

The Mediating Role of Lifestyle in Strengthening Financial Management Behavior of Gen Z

Indri Gayatri Ramadhani¹, Siti Aisyah², Aqwa Naser Daulay³

^{1,2,3}Department of Management, State Islamic University of North Sumatra, Medan, Indonesia

*Corresponding author: Indri Gayatri Ramadhani

Corresponding email: gayaatriindri@gmail.com

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ABSTRACT

The rapid evolution of digital technology has profoundly shaped the consumption patterns and financial behaviors of Generation Z, a cohort characterized by high digital exposure and instant access to financial services. Despite their familiarity with financial information, many Gen Z individuals still exhibit impulsive spending and poor debt management, reflecting a gap between financial awareness and behavioral discipline. This study aims to examine the influence of financial knowledge and financial attitude on financial management behavior, with lifestyle serving as a mediating variable. Employing a quantitative research design, data were collected from 410 Gen Z students in Medan through an online questionnaire and analyzed using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. The findings reveal that both financial knowledge and financial attitude have significant positive effects on financial management behavior, both directly and indirectly through lifestyle. Furthermore, lifestyle demonstrates a partial mediating role, indicating that sound financial knowledge and positive attitudes are more effective when internalized into disciplined and goal-oriented financial lifestyles. This study contributes to the theoretical enrichment of the Theory of Planned Behavior by emphasizing the mediating role of lifestyle as a behavioral mechanism linking cognition and attitude to practical financial management. Practically, the results highlight the importance of promoting financial education programs that integrate lifestyle adjustments to foster responsible and sustainable financial behavior among the younger generation.

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1. Introduction

The development of digital technology has changed various dimensions of life, one of which is in the consumption behavior of modern society. The ease of obtaining information, electronic transactions, and innovations in digital-based financial services has created a new consumption culture that is more instant and consumptive. This phenomenon is not limited to the general public, but is more dominant in the younger generation, especially Generation Z (Ameen et al., 2022; Indroputri & Sanjaya, 2024; Murtadlo et al., 2024; Robichaud & Yu, 2021; Sumartono, 2023).

Generation Z or often called Gen Z, born between 1997 and 2012, is the age group most familiar with digital technology. They are growing in the midst of the era of the internet, social media, e-commerce, and digital financial services such as e-wallets and paylater. This condition makes gen z a very connected group and quick to adopt new consumption trends, especially trends spread through social media. Based on we are social data, in January 2025 the number of social media users in Indonesia will reach 143 million people or 50.2% of the population, with gen z as one of the most users. A December 2024 survey of 1,155 gen z respondents (ages 15–27) showed that 63% of them spent their free time scrolling social media, making it the most dominant activity compared to other activities such as watching movies (57%) or listening to music/podcasts (55%). On the other hand, advertisements for various products and services spread through social media and influencers also strengthen the desire of gen z to follow certain lifestyle trends for the sake of social existence. This condition leads to increased consumptive behavior and impulsive purchasing decisions, which can negatively impact an individual's financial stability.

In fact, the ease of access to goods and services digitally also encourages consumptive behavior in the Generation Z group. The high use of loans among young people is often not accompanied by adequate financial management behavior, which leads to default or bad loans. In the last 3 years, bad loans caused by Gen Z have increased, the following is a table of bad loans tabulation (TWP 90) in the fintech P2P lending sector in Indonesia over the past three years (end of 2022 to early 2025), based on the latest OJK data:

Table 1. Non-Performing Loan Statistics 2023-2025

Year	Total Outstanding Loans (Rp trillion)	TWP 90 Bad Loans (%)	Estimated NPL (Rp trillion)
Nov 2022	± 50,3	2,83 %	~1,42
Des 2023	± 59,6	2,93 %	~1,75
Feb 2025	± 2,22	2,78 %	~2,22

Source : ojk.go.id (Accessed on August 11, 2025)

In November 2022, the total outstanding loans was recorded at IDR 50.3 trillion, with a TWP 90 ratio of 2.83%, resulting in a nominal non-performing loan of approximately around IDR 1.42 trillion. At the end of 2023, outstanding increased to IDR 59.64 trillion, with a TWP 90 ratio of 2.93% or around IDR 1.75 trillion. As of February 2025, OJK reports a TWP 90 ratio of 2.78% with a nominal bad loan of IDR 2.22 trillion.

Table 1 shows a steady growth in total outstanding loans from IDR 50.3 trillion in November 2022 to IDR 59.6 trillion in December 2023, indicating an expanding credit distribution trend. Despite this growth, the ratio of bad loans (TWP 90) only slightly increased from 2.83% to 2.93%, suggesting that overall credit quality remained relatively stable during this period. The estimated nominal value of non-performing loans (NPLs) also rose moderately from ~IDR 1.42 trillion to ~IDR 1.75 trillion, reflecting proportional growth alongside total lending. However, by February 2025, the table shows an anomaly: the total outstanding loans are listed as only IDR 2.22 trillion, yet the bad-loan ratio remains at 2.78 %. This likely represents a data entry or unit error (perhaps meant to be IDR 222 trillion). If interpreted correctly, the 2025 figure would imply a mild improvement in loan quality, as the NPL ratio declined slightly, which signaling better credit management despite loan expansion.

Thus, financial management behavior is crucial to maintain the economic stability of individuals, especially the younger generation. Financial management behavior refers to how individuals manage and utilize their assets (Lathiifah & Kautsar, 2022). Good financial management behavior reflects a person's ability to plan, implement, and evaluate their finances regularly so as not to get caught up in excessive consumptive behavior (Harahap et al., 2024). Strengthening these behaviors is becoming increasingly important for Gen Z, given that they are in a transition phase towards financial independence. Without adequate financial management skills, the use of services such as online loans (*Pinjaman Online - pinjol*) which was originally intended to help financial arrangements can actually plunge them into consumptive debt bondage. There are several factors that can affect a person' s financial management behavior, including the Financial Knowledge

variable Dewanti & Asandimitra, (2021); Financial Attitude Khalisharani et al., (2022); Lifestyle Nisa & Haryono, (2022).

Financial knowledge provides a basis for everyone to study the concept of financial management, namely investment, savings and debt management and the belief to apply it to make the right financial decisions, improve individual welfare, and contribute to economic activities (Al Arif & Imsar, 2023). Financial Knowledge has a positive influence on financial management behavior. However, judging from the reality that the level of knowledge alone is not always enough to form wise financial behavior. Many people have good financial knowledge, but still have difficulty controlling spending due to a consumptive lifestyle. As in the study Harianto & Isbanah, (2021); Mazruk et al., (2023); Pramedi & Haryono, (2021) The financial knowledge that the community has is quite high, but they do not implement it in their daily lives.

Other factors such as financial attitude also play a central role in creating good financial management behavior, Individuals with a positive financial attitude tend to prepare a planned spending budget, so as to be able to support wiser financial decision-making in the future (Nisa & Haryono, 2022). However, it is inversely proportional to the research of Nisa & Haryono, (2022); and Utami & Isbanah, (2023), which says that Financial Attitude does not affect Financial management behavior. Gen Z who lives in an environment full of digital consumption challenges, high financial literacy does not necessarily encourage good results, if it is not accompanied by a positive financial attitude. This phenomenon is reflected in the increasing intensity of access to online loan services (pinjol) in the Gen Z group, which is often used to meet short-term consumptive needs without careful financial planning. Pinjol offers easy access, fast processing, and no collateral, which is a special attraction for the younger generation who are used to digital conveniences. Unfortunately, many of them are stuck in high-interest loans and are at risk of default. Although Gen Z has a good level of financial knowledge, without a wise financial attitude such as the ability to control consumptive behavior and assess debt risk, they are still vulnerable to unhealthy financial behavior. Therefore, strengthening Financial Attitude is an important foundation in encouraging rational and sustainable financial decision-making.

In addition, lifestyle is a variable that can strengthen or weaken the correlation between Financial knowledge, Financial Attitude and Financial management behavior. The more negative a person's lifestyle indicators, the more consumptive they will be. A consumptive lifestyle is a lifestyle that is considered less good because it tends to encourage individuals to make uncontrolled spending, so that it can affect behavior in managing finances as a whole. This is in line with research Sholeh Khan et al., (2024); Ulumudiniati & Asandimitra, (2022); Rahman & Risman, (2021); and Ariska et al., (2023) where Lifestyle has a positive effect on financial management behavior. This means that individuals with a structured and financially conscious lifestyle will tend to have better financial management behaviors. But on the contrary, according to Mashud et al., (2021), lifestyle has no influence on financial management behavior.

Based on existing phenomena and findings based on previous research, it is necessary to conduct this research because Gen Z is expected to be the main pillar in creating Indonesia's golden generation by 2045. Knowing the pattern of financial management behavior, Gen Z plays a key role in formulating the next financial policies in Indonesia, especially those related to Gen Z. Most previous studies still place Lifestyle as an independent variable or demographic characteristic, so its role as a mediator in the correlation between Financial Knowledge and Financial Attitude financial behavior has not been widely studied. In fact, some studies show that Financial Knowledge is not always effective without lifestyle changes. In research, Pratama et al., (2024) Lifestyle shows that it has a prominent influence on student financial behavior. Therefore, an approach that examines lifestyle as a mediating variable is needed in transforming cognitive and affective aspects into real financial behaviors.

2. Method

This study utilizes a quantitative approach and path analysis to test the influence of financial knowledge and financial attitude on financial management behavior with lifestyle as a mediating variable in active Generation Z students in Medan City. The sample was determined through a nonprobability sampling method with a purposive sampling technique, namely students aged 17-

25 years who were actively using financial applications in the last three months. Given the large number of students and limitations in determining the exact population, the sample size was calculated using the Lameshow formula to remain representative even though the population number is not known for certain. The formula is as follows:

$$n = \frac{Z_{1-\frac{\alpha}{2}}^2 p (1 - p)}{d^2}$$

Information:

n = Number of Samples

z = z value at 95% confidence = 1.96

p = proportion max. 0.5

d = tolerated error limit 5% = 0.05

$$\begin{aligned} n &= \frac{1.96^2 0,5 (1 - 0,5)}{0.05^2} \\ n &= \frac{3,8416 (0,25)}{0,0025} \\ n &= \frac{0,9604}{0,0025} \\ n &= 384 \end{aligned}$$

The result was 410 respondents which was a revised sample size. The information collection technique applied was through filling out a questionnaire using Google Forms, which functions as a research tool that includes a series of questions to collect data from the respondents. The questionnaire was distributed to Gen Z in the city of Medan using a Likert scale of 1-5. After the data was collected, the analysis was carried out with SmartPLS software 4.1.1.4 with the Partial Least Square (PLS) method. This method was chosen because it can explain the relationship between latent variables in a more in-depth and systematic way. This research aims to provide insight into the importance of financial knowledge, financial attitude, and lifestyle in helping students manage their finances wisely and reduce consumptive behavior. From this research, it can be anticipated to be a benchmark for active students in the city of Medan.

3. Results

Respondent Characteristics

Based on the distribution of respondents by age group, it can be reviewed that most respondents were between the ages of 18–22 years as much as 63.4%, while respondents aged 23–25 years were 36.6%. This shows that the majority of respondents are young students who are in the early to mid-stage of college studies.

The distribution of respondents by university origin shows quite wide variations. Students from the State Islamic University of North Sumatra (UINSU) dominated with 60.9%, followed by the State University of Medan (UNIMED) as much as 12.2%, the University of North Sumatra (USU) as much as 10.2%, Panca Budi University as much as 7.3%, the University of Muhammadiyah North Sumatra (UMSU) as much as 4.4%, the Medan State Polytechnic (POLMED) as much as 2.4%, and the Tourism Polytechnic (POLTEKPAR) and the Islamic University of North Sumatra (UISU) by 1.2% each. A total of 43.1% of respondents were level 4 students, as many as 36.6% were level 3 students, as many as 14.6% were level 2 students, as many as 3.7% were level 1 students, and as many as 2.0% were level 6 students. This distribution shows that the majority of respondents are final year students who have more mature academic experience.

Regarding the learning experience of financial management, as many as 74% of respondents have received financial management materials or training, while 26% have never. Interestingly, 100% of respondents use financial applications, with the types of applications used being quite diverse. E-wallet applications are used as much as 48.8%, securities applications as much as 22.0%, paylater as much as 17.1%, and mobile banking as much as 12.2%. All respondents also stated that they were actively using financial apps in the last three months.

Data Analysis

Descriptive Test

Based on the descriptive statistical tests that have been analyzed, the following table shows the findings of the descriptive statistical tests of this study:

Table 2. Descriptive Test Results

Name	N	Mean	Median	Scale min	Scale max	Standard deviation
X1.01	410	4.461	4.000	2.000	5.000	0.584
X1.02	410	4.388	4.000	2.000	5.000	0.650
X1.03	410	4.449	4.000	1.000	5.000	0.600
X1.04	410	4.456	5.000	1.000	5.000	0.729
X1.05	410	4.368	5.000	1.000	5.000	0.795
X2.01	410	4.149	4.000	1.000	5.000	0.826
X2.02	410	4.780	5.000	1.000	5.000	0.523
X2.03	410	4.349	4.000	1.000	5.000	0.638
X2.04	410	4.320	4.000	1.000	5.000	0.672
X2.05	410	4.495	5.000	1.000	5.000	0.674
Z.01	410	4.161	4.000	1.000	5.000	0.748
Z.02	410	4.324	4.000	1.000	5.000	0.715
Z.03	410	4.459	5.000	1.000	5.000	0.608
Z.04	410	4.361	4.000	1.000	5.000	0.626
Z.05	410	4.341	4.000	1.000	5.000	0.637
Y.01	410	3.954	4.000	1.000	5.000	0.970
Y.02	410	4.298	4.000	1.000	5.000	0.739
Y.03	410	4.815	5.000	1.000	5.000	0.532
Y.04	410	4.244	4.000	2.000	5.000	0.761
Y.05	410	4.200	4.000	1.000	5.000	0.796
Y.06	410	4.385	4.000	2.000	5.000	0.683

Source : SmartPls 0.4 processing results (2025)

Based on table 2. descriptive test, the Financial Knowledge Variable has an average of 4.368–4.461 with a standard deviation of 0.584–0.795, showing a high and relatively homogeneous respondent perception. The Financial Attitude variable showed an average of 4,149–4,780, with the highest indicator of X2.02 (4,780) and a generally low spread of answers (SD < 0.8). The lifestyle variable had an average of 4.161–4.459 and a standard deviation of 0.608–0.748, indicating consistent answers. In the financial management behavior variable, the average ranged from 3,954–4,815, with the lowest value in Y.01 and the highest in Y.03. Some indicators (e.g. Y.01 and Y.05) have larger standard deviations, indicating a more diverse variation of answers.

Outer Model

Validitas Convergence

From the results of the outer model analysis in table 3, it shows that all indicators in the variables Financial Knowledge, Financial Attitude, Lifestyle, and Financial management behavior have an outer loading value above 0.70, so that the convergent validity standard is met (Hair et al., 2022). The values of the Average Variance Extracted (AVE) variables were 0.535; 0.554; 0.566; and 0.571, all exceeding the minimum limit of 0.50, which confirms that the proportion of indicator variants that can be explained by the construct is relatively good.

Discriminatory Validity

The discriminant validity test was carried out using the cross-loading criterion, which compares the loading value of each indicator on its corresponding construct with its loading values on other

constructs. The results demonstrated that each indicator loaded higher on its associated construct than on any other construct, thereby satisfying the >0.70 threshold recommended by Hair et al. (2022). This finding confirms that every item uniquely represents its respective variable—financial knowledge, financial attitude, lifestyle, and financial management behavior—without significant overlap. Hence, the indicators are empirically distinct and conceptually coherent within the measurement framework.

In addition, the convergent validity test showed that all constructs achieved Average Variance Extracted (AVE) values above the minimum acceptable level of 0.50, ranging from 0.535 to 0.571. This indicates that more than 50% of the variance in the indicators was explained by their latent constructs, confirming adequate internal consistency. The outer loading values also ranged from 0.707 to 0.830, reflecting strong correlations between observed indicators and their latent variables. Such results demonstrate that the measurement model possesses both internal coherence and satisfactory explanatory power.

Reliability analysis was further assessed using Cronbach's Alpha and Composite Reliability (CR). The Cronbach's Alpha coefficients for all constructs were between 0.783 and 0.850, exceeding the conventional cutoff value of 0.70, thereby demonstrating high reliability and consistency among the measurement items. This result is further supported by the CR values, which all surpassed 0.85, confirming that the latent constructs are internally stable and can reliably represent their indicators across different samples or contexts.

These results provide compelling evidence that the measurement model used in this study fulfills all recommended validity and reliability standards. The constructs of financial knowledge, financial attitude, lifestyle, and financial management behavior are empirically valid, theoretically grounded, and statistically robust. Therefore, the model can be confidently used for the structural model analysis stage, ensuring that subsequent hypothesis testing accurately reflects the underlying relationships among variables. In summary, the comprehensive validity and reliability assessment confirms that the instrument design is methodologically sound and suitable for analyzing behavioral finance phenomena among Generation Z respondents, offering a solid foundation for theoretical and practical interpretation within the framework of the Theory of Planned Behavior.

Table 3. Outer Model Test Results

Variabel	Indicator	Outer Loading	Cronbach's Alpha	AVE	Info
Financial Knowledge	X1.01	0.707	0.783	0.535	Valid
	X1.02	0.727			Valid
	X1.03	0.740			Valid
	X1.04	0.754			Valid
	X1.05	0.730			Valid
Financial Attitude	X2.01	0.728	0.798	0.554	Valid
	X2.02	0.713			Valid
	X2.03	0.747			Valid
	X2.04	0.750			Valid
	X2.05	0.781			Valid
Lifestyle	Z.01	0.707	0.807	0.566	Valid
	Z.02	0.830			Valid
	Z.03	0.714			Valid
	Z.04	0.739			Valid
	Z.05	0.766			Valid
Financial management behavior	Y.01	0.753	0.850	0.571	Valid
	Y.02	0.778			Valid
	Y.03	0.709			Valid
	Y.04	0.755			Valid
	Y.05	0.798			Valid
	Y.06	0.753			Valid

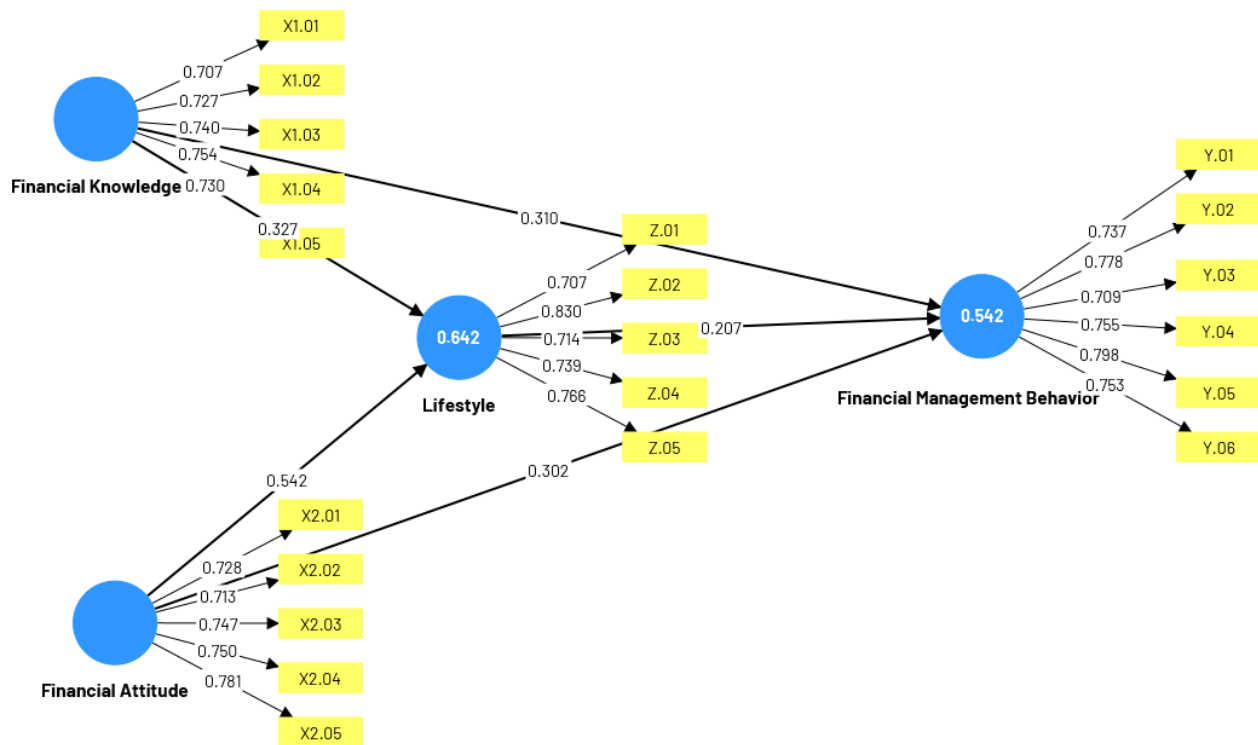


Figure 1. Outer Model Test Result
 Source : SmartPls 0.4 processing data, (2025)

Reliability Test

Reliability testing is also carried out through Composite Reliability (CR) values to ensure the internal consistency of the construct. Based on the criteria of Hair et al. (2022), the construct is declared reliable if the CR > 0.60. In table 4. The results of the analysis showed that the variables had CR values above the average, namely Financial Knowledge (0.852), Financial Attitude (0.861), Lifestyle (0.867), and Financial management behavior (0.889). Therefore, all constructs in this study conform to the composite reliability criteria and show high internal consistency.

Table 4. Composite Reliability Test Results

Variabel	Composite reliability (rho_c)	Information
Financial Knowledge	0.852	Reliabel
Financial Attitude	0.861	Reliabel
Lifestyle	0.867	Reliabel
Financial management behavior	0.889	Reliabel

Source : SmartPls 0.4 (2025) processing data

Inner Model

R-Square

The R-Square value (R^2) is used when measuring the value of the variation of dependent variables that can be described by independent variables (Hair et al., 2022) The results of the analysis in table 5. showed that Financial Knowledge and Financial Attitude were able to describe Financial management behavior of 0.542 (moderate category), and explain Lifestyle of 0.642 (moderate category).

F- Square

F-Square (f^2) testing was used to assess the effect size of each construct. In table 6. The results of the analysis showed that the influence of Financial Knowledge → Lifestyle was 0.161 (moderate), Financial Knowledge → Financial management behavior was 0.097 (weak), Financial Attitude → Lifestyle was 0.440 (strong), Financial Attitude → Financial management behavior was 0.073 (weak), and Lifestyle → Financial management behavior of 0.033 (weak).

Model Fit

The fit model evaluation used the Standardized Root Mean Square Residual (SRMR) and Normed Fit Index (NFI). Results in table 7. showed an SRMR value of 0.078 (< 0.10) which met the good fit criteria, and an NFI of 0.767 which indicated an acceptable model fit.

Table 5. R-Square Test Results

	R-square	R-square adjusted
Financial management behavior	0.542	0.538
Lifestyle	0.642	0.640

Source : SmartPls 0.4 (2025) processing data)

Table 6. F-Square Test Results

	Lifestyle	Financial management behavior
Financial Knowledge	0.161	0.097
Financial Attitude	0.440	0.074
Lifestyle		0.033

Source : SmartPls 0.4 (2025) processing data

Table 7. Model Fit Test Results

	Saturated model	Estimated model
SRMR	0.078	0.078
d_ULS	1.412	1.412
d_G	0.424	0.424
Chi-square	979.480	979.480
NFI	0.767	0.767

Source : SmartPls 0.4 (2025) processing data

Hypothesis Testing

Direct Effect Test

The results of the direct effect analysis presented in Table 8 indicate that all relationships between the studied variables are statistically significant. Specifically, Financial Knowledge demonstrates a significant positive effect on both Financial Management Behavior ($T = 5.481$; $p = 0.000$) and Lifestyle ($T = 6.457$; $p = 0.000$), suggesting that higher financial understanding contributes to improved financial habits and more disciplined consumption patterns. Likewise, Financial Attitude shows a significant positive influence on Financial Management Behavior ($T = 4.157$; $p = 0.002$) and Lifestyle ($T = 10.206$; $p = 0.000$), indicating that a prudent and responsible financial mindset fosters better behavioral outcomes. Moreover, Lifestyle itself has a significant direct impact on Financial Management Behavior ($T = 3.051$; $p = 0.000$), confirming its pivotal role in shaping daily financial decisions. Since all T-statistics exceed 1.966 and all p-values are below 0.05, hypotheses H1 through H5 are empirically supported, reinforcing the robustness of the proposed model.

Indirect Effect Test

The results of the indirect effect in Table 9. indicate that Lifestyle partially mediates the influence of Financial Knowledge → Financial management behavior ($\beta = 0.068$; $T = 3.073$; $p = 0.002$) and Financial Attitude → Financial management behavior ($\beta = 0.112$; $T = 2,740$; $p = 0.006$). This confirms the role of Lifestyle as a partial mediator in both relationships.

Table 8. Direct Effect Test Results

			T	Original	T statistics	P	Information
			Table	sample (O)	(O/STDEV)	values	
Financial Knowledge -> Financial management behavior			1.966	0.310	5.481	0.000	Accepted
Financial Knowledge -> Lifestyle			1.966	0.327	6.457	0.000	Accepted
Financial Attitude -> Financial management behavior			1.966	0.302	4.157	0.000	Accepted
Financial Attitude -> Lifestyle			1.966	0.542	10.206	0.000	Accepted
Lifestyle -> Financial management behavior			1.966	0.207	3.051	0.002	Accepted

Source : SmartPls 0.4 (2025) processing data

Table 9. Indirect Effect Test Results

			T	Original	T statistics	P	Information
			Table	sample (O)	(O/STDEV)	values	
Financial Knowledge -> Financial management behavior			1.966	0.068	3.073	0.002	Partial Mediation
Financial Attitude -> Lifestyle -> Financial management behavior			1.966	0.112	2.740	0.006	Partial Mediation

Source : SmartPls 0.4 (2025) processing data

4. Discussion

The Influence of Financial Knowledge on Financial Management Behavior

The results of this study show that Financial Knowledge has a detailed positive effect on financial management behavior, so H1 is supported. This indicates that Generation Z students in Medan City who have a comprehensive understanding of financial concepts ranging from income management, budget planning, saving, investment, to spending control tend to have wiser and more planned financial management behavior. This is in line with Ajzen's Theory of Planned Behavior, (1991); Sobaih & Elshaer, (2023), where knowledge shapes beliefs and increases perceived behavioral control, which ultimately guides actual intentions and behaviors in financial management.

From a theoretical perspective, this result strengthens the view of Human Capital Theory which affirms that knowledge is a form of human capital that can improve the ability of individuals to make rational and sustainable financial decisions. These findings are also consistent with the study of Cahyani, (2022) which show that a high level of financial knowledge is positively related to healthy financial management behavior. In contrast, the research of Nisa & Haryono (2022) and Sari & Listiadi, (2021) found an insignificant influence, which can be caused by differences in respondent characteristics or the level of exposure to financial information.

Practically, improving Financial Management Behavior can start from simple habits, such as compiling a monthly budget, saving consistently, and recording income and expenses through financial applications. Additionally, getting into the habit of reading popular financial literature or articles can also broaden financial insight while encouraging the adoption of wiser financial behavior. With good Financial Management Behavior, students are not only able to meet urgent needs through an emergency fund, but can also plan long-term goals such as continuing their education, starting a business, or investing early. On the other hand, without healthy Financial Management Behavior, financial knowledge will only become a passive theory that risks falling into

a consumptive lifestyle, excessive debt, and bad credit online loans. Therefore, strengthening Financial Management Behavior from an early age is an important key in building financial independence for Gen Z students while producing a more economically productive generation.

The Influence of Financial Attitude on Financial Management Behavior

The results of this study show that Financial Attitude has a significant positive effect on financial management behavior, so H2 is supported. These findings indicate that Generation Z students in Medan City who have positive financial attitudes such as appreciating the importance of saving, budgeting, comparing the benefits of financial products, and avoiding impulse spending tend to adopt more wise, planned, and responsible financial management behaviors.

Theoretically, these results are consistent with the Theory of Planned Behavior (Ajzen, 1991), which asserts that positive attitudes towards finance will shape behavioral intentions, increase perceived behavioral control, and ultimately guide actual behavior in managing finances. Viewed from the other side, a good financial attitude functions as a psychological driver that strengthens a person's commitment to make the right financial decisions and avoid adverse actions. The study of Nisa & Haryono, (2022) and Utami & Isbanah, (2023) found an insignificant influence, which may be due to differences in the socio-economic context of respondents or low consistency in the application of financial attitudes in daily behavior.

Practically, strengthening financial attitudes can encourage Gen Z students in Medan City to be wiser in managing their finances. Habits such as making a budget, comparing the benefits of financial products, avoiding impulse spending, and prioritizing savings are a manifestation of a positive attitude that transforms into healthy financial behavior. With a strong financial attitude, the impact on students is not only more directed in using limited resources, but also able to refrain from excessive consumptive behavior. On the other hand, without a good financial attitude, students are at risk of financial management errors, such as consumptive debt and failure to prepare emergency funds, which ultimately weakens their financial management behavior. Therefore, strengthening financial attitudes from an early age is important to form financial independence and improve the quality of financial decision-making in the future.

The Influence of Financial Knowledge on Lifestyle

The results of this study state that Financial Knowledge has a detailed positive influence on lifestyle, so H3 is supported. Generation Z students in Medan City with a higher level of financial knowledge tend to adopt a lifestyle that reflects healthy financial habits, such as saving discipline, budgeting, controlling expenses, and avoiding excessive consumptive behavior. Theoretically, these findings are in line with Human Capital Theory which states that knowledge is a form of human capital that can affect the quality of decision-making, including consumption behavior. Financial knowledge helps individuals understand the long-term implications of their consumption behavior, thus being able to balance between needs and wants. This result is also in line with the Theory of Planned Behavior Ajzen, (1991), where knowledge is one of the determinants that form beliefs and intentions, which then guides a lifestyle according to the principles of healthy financial management.

This is consistent based on research by Lufita et al., (2024) and Retna, (2024) which emphasized that high financial knowledge encourages a more rational, sustainable, and minimal financial risk lifestyle. However, these results are inversely proportional to Azmi et al., (2025) who found that financial knowledge does not affect lifestyle, likely due to external factors such as social pressure or a strong hedonistic lifestyle. Practically, increasing financial knowledge encourages Gen Z students in Medan City to form a more financially healthy lifestyle. By understanding basic concepts such as budget planning, the importance of saving, and the risk of consumptive debt, students can adjust their lifestyle to be more frugal, organized, and goal-oriented. Simple habits such as distinguishing between needs and wants, allocating emergency funds, and using financial recorder applications are tangible manifestations of how knowledge affects lifestyle. On the other hand, without adequate financial knowledge, students' lifestyles tend to be consumptive, at risk of impulsive behavior, and prone to being trapped in online loans. Therefore, financial knowledge is an important foundation in shaping a lifestyle that supports the sustainability of healthy financial behavior.

The Influence of Financial Attitude on Lifestyle

The results of the study show that Financial Attitude has a significant positive effect on lifestyle, so H4 is supported. Generation Z students in Medan City with positive financial attitudes such as saving discipline, budgeting consistently, comparing the benefits of financial products, and avoiding impulsive purchases tend to have a more targeted lifestyle and are in line with the principles of healthy financial management.

Theoretically, these findings are in line with the Theory of Planned Behavior (Ajzen, 1991) which places attitude as the main determinant of behavioral intentions, where positive financial attitudes form the tendency to live a lifestyle that supports wise financial decisions. A mature attitude towards finances allows individuals to assess the consequences of each spending, so that the lifestyle that is formed becomes a reflection of values, norms, and self-control in consumption. This is consistent with the research of Lufita et al. (2024) and Retna (2024) who found that Financial Attitude plays an important role in creating rational, sustainable, and minimal risk consumption patterns. However, these results are not in line with the findings of Azmi et al., (2025) who report that Financial Attitude does not affect lifestyle, which may be due to external factors such as social environment pressures, strong hedonistic lifestyles, or low behavioral control even though attitudes towards finances are positive.

Practically, a positive financial attitude encourages Gen Z students in Medan City to form a more directed and financially healthy lifestyle. By having a wise view of money such as appreciating the importance of saving, avoiding impulse spending, and budgeting, students are better able to adjust their lifestyles to be in harmony with their financial abilities. The impact of this habit not only strengthens discipline in financial management, but also prevents consumptive behavior that can trigger debt dependence. In contrast, without a strong financial attitude, college students' lifestyles are potentially more extravagant, FOMO, and less goal-oriented. Therefore, the formation of financial attitudes from an early age is very important to create a lifestyle that supports financial independence.

The Influence of Lifestyle on Financial Management Behavior

The results of the study showed that lifestyle had a positive and accurate effect on financial management behavior, so H5 was supported. A frugal, planned, and financially balanced lifestyle encourages good financial management behavior, such as consistency in saving, controlling expenses, and preparing the right budget.

Theoretically, these results are in line with Ajzen's Theory of Planned Behavior, (1991) which states that behavior is influenced by intention, where lifestyle reflects attitudes, subjective norms, and behavioral controls that make up financial habits. This reinforces the view that lifestyle not only reflects consumption preferences, but also becomes an important mechanism in converting attitudes and intentions into real financial behaviors. These findings are in line with the research of Rahman & Risman, (2021); Ariska et al., (2023) and 'Ulumudiniati & Asandimitra, (2022) who stated that a directed lifestyle improves discipline and sustainability of financial management. However, these results differ from Mashud et al., 2(021) who did not find a significant influence, likely due to differences in respondent characteristics and socio-economic context.

Practically, a disciplined lifestyle that is in harmony with financial conditions has been proven to be able to strengthen the financial management behavior of Gen Z students in the city of Medan. Simple habits such as living frugally, avoiding impulse purchases, and consistency in saving and preparing a monthly budget make students more controlled in managing their finances. On the other hand, a consumptive lifestyle influenced by digital trends and FOMO culture risks weakening financial management behavior, making students more vulnerable to consumptive debt and bad loans from online loans. Thus, the formation of a healthy lifestyle is the main key in fostering sustainable financial management behavior and supporting students' financial independence.

Lifestyle mediates the relationship between Financial Knowledge and Financial management behavior

The results of the study show that lifestyle significantly mediates the relationship between Financial Knowledge and financial management behavior, so H6 is supported. The findings found that although financial knowledge does not always have a direct impact on financial management

behavior, it can be realized through the formation of a lifestyle that is consistent with healthy financial principles, such as budgeting, controlling expenses, and saving habits regularly.

Theoretically, these results strengthen Ajzen's Theory of Planned Behavior, (1991) which explains that individual behavior is influenced by behavioral intentions formed from attitudes, subjective norms, and perceptions of behavior control. In this context, lifestyle serves as a tangible manifestation of the intention to translate Financial Knowledge into measurable daily financial behavior. Financial knowledge provides a cognitive framework for what is "supposed to be done", while lifestyle is a means of internalizing these values into repetitive habits.

These findings are in line with Retna, (2024) and Rodriguez et al., (2024) who affirm that lifestyle is an important transformation path from financial knowledge to real financial action. They show that individuals with high financial literacy but without a supportive lifestyle often fail to apply sound financial principles. In contrast, Azmi et al.'s (2025) study did not find a lifestyle mediated effect, which may be influenced by external factors such as consumptive social pressure or low behavioral control in the studied population.

Practically, these results confirm that Financial Knowledge will only be effective in encouraging financial management behavior if it is internalized into a healthy lifestyle. A lifestyle that mediates the correlation between Financial Knowledge and financial management behavior is reflected in the habit of consistently saving, prioritizing needs over wants, controlling impulsive spending, and maintaining a balance between consumption and future planning. As a result, Gen Z students who adopt a disciplined financial lifestyle are able to control consumption, prepare emergency funds, and plan long-term goals such as education, business, or investment. On the other hand, without a supportive lifestyle, financial knowledge only stops as passive insight and risks leading to consumptive behavior, dependence on online loans, and bad credit.

Lifestyle mediates the relationship between Financial Attitude and Financial management behavior

The results of this study prove that lifestyle significantly mediates the relationship between Financial Attitude and financial management behavior, so H7 is supported. These findings confirm that positive attitudes towards finances such as appreciating the importance of budget planning, avoiding consumptive debt, prioritizing savings, and comparing the benefits of financial products will be more effective in forming healthy financial management behaviors if accompanied by a lifestyle that is consistent with these values. In other words, a positive financial attitude needs to be realized in concrete routines and habits so that it can have a direct impact on daily financial behavior.

Theoretically, this is in line with Ajzen's Theory of Planned Behavior, (1991) which emphasizes that a positive attitude to a behavior will strengthen the intention to do so, but the intention will be easier to realize if it is supported by a lifestyle that facilitates the achievement of financial goals. In this context, lifestyle functions as an internalization mechanism that bridges positive financial attitudes into disciplined and sustainable financial management behaviors. Positive attitudes without the support of a relevant lifestyle have the potential to only become cognitive orientation without real behavioral manifestations.

These results are consistent with the findings of Lufita et al., (2024) who stated that the formation of healthy financial behavior requires harmony between attitudes, knowledge, and lifestyles, as well as reinforcing the view that psychological and behavioral factors interact with each other in determining the success of individual financial management. In contrast, these findings are different from Azmi et al., (2025) who report that lifestyle does not play a mediator, which may be influenced by the dominance of external factors such as consumptive social pressure or low financial awareness in the population they studied.

In practical terms, a positive financial attitude such as appreciating the importance of saving, avoiding consumptive debt, and comparing benefits before buying will be more effective in shaping financial management behavior if reflected in daily lifestyle. A supportive lifestyle, such as consistency in budgeting, discipline in limiting impulsive spending, and building the habit of allocating emergency funds, becomes a real bridge from financial attitudes to action. As a result, Gen Z students in Medan City with a healthy financial lifestyle will find it easier to implement

financial management behavior in a sustainable manner, avoid a consumptive lifestyle, and be better prepared to face urgent needs. Conversely, without an appropriate lifestyle, a positive financial attitude will not manifest in real behavior and risks encouraging inconsistent financial behavior.

5. Conclusion

This study examined the influence of financial knowledge and financial attitude on financial management behavior among Generation Z students, with lifestyle serving as a mediating variable. The results demonstrate that both financial knowledge and financial attitude significantly and positively affect financial management behavior, both directly and indirectly through lifestyle. This implies that individuals with higher levels of financial literacy and positive financial attitudes tend to adopt more disciplined, goal-oriented, and sustainable financial behaviors when supported by a healthy financial lifestyle. Moreover, lifestyle plays a crucial role in translating cognitive and attitudinal factors into actual financial practices, reinforcing the theoretical assumptions of the Theory of Planned Behavior (TPB). This study highlights that improving financial management behavior among Gen Z requires not only cognitive enhancement through education but also behavioral reinforcement through lifestyle alignment. The contribution of this research lies in empirically validating lifestyle as a mediating mechanism that bridges financial knowledge and attitude toward sustainable financial management behavior, offering both theoretical and practical implications for financial education and behavioral finance interventions.

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