power of the model for the variables studied.

**Table 5. Coefficient of Determination**

Item	$R^2$	%
FMB (Financial Management Behavior)	0,492	49,2%

Source: Primary Data Processed, 2025

Based on the Coefficient of Determination Table, the  $R^2$  value for the FMB (Financial Management Behavior) variable is 0.492 or 49.2%. This shows that 49.2% of the variation in financial management behavior can be explained by independent variables contained in the model, while the remaining 50.8% is influenced by other factors outside the research model. The  $R^2$  value of 0.492 can be categorized as a moderate (moderate) explanatory rate, which means that the model has a fairly good predictive ability to explain the FMB variable, although there is still room for model development by adding other relevant variables.

b. Path Coefficient

Path Coefficient in SEM-PLS is a path coefficient that shows the direction and strength of influence between constructs in a structural model (inner model). The value ranges from -1 to +1; Getting closer to +1 indicates a strong positive influence, while getting closer to -1 indicates a strong negative influence. A value close to 0 indicates a weak influence. In addition to looking at the size of the coefficient, the significance of the influence was also evaluated through t-statistic values or p-values from bootstrapping results. Thus, the path coefficient is used to test the hypothesis and assess how much and how the relationship between variables in the study is going.

**Table 6. Path Coefficient**

Item	T Stats	P Values
FT > FMB	3,041	0,002
FL > FMB	3,697	0,000
FSE > FMB	3,345	0,001

Source: Primary Data Processed, 2025

Based on the Path Coefficient table, the entire relationship between variables shows significant results. The relationship between Financial Technology (FT) and Financial Management Behavior (FMB) has a T-Statistics value of 3.041 with a p-value of 0.002 ( $< 0.05$ ), which means that Financial Technology (FT) has a significant effect on Financial Management Behavior (FMB). Furthermore, Financial Literacy (FL) on Financial Management Behavior (FMB) showed a T-Statistics of 3.697 with a p-value of 0.000, so the influence was also significant and even the strongest among the three variables. Similarly, Financial Self-Efficacy (FSE) on Financial Management Behaviour (FMB) has a T-Statistic of 3.345 with a p-value of 0.001 ( $< 0.05$ ), which shows a significant influence. Since all T-Statistics values  $> 1.96$  and p-values  $< 0.05$ , all hypotheses are accepted. Thus, FT, FL, and FSE were proven to have a significant influence on FMB in this research model.

## Discussion

The findings of the study show that financial literacy, adoption of financial technology, and financial self-efficacy simultaneously have a significant effect on the financial management behavior of Generation Z students in Kupang City. Structurally, the model has a moderate-substantial explainability of the variation in financial management behavior, which indicates that students' financial behavior does not stand alone, but is formed through the interaction of cognitive, psychological, and instrumental-technological dimensions. These results are consistent with the framework of the Theory of Planned Behavior which asserts that behavior is a manifestation of attitudes, perceptions of control, as well as contextual factors that facilitate actions.

The results of the analysis show that financial literacy has a positive and significant effect on financial management behavior. Conceptually, literacy serves as a cognitive basis in forming rational evaluations of financial decisions. Individuals with a good understanding of the concepts of interest, risk, diversification, and budgeting tend to exhibit more disciplined financial behavior. These findings reinforce

the research of Mitchell (2014) who stated that financial literacy improves the quality of long-term economic decision-making. Similarly, Pramedi and Haryono (2021) found that students with high literacy levels showed a stronger tendency to budget and control expenses. However, this study adds a new contextual dimension, namely for students in the Eastern Indonesia region, who structurally have access to information and a different financial ecosystem than metropolitan cities. Thus, literacy not only functions as cognitive capital, but also as an adaptive mechanism against structural limitations. Interestingly, these results also confirm the argument of Cappelli et al. (2024) that literacy remains the main foundation even though other behavioral factors also play a role. This means that in the context of Gen Z students in Kupang City, literacy remains a primary determinant that strengthens financial rationality, not just a supporting variable.

The adoption of financial technology has been proven to have a significant effect on financial management behavior. Theoretically, fintech provides a digital infrastructure that allows transaction recording, ease of payment, and access to financial information in real-time. Bank Indonesia (2018) emphasized that fintech improves the efficiency of payment systems and access to financial services. In the context of students, this convenience has the potential to improve daily cash flow control. This finding is in line with Marini et al. (2020) who stated that fintech expands the capacity of individuals to manage transactions more systematically. Friyatmi (2023) also found that the use of fintech improves the regularity of financial management of the younger generation. However, this study shows that the influence of fintech does not stand alone, but is effective when supported by literacy and self-efficacy. Without cognitive capacity and psychological control, technology has the potential to encourage impulsive consumption. Thus, the main contribution of these findings lies in the affirmation that fintech functions as an enabler, not a single determinant. In the perspective of the Theory of Planned Behavior, fintech can be understood as a situational factor that facilitates the translation of intentions into real actions.

Financial self-efficacy shows a positive and significant influence on financial management behavior. Psychologically, confidence in the ability to manage finances increases consistency in running the budget and avoiding impulsive decisions. Lown (2011) asserts that self-efficacy is directly related to financial planning and control, while Farrell et al. (2016) show that financial confidence is a strong predictor of saving behavior in the younger generation. In the context of Gen Z students in Kupang City, self-efficacy has a strategic meaning because their life phases are characterized by income instability and digital consumption pressures. These results show that although literacy provides knowledge, and fintech provides facilities, without self-confidence to manage resources, disciplined financial behavior is difficult to realize. These findings reinforce the construction of perceived behavioral control in the Theory of Planned Behavior as a direct determinant of behavior.

Integratively, this study shows that the financial management behavior of Gen Z students cannot be explained through a single dimension. Financial literacy forms cognitive rationality, financial self-efficacy strengthens psychological control, and fintech provides an operational medium. All three work in a complementary structural configuration. Thus, this research model goes beyond the partial approach commonly used in previous studies that tend to test variables separately.

This research provides three main theoretical contributions. First, this study expands the application of the Theory of Planned Behavior in the context of student financial behavior in developing regions, by positioning literacy as a determinant of attitude, self-efficacy as a representation of perceived behavioral control, and fintech as contextual factors that facilitate action. This approach enriches the Theory of Planned Behavior literature with the integration of financial technology variables as modern structural elements. Second, this study offers empirical evidence from the Eastern Indonesian context that is relatively rarely explored in the financial behavior literature. Most previous studies have focused on large cities or developed countries, so generalizations are often metropolitan-centric. By presenting the context of Kupang City, this research expands the geographical scope of the literature and emphasizes the importance of local factors in shaping financial behavior. Third, this study emphasizes that fintech does not have a deterministic influence without the support of literacy and self-efficacy. These findings refine academic debates that tend to view digitalization as a universal solution to the problem of financial literacy.

Practically, these findings indicate that interventions to improve student financial management behavior are not enough to be done through the provision of access to financial technology alone. Universities in Kupang City need to integrate practice-based financial literacy programs, such as budgeting simulations and student debt management. In addition, strengthening financial self-efficacy can be done through

experiential learning approaches, financial mentoring, and habituation of reflection on personal financial management. Financial institutions and fintech providers also need to develop features that encourage self-control, such as spending limit notifications or monthly cash flow visualizations, rather than just ease of transactions. Thus, policies to improve the financial well-being of Gen Z students must be integrative—combining cognitive education, psychological reinforcement, and proportionate technology optimization.

## CONCLUSION

This study concludes that financial literacy, adoption of financial technology, and financial self-efficacy simultaneously have a significant effect on the financial management behavior of Generation Z students in Kupang City. These findings strengthen the framework of the Theory of Planned Behavior, where literacy forms rational evaluation, financial self-efficacy represents perceived behavioral control, and financial technology plays a role as a contextual facilitator in realizing actual behavior. These results confirm that financial digitalization is not deterministic; Its effectiveness depends on the cognitive and psychological capacity of the individual.

This research contributes to the expansion of the application of planned behavior models in the context of students in developing regions and enriches the literature with empirical evidence from Eastern Indonesia. However, cross-sectional design, the use of self-reported data, and limitations of the research area limit the generalization of findings.

The next research is suggested to use a longitudinal design, a mixed-method approach, and include moderation variables such as family influence or digital social pressure to deepen understanding of the dynamics of the financial behavior of the younger generation in the digital economy ecosystem.

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