

Towards the financial well-being of Gen-Z: A study at Tri Ratna School – Jakarta with *Locus of Control* as a mediation variable

Liny Liny¹, Eka Desy Purnama²

Universitas Kristen Krida Wacana, Indonesia^{1, 2}

liny.012023074@civitas.ukrida.ac.id¹



Article History

Received on 17 September 2024

1st Revised on 27 September 2024

Accepted on 29 September 2024

Abstract

Purpose: This study aimed to analyze the influence of financial literacy and lifestyle on financial well-being among Generation Z (Gen-Z), with the locus of control as a mediating variable. In this study, the locus of control refers to an individual's belief in internal and external influences in decision-making or taking action, which is expected to mediate the relationship between financial literacy, lifestyle, and financial well-being.

Research methodology: The data used in this study were collected through a survey of Gen-Z students, teachers, and staff members at Tri Ratna School-Jakarta, aged between 16 and 27 years. The analysis was conducted using Partial least squares structural equation modeling (PLS-SEM) was used to test the relationships between variables.

Results: This study's findings are expected to provide insights into the importance of financial literacy and the influence of lifestyle in shaping the financial well-being of Gen Z, as well as the role of locus of control in strengthening or weakening these influences. The findings are expected to serve as a reference for financial education and the development of more effective policies to improve the financial well-being of younger generations in Indonesia, particularly at Tri Ratna School-Jakarta.

Conclusions: Financial well-being among Gen-Z is determined not only by literacy and lifestyle but also by the locus of control, which functions as a psychological driver of effective financial behavior. Integrating financial education with self-control and lifestyle management can improve financial resilience.

Limitations: This study was limited to one institution in Jakarta, which may not represent a broader population. It also relies on self-reported data that may be biased.

Contribution: This research contributes to financial education by highlighting the importance of the locus of control and lifestyle choices in shaping Gen's financial well-being, providing insights for schools and policymakers.

Keywords: *Financial Literacy, Financial Well-being, Lifestyle, Locus of Control*

How to cite: Liny, L., & Purnama, E. D. (2025). Towards the financial well-being of Gen-Z: A study at Tri Ratna School, Jakarta with Locus of Control as a mediation variable. *Global Academy of Business Studies*, 1(2), 103-113.

1. Introduction

In modern times, financial literacy is one of the most important skills for every individual (Arfah, 2024), especially Gen-Z, who faces various financial choices and risks. Many Gen Zs have not received or understood education about good and correct financial management, which can impact their current and future financial well-being (Sulistiowati, Adisa, & Caturiani, 2021).

In "*The Economic Importance of Financial Literacy: Theory and Evidence*," discussed the importance of financial literacy in improving individuals' welfare. The author explains how understanding good financial management can be a consideration in decision-making, both in terms of investing, saving, and controlling financial management. They also emphasized the need for financial education to prepare them to become competent societies in the face of global economic challenges (Putri & Utama, 2024).

Gen-Z refers to individuals born between 1997-2012 who at this time, are currently between 10 and 25 years old (Schenarts, 2020). Gen-Z is also called *iGeneration* (*Internet generation*), which is the youngest generation that has just entered the current workforce (Kohnová, Papula, & Salajová, 2021). Based on the literature survey conducted, there are still relatively few studies that link financial literacy and lifestyle variables with financial well-being; therefore, researchers consider it important to conduct further research. Additionally, Gen's lifestyle is often influenced by social media, trends, and peer pressure. Researchers have observed that many Gen Z individuals, including students, teachers, and employees at Tri Ratna School, face problems with financial instruments, such as students with large tuition arrears but a consumptive lifestyle, as seen from their appearance using trendy gadgets, and several teachers and Gen Z employees involved in loans (Budiman, Tanuwijaya, Candraningrat, & Supriyanto, 2024; Udodiugwu, Nwosu, Obiakor, & Nwumeh, 2024).

Unplanned or organized consumption habits can lead to financial problems, even if they have sufficient knowledge of finances (Brüggen, Hogreve, Holmlund, Kabadayi, & Löfgren, 2017). Therefore, it is important to explore how lifestyle affects financial well-being. In the article "*This Generation's Got a Brand-New Attitude: How Generation Z is Reshaping Marketing*." The author examined the characteristics of Gen Z, including their values, attitudes, and lifestyles. The author explains how social media and global trends shape Gen's lifestyle and how companies are adapting to more authentic and relevant marketing approaches to capture their attention and interest. Francis, T., & Hoefel, L, 2018) explores how this lifestyle affects their financial well-being. In the article "*This Generation's Got a Brand-New Attitude: How Generation Z is Reshaping Marketing*." The author examined the characteristics of Gen Z, including their values, attitudes, and lifestyles. The author explains how social media and global trends shape Gen's lifestyle and how companies are adapting to more authentic and relevant marketing approaches to capture their attention and interest (Budiyanto, Mujib, Al Arif, & Prasetyowati, 2024; Restu, Gamayuni, & Yuliansyah, 2024).

The locus of control is either an individual's belief that they are able to control events in their lives (*internal locus of control*) or an individual's belief that it is an environment that is able to control events in their lives (*external locus of control*). Gen Z individuals with an internal locus of control tend to be more capable of managing their finances than those with an *external locus of control*. This study examines whether *the locus of control* can function as a mediating variable between financial literacy, lifestyle, and financial well-being. In the book "*Generalized Expectancies for Internal versus External Control of Reinforcement*." The author introduced the concept of *locus of control*, which distinguishes between individuals who believe that they control the outcome of their lives (*internal*) and those who believe that the outcome is influenced by external factors (*external*). This concept is important for understanding how a person's attitude can affect *their lifestyle*, including financial management (Kerihi, 2025; Laga & Hizazi, 2023).

By choosing Gen-Z, this study aims to provide a more specific picture of how financial literacy and lifestyle contribute to financial well-being, as well as how psychological factors such as *locus of control* (*internal or external*) affect these relationships (Shankar, Vinod, & Kamath, 2022). Understanding the factors affecting the financial well-being of the younger generation is essential amid global economic challenges and rising living costs. This research is expected to make a positive contribution to financial education in schools and help Gen-Z plan a better financial future (Azzam, Alqudah, Aryan, & Abu Haija, 2024). This research is also expected to contribute to the development of financial education programs in schools, helping to better prepare Gen Z to face financial challenges in the future. Based on a survey conducted by the OJK in 2023, only 35% of the younger generation claimed to have sufficient knowledge of personal financial management. In addition, survey census data from the BPS

show that 75% of adolescents in Indonesia are dominated by Gen-Z, who are easily exposed to the influence of strong social media, which often encourages a consumptive lifestyle. These data show that low financial literacy and lifestyle *have* a significant impact on the financial well-being of Gen Z.

The object of this research is Gen-Z among Tri Ratna School students, which has important relevance because they are part of Gen-Z, who are in an important stage of development in the formation of financial mindsets and habits. Studying the influence of financial literacy and lifestyle on welfare.

The locus of control is either an individual's belief that they are able to control events in their lives (*internal locus of control*) or an individual's belief that it is an environment that is able to control events in their lives (*external locus of control*). Gen Z individuals with an internal locus of control tend to be more capable of managing their finances than those with an *external locus of control*. This study attempts to determine whether the *locus of control* can serve as a financial variable that can provide insight into ways to improve the financial ability of the younger generation.

Based on data from a survey conducted by Bank Indonesia in 2023, there is a significant gap between financial literacy and well-being of students. Students with high financial literacy tend to be better at managing their finances, but many still lead a consumptive lifestyle. This phenomenon shows that while financial literacy is important, lifestyle significantly affects financial well-being. However, no studies have analyzed the link between financial literacy and lifestyle *with* Gen 's financial well-being or tested the role of *locus of control* as a mediating variable.

To overcome this, several studies have shown the importance of developing financial literacy education programs that are integrated with lifestyle management training. For example, in the book "*Financial Literacy: A Step-by-Step Approach*", Madini, Hendri, Malini, Giriati, and Yakin (2023) emphasize that proper financial education can empower individuals to make better decisions. The theories used in this book include the development of competencies and positive financial-management habits. This research aims to fill this knowledge gap and contribute to the development of a more effective and efficient financial literacy program for Gen Z at the Tri Ratna School.

One reference that can be used as a foundation is that locus of control refers to the extent to which individuals believe that they can control the events in their lives, whether it is due to internal or external factors (Arifin, Anastasia, Siswanto, & Henny, 2017).

2. Literature review

Financial literacy is widely recognized as the primary determinant of financial well-being. For Gen Z, understanding budgeting, saving, and investment decisions enables individuals to meet obligations and build long-term financial security. This study confirms the significant effect of financial literacy on financial well-being, aligning with prior findings that literacy enhances not only financial knowledge but also confidence in managing personal finances (Luis & Nuryasman, 2020).

Lifestyle factors, such as consumption patterns, social media influence, and peer pressure, shape financial behaviors that directly affect well-being. A prudent and frugal lifestyle strengthens financial security, whereas a consumptive lifestyle diminishes the benefits of literacy. This supports earlier studies that emphasize how consumerism and peer-driven spending habits negatively influence Gen's financial outcomes (Budiyanto et al., 2024; Khisbulloh & Yudoko, 2025).

The locus of control (LoC) describes individuals' beliefs about whether outcomes are determined by internal or external forces. The research shows that LoC has a positive, though weaker, effect on financial well-being compared to literacy and lifestyle. Individuals with internal LoC exhibit stronger discipline and self-regulation in financial planning, echoing prior evidence of the role of control beliefs in shaping financial behavior (Arifin et al., 2017).

A major theoretical contribution of this study is the confirmation of LoC as a mediator. The LoC significantly strengthens the relationship between (a) financial literacy and financial well-being and (b)

lifestyle and financial well-being. This suggests that psychological drivers, such as self-control and internal beliefs, are crucial for translating literacy and lifestyle into financial outcomes (Razen, Huber, Hueber, Kirchler, & Stefan, 2021).

This study applies PLS-SEM to analyze survey data from Gen-Z at Tri Ratna School, yielding robust fit indices ($APC = 0.280$, $ARS = 0.380$, $GoF = 0.423$). These results empirically validate the direct and mediating effects tested, supporting earlier work that used multivariate modeling to capture complex financial behavior relationships (Budiman et al., 2024; Hair, Hult, Ringle, & Sarstedt, 2022)

While earlier studies have often examined financial literacy and lifestyle separately, this study integrates both and introduces LoC mediation in the context of Indonesian Gen-Z. However, gaps remain: the single-site design restricts generalization, reliance on self-reports introduces bias, and structural factors such as financial inclusion are underexplored. Future studies should employ multi-site longitudinal designs, examine moderating effects (e.g., gender, employment, digital literacy), and integrate interventions on literacy, lifestyle, and LoC (Gunawan, Mukmin, Wahyuni, & Sari, 2023; Widiyanto, Lindiyatmi, & Yulianto, 2022).

Theoretically, this study enriches financial well-being models by embedding LoC as a psychological mediator. Practically, this suggests that schools and policymakers should combine literacy education with lifestyle management and self-control training, supported by behavioral nudges such as automatic budgeting or spending alerts, to cultivate healthier financial cultures among Gen-Z.

3. Research methodology

3.1 Research Object

The research method was descriptive in nature. This study used quantitative data. The data source used was primary data with data collection techniques obtained through the results of distributing questionnaires regarding financial literacy, lifestyle, and financial welfare, so that answers could be obtained directly from each respondent. The questionnaire in this study used a measuring scale, namely *the Likert* scale, consisting of five scores, with a score of 5 for very positive answers and a score of 1 for very negative answers. The respondents in the distribution of this research questionnaire were Gen-Z at Tri Ratna School, Gen-Z, who were born in 1997-2012 and were domiciled in Jakarta.

3.2 Population and Sample

The population in this study is Gen-Z in Tri Ratna School, Generation Z, who was born in 1997-2012 and domiciled in DKI Jakarta (number-/+ 200 people aged 16–27 years) The sample will be taken using the probability sampling technique by simple random sampling, where respondents are selected based on certain criteria, namely Gen-Z individuals who have at least basic knowledge about financial literacy.

The sample in this study is the respondents in the distribution of this research questionnaire, Gen Z at Tri Ratna School. This approach aims to obtain representative and relevant data for the research. The samples in this study were taken from a part of the entire population studied; therefore, they were considered representative of the entire population. The sample size was determined using the theory of Hair et al. (2022). *Partial Least Squares Structural Equation Modeling* (PLS-SEM) is discussed. This book discusses a variety of multivariate analysis techniques, including PLS-SEM, which is a popular method for analyzing the relationships between variables in social and business research.

The hair formula was used because the size of the research population is unknown. According to Hair et al. (2022), the number of good samples ranges from 100-200 to respondents and can be adjusted to the number of indicators used in the questionnaire assuming 5-10 times the number of existing indicators.

4. Results and discussion

Table 1. Demographic Characteristics

Characteristic	Frequency	Percentage (%)
Gender		
Man	103	51.5%
Woman	97	48.5%
Age		
12 – 18 years old	141	70.5%
20 – 27 years old	59	29.5%
Education		
High School/Vocational School	145	72.5%
D3/S1/S2	55	27.5%
Status in School		
Students	141	70.5%
Teachers/Employees/Others	59	29.5%

4.1 Quantitative Analysis

Quantitative analysis aims to provide an overview of quantitative data on the variables studied, namely financial literacy, lifestyle, locus of control, and financial welfare.

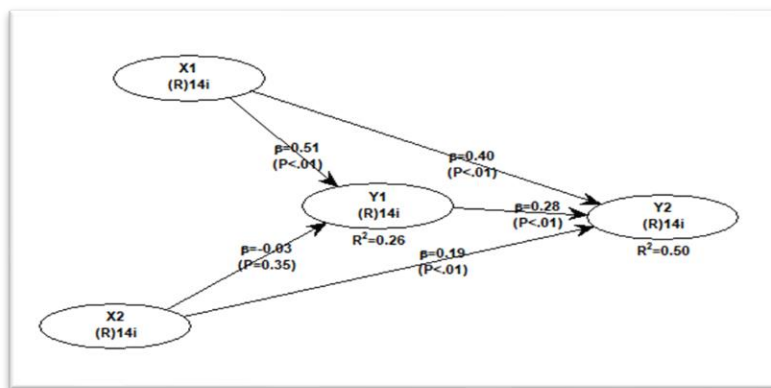


Figure 1. Analysis Method: Analysis with WARPPLS

4.1.1 General SEM analysis results

1. Average path coefficient (APC)=0.280, $P<0.001$
2. Average R-squared (ARS)=0.380, $P<0.001$
3. Average adjusted R-squared (AARS)=0.373, $P<0.001$
4. Average block VIF (AVIF)=1.434, acceptable if ≤ 5 , ideally ≤ 3.3
5. Average full collinearity VIF (AFVIF)=1.741, acceptable if ≤ 5 , ideally ≤ 3.3
6. Tenenhaus GoF (GoF)=0.423, small ≥ 0.1 , medium ≥ 0.25 , large ≥ 0.36
7. Sympton's paradox ratio (SPR)=0.800, acceptable if ≥ 0.7 , ideally = 1
8. R-squared contribution ratio (RSCR)=0.991, acceptable if ≥ 0.9 , ideally = 1
9. Statistical suppression ratio (SSR)=1.000, acceptable if ≥ 0.7
10. Nonlinear bivariate causality direction ratio (NLBCDR)=1.000, acceptable if ≥ 0.7

4.2 Hypothesis Testing

4.2.1 Direct Influence Model Testing

To test the direct influence of financial literacy, lifestyle, and financial well-being, a Structural Equation Modeling (SEM) analysis technique with SmartPLS 4 software was used.

Table 2. Results of Direct Hypothesis Testing

Hypothesis	Regression	t-Statistic	p-Value	Information
------------	------------	-------------	---------	-------------

			Coefficient			
Financial Literacy →			0.356	0.534	0.000	Significant
Financial Well-Being						
Lifestyle →	Financial Well-Being		0.467	0.621	0.000	Significant
Financial Literacy →	Locus of Control		0.384	0.471	0.000	Significant
Lifestyle →	Locus of Control		0.392	0.456	.0.000	Significant
Locus of Control →	Financial Well-Being		0.315	0.485	0.000	Significant

Based on the table, all the relationships tested were significant at the 5% level ($p < 0.05$). This shows that financial literacy, lifestyle, and locus of control significantly influence financial well-being.

4.3 Mediation Testing

To test the effect of LOC on the relationship between financial literacy, lifestyle, and financial well-being, a mediation test was conducted using **the bootstrapping** method on SmartPLS.

Table 3. Mediation Test Results

Mediation Variables	Mediation Coefficient	-Statistic	-Value	Information
Financial Literacy → Locus of Control → Financial Well-Being	0.121	0.329	0.001	Significant Mediation
Lifestyle → Locus of Control → Financial Well-Being	0.123	0.343	0.001	Significant Mediation

Based on the results of the mediation test, locus of control had a significant mediation effect on the relationship between financial literacy and financial well-being, as well as between lifestyle and financial well-being. This indicates that the locus of control plays a role in strengthening or moderating the relationship between financial literacy, lifestyle, and financial well-being.

4.4 Discussion

3.4.1 The Effect of Financial Literacy on the Locus of Control

The t-test results showed a significance level of 0.471. The significant t-value was smaller but closer to 0.5 ($0.471 < 0.5$). From these results, it can be seen that the Financial Literacy variable is almost significant for *the Locus of Control*.

Thus, it can be concluded that Financial Literacy has a positive effect on the Locus of Control. Thus, the results of this study support those of Budiman et al. (2024) in "The Effect Financial Knowledge, Financial Attitude, And Income On Financial Behavior Through Locus Of Control In Students." The ability to manage finances has become a crucial skill for every individual to plan their finances effectively for the sake of their well-being (OJK, 2017). Based on the OJK survey results for 2022, the level of financial literacy in the Indonesian population reached 49.68%. This figure indicates an increase from the 2019 survey, which recorded a rate of 38.03%. Despite this improvement, the figure have not yet reached a satisfactory standard. As revealed by the Program for International Student Assessment (PISA) published by the Organization for Economic Co-operation and Development (OECD) in 2019, Indonesia ranked 62nd among 70 countries in terms of financial literacy.

Their research showed that Financial Literacy had a positive influence on the Locus of Control. These results show that Financial Literacy is a determining factor of Financial Welfare, as well as an intermediary in determining Financial Welfare. The positive effect of a person's LOC on financial

literacy is even more positive when Financial Welfare increases. These results show that Financial Literacy is a determining factor of the Locus of Control. Locus is the basis for determining where a person makes decisions in controlling his finances. This is related to increasing financial literacy, so a person will gain confidence in controlling his/her finances.

4.4.2 The Effect of Financial Literacy on Financial Welfare

The t-test results showed a significance level of 0.534. The significant t value was greater than 0.5 ($0.534 > 0.5$). These results show that Financial Literacy has a significant effect on Financial Welfare. Thus, it can be concluded that Financial Literacy has a positive effect on Financial Welfare. Thus, the results of this study support the results of previous studies, such as Luis and Nuryasman (2020) on The Influence of Self-Control, Literacy and Financial Behavior on Financial Well-Being. Based on research conducted by Rachmawati and Nuryana (2020), it was found that not many students manage their personal finances, which is supported by research conducted by Ohio State News (2015), proving that the majority of students are worried about their personal finances because there are no savings for urgent needs, and a lack of financial planning, so students tend to behave extravagantly. This shopping habit in the community can negatively affect financial well-being (Kompas, 2017).

Financial Well-Being is a state in which a person can fully fulfill current and sustainable obligations, feels secure about their finances in the future, and makes choices to enjoy life (OECD, 2016). Financial well-being is very important, because the financial well-being that a person has can provide a sense of security for the owner.

According to Vlaev and Elliott (2014), financial well-being in students is not easy to achieve, and it is influenced by the individual's financial management, where the person has control over his or her financial aspects so that he or she can manage his or her finances properly. Zemtsov et al. (2015) stated that financial well-being depends on financial behavior and income streams generated by the assets owned. Several variables can affect financial well-being, including self-control. Strömbäck et al. (2017) explain that self-control positively influences financial behavior and well-being. Financial literacy is another variable that affects financial well-being. Moein Addin et al. (2013) argue that financial literacy can affect financial well-being. Based on the results of research conducted by Philippas and Avdoulas (2020), proving that financial behavior has a positive influence on financial well-being, students with high financial literacy and financial behavior are also more likely to achieve financial well-being

Their research shows that Financial Literacy has a positive influence on Financial Welfare. These results show that Financial Literacy is a determining factor of Financial Welfare, as well as an intermediary in determining Financial Welfare. The positive effect of a person's LOC on financial literacy is even more positive when Financial Welfare increases.

These results show that Financial Literacy is a determining factor of Financial Welfare. Financial Literacy is the basis on which a person plans finances for financial well-being. This is related to increasing financial literacy, so a person will acquire knowledge from an early age to plan their finances for their financial welfare in the future.

4.4.3 Influence of Lifestyle on Locus of Control

The t-test results showed a significance level of 0.456. The significant t-value was smaller but closer to 0.5 ($0.456 < 0.5$). From these results, it can be seen that the lifestyle variable is almost significant for the *Locus of Control*.

Thus, the results of this study support those of previous studies Syaliha, Sutieman, Pasolo, and Pattiasina (2022) "The Effect of Financial Literacy, Life Style, Financial Attitude and Locus of Control to Financial Management Behavior" knowledge of financial management is required nowadays, because managing finance is a fact that one must get through in their life. Effective financial management is important for applying financial knowledge she or he had in daily life so that the risk of financial problems, such as failure in financial management, can be avoided. Consumerism and consumptive behavior have become more prevalent in society, including among university students.

This fact is supported by Kasali's statement, a professor at Universitas Indonesia, where the phenomena of consumerism and consumptive behavior of society, especially students, are triggered by technology development that eases all access to necessary fulfillment, lack of saving activity, investment, emergency fund planning, future budgeting, lifestyle, and extravagant behavior of consumption (Veriwati et al., 2021). Their research showed that the influence of Lifestyle (lifestyle) is positive against the Locus of Control.

These results indicate that *the Locus of Control* is a determining factor for lifestyle. The Locus of Control is the basis for determining where a person makes decisions in determining their *Lifestyle*. This is very related to increasing the understanding of the Locus of Control so that a person will gain confidence and confidence in controlling *their Lifestyle*.

4.4.4 The Influence of Lifestyle on Financial Well-Being

The t-test results showed a significance level of 0.621. The significant t-value was greater than 0.5 ($0.621 > 0.5$). These results show that the lifestyle variable is significant for Financial Well-being.

Thus, the results of this study support those of Budiyanto et al. (2024), who found that factors affecting financial well-being include the mediating role of financial behavior towards religiosity and an anti-consumption lifestyle. Well-being can be defined as a state in which an individual's needs are fulfilled to sustain life. The level of well-being is subjective and varies from person to person. The notion of well-being is intriguing and difficult to quantify. Financial Well-being is a common indicator of well-being in society, reflecting an individual's view of their current financial situation. Research has shown that lifestyle has a positive effect on financial well-being.

These results indicate that Financial Well-Being is a determining factor in *a person's lifestyle*. Lifestyle is the basis for determining a person's financial well-being.

4.4.5 The Effect of Locus of Control on Financial Well-Being

The t-test results showed a significance level of 0.485. The significant t-value was smaller but closer to 0.5 ($0.485 < 0.5$). These results show that *the Locus of Control* variable has a significantly smaller effect on Financial Well-being.

Thus, the results of this study support the results of previous studies, such as Luis and Nuryasman (2020), who found that not many students manage their personal finances, (Rachmawati & Nuryana, 2020). This is supported by research conducted by Ohio State News (2015), which proves that the majority of students are worried about their personal finances because there are no savings for urgent needs and a lack of financial planning, so students tend to behave extravagantly. This shopping habit in the community can negatively affect financial well-being (Kompas, 2017). *Financial Well-Being* is a state in which a person can fully fulfill current and ongoing obligations, feel secure about their finances in the future, and make choices to enjoy life (OECD, 2016). Financial well-being is very important, because the financial well-being that a person has can provide a sense of security for the owner.

According to Vlaev and Elliott (2014), financial well-being in students is not easy to achieve, and it is influenced by the individual's financial management, where the person has control over his or her financial aspects so that he or she can manage his or her finances properly. Zemtsov et al. (2015) stated that financial well-being depends on financial behavior and income streams generated by the assets owned. Several variables can affect financial well-being, including self-control. Strömbäck et al. (2017) explain that self-control positively influences financial behavior and well-being. Financial literacy is another variable that affects financial well-being. Moein Addin et al. (2013) argue that financial literacy can affect financial well-being. Based on the results of research conducted by Philippas and Avdoulas (2020), which proved that there is a positive influence of financial behavior on financial well-being, students with high financial literacy and financial behavior also have a high likelihood of achieving financial well-being. Their research shows that Locus of Control has a positive effect on Financial Well-being.

These results show that *the Locus of Control* is a determining factor of Financial Welfare. *Locus* is the basis on which a person plans their finances for financial well-being.

4.4.6 Locus of Control Mediation of Financial Literacy on Financial Welfare

The results of the mediation test showed a significant value of 0.329. The significance value t was less than 0.5 ($0.329 < 0.5$). Thus, it can be concluded that the *Locus of Control* variable mediates the influence of Financial Literacy on Financial Welfare.

Thus, the results of this study support those of previous studies Gunawan et al. (2023), Syaliha et al. (2022), and Hidayat and Paramita (2024), which aimed to examine the influence of financial literacy, financial attitude, loculife management lifes managemen managementyle on financial m,astatent behavior states that all of these variables have a simultaneous or partial effect on financial management behavior. Meanwhile, Widiyanto et al. (2022) and Razen et al. (2021). Their research showed that the Locus of Control mediates the influence of Financial Literacy on Financial Well-Being.

These results show that *the locus of content* is a determining factor of Financial Welfare as well as an intermediary in determining Financial Welfare. The positive effect of financial literacy on *the Locus of Control* will be even more positive when Financial Well-Being increases.

4.4.7 Lifestyle Mediation of the Influence of Financial Literacy on Financial Welfare

The results of the mediation test showed a significance of 0.343. The significant value of t is less than 0.5 ($0.343 < 0.5$). Thus, it can be concluded that lifestyle mediates the influence of Financial Literacy on Financial Welfare.

Thus, the results of this study support those of previous research by Mutlu and Özer (2021), who found that financial well-being is influenced by the management of an individual's finances, where the person has control over their financial aspects so that they can manage their finances properly. Additionally, Zulfaris, Mustafa, Mahussin, Alam, and Daud (2020),

Their research shows that *lifestyle* mediates the influence of Financial Literacy on Financial Welfare. These results show that lifestyle is a determining factor of Financial Welfare, as well as an intermediary in determining Financial Welfare. The positive effect of a person's financial literacy on *lifestyle* is even more positive when financial well-being increases.

5. Conclusion

Financial literacy positively influences the locus of control and significantly improves Gen Z's financial well-being by enhancing confidence in financial decision-making. Lifestyle shows a strong effect on financial well-being, where frugal habits contribute to stability, although their influence on the locus of control is weaker. The locus of control itself has a smaller but positive impact, indicating that Gen Z with stronger internal control tends to achieve better financial well-being. These findings emphasize that financial literacy and lifestyle are the primary drivers of financial well-being, while locus of control acts as an important psychological mechanism that reinforces positive financial behavior.

Furthermore, the study highlights the need for schools and policymakers to integrate financial education with lifestyle management and psychological empowerment. Practical programs that combine budgeting, saving, and investment knowledge with self-control training and frugal lifestyle promotion could strengthen Gen Z's financial resilience in facing modern economic challenges. Although this research was limited to one institution and relied on self-reported data, it provides valuable insights that can serve as a foundation for broader initiatives. Future studies should involve larger, more diverse populations and explore additional moderating factors, such as digital financial inclusion and cultural influences, to develop a more comprehensive understanding of Gen Z's financial well-being.

References

- Arfah, L. (2024). Analisis Tingkat Literasi Finansial Mahasiswa Manajemen Bisnis Syariah di STAI Al-Kifayah Riau: Konsep, Sikap, dan Perilaku. *Bukhori: Kajian Ekonomi dan Keuangan Islam*, 4(1), 59-69. doi:<https://doi.org/10.35912/bukhori.v4i1.3326>
- Arifin, A. Z., Anastasia, I., Siswanto, H., & Henny, H. (2017). *The effects of financial attitude, locus of control, and income on financial behavior*. Paper presented at the International conference on economic, business, and accounting.
- Azzam, M. J., Alqudah, A. M. M., Aryan, L. A., & Abu Haija, A. A. (2024). Empirical Analysis of the Link Between Financial Literacy and Personal Financial Decision of Gen Z. In S. Reyad & A. Hannon (Eds.), *Frontiers of Human Centricity in the Artificial Intelligence-Driven Society 5.0* (pp. 179-192). Cham: Springer Nature Switzerland.
- Brüggen, E. C., Hogreve, J., Holmlund, M., Kabadayi, S., & Löfgren, M. (2017). Financial well-being: A conceptualization and research agenda. *Journal of Business Research*, 79, 228-237. doi:<https://doi.org/10.1016/j.jbusres.2017.03.013>
- Budiman, R. A., Tanuwijaya, H., Candraningrat, C., & Supriyanto, A. (2024). The Effect Financial Knowledge, Financial Attitude, and Income on Financial Behavior Through Locus of Control in Students. *JMM17: Jurnal Ilmu ekonomi dan manajemen*, 11(1), 42-57.
- Budiyanto, A., Mujib, A., Al Arif, M. N. R., & Prasetyowati, R. A. (2024). Factors affecting financial well-being: the mediating role of financial behavior towards religiosity and anti-consumption lifestyle—evidence from Indonesia. *Investment Management & Financial Innovations*, 21(3), 187. doi:[https://DOI:10.21511/imfi.21\(3\).2024.16](https://DOI:10.21511/imfi.21(3).2024.16)
- Gunawan, A., Mukmin, Wahyuni, S. F., & Sari, M. (2023). Factors affecting financial management behavior of Paylater users in Indonesia: Examining the moderating role of locus of control. Retrieved from
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*: Sage Publishing.
- Hidayat, F. A., & Paramita, V. S. (2024). Analisis Pengaruh Gaya Hidup, Literasi Keuangan dan Inklusi Keuangan terhadap Perilaku Keuangan Generasi Z di Jawa Barat. *Journal of Management and Bussines (JOMB)*, 6(3), 1143-1152.
- Kerihi, A. S. Y. (2025). The effect of human resources competency, individual morality and the control environment on village government accountability in managing village fund allocation in Kupang Tengah District, Kupang District. *Global Academy of Business Studies*, 1(1), 23-35. doi:<https://doi.org/10.35912/gabs.v1i1.3381>
- Khisbulloh, W., & Yudoko, G. (2025). OEE improvement through reducing start up duration using lean Six Sigma methodology in manufacturing. *Global Academy of Business Studies*, 1(1), 37-53. doi:<https://doi.org/10.35912/gabs.v1i1.3382>
- Kohnová, L., Papula, J., & Salajová, N. (2021). *Generation Z: Education in the world of digitization for the future of organizations*. Paper presented at the INTED2021 Proceedings.
- Laga, A., & Hizazi, A. (2023). The Effect of Financial Literacy, Financial Attitude, Locus of Control, and Lifestyle on Financial Management Behavior (Case Study on Undergraduate Accounting Study Program Students Faculty of Economics and Business Jambi University). *Indonesian Journal of Economic & Management Sciences*, 1(4), 459-480.
- Luis, L., & Nuryasman, M. (2020). Pengaruh pengendalian diri, literasi serta perilaku keuangan terhadap kesejahteraan keuangan. *Jurnal Manajerial dan Kewirausahaan*, 2(4), 994-1004. doi:<https://doi.org/10.24912/jmk.v2i4.9883>
- Madini, R., Hendri, M. I., Malini, H., Giriati, G., & Yakin, I. (2023). The effect of financial literacy and love of money on the financial management behavior of generation z. *International Journal of Applied Finance and Business Studies*, 11(3), 552-563.
- Mutlu, Ü., & Özer, G. (2021). The moderator effect of financial literacy on the relationship between locus of control and financial behavior. *Kybernetes*, 51(3), 1114-1126.
- Putri, S., & Utama, A. A. (2024). Reliability Improvement Process Case Study: PT HMS Tbk. *Jurnal Bisnis dan Pemasaran Digital*, 3(2), 107-124. doi:<https://doi.org/10.35912/jbpd.v3i2.4512>
- Razen, M., Huber, J., Hueber, L., Kirchler, M., & Stefan, M. (2021). Financial literacy, economic preferences, and adolescents' field behavior. *Finance Research Letters*, 40, 101728.

- Restu, A., Gamayuni, R. R., & Yuliansyah, Y. (2024). Adopting an enterprise resource planning system in village government. *Journal of Governance and Accountability Studies*, 4(1), 1-17.
- Schenarts, P. J. (2020). Now Arriving: Surgical Trainees From Generation Z. *Journal of Surgical Education*, 77(2), 246-253. doi:<https://doi.org/10.1016/j.jsurg.2019.09.004>
- Shankar, N., Vinod, S., & Kamath, R. (2022). Financial well-being—A Generation Z perspective using a Structural Equation Modeling approach. *Investment Management & Financial Innovations*, 19(1), 32. doi:[https://doi.org/10.21511/imfi.19\(1\).2022.03](https://doi.org/10.21511/imfi.19(1).2022.03)
- Sulistiowati, R., Adisa, A. F., & Caturiani, S. I. (2021). Stakeholder synergy for sustainable tourism. *Journal of Sustainable Tourism and Entrepreneurship*, 3(1), 53-60. doi:<https://doi.org/10.35912/joste.v3i1.1236>
- Syaliha, A., Sutieman, E., Pasolo, M. R., & Pattiasina, V. (2022). The Effect of Financial Literacy, Life Style, Financial Attitude and Locus of Control to Financial Management Behavior. *Public Policy*, 3(1), 52-71.
- Udodiugwu, M. I., Nwosu, C. C., Obiakor, U. J., & Nwumeh, U. J. (2024). Motivation through indirect compensation: Evaluating employee performance in Enugu State Civil Service Commission. *Annals of Human Resource Management Research*, 4(2), 79-96. doi:<https://doi.org/10.35912/ahrmr.v4i2.2320>
- Widiyanto, W., Lindiyatmi, P., & Yulianto, A. (2022). Locus of control as a mediating variable for the factors influencing consumptive behavior among students. *Innovative marketing*, 18(4), 97-109.
- Zulfaris, M. D., Mustafa, H., Mahussin, N., Alam, M. K., & Daud, Z. M. (2020). Students and money management behavior of a Malaysian public university. *The Journal of Asian Finance, Economics and Business*, 7(3), 245-251.