FINANCIAL LITERACY AMONG GENERATION Z: RELATIONSHIP BETWEEN KNOWLEDGE, SKILLS, ATTITUDES, AND BEHAVIOR (CASE STUDY OF STUDENTS OF THE FACULTY OF ECONOMICS UNIVERSITY SARJANAWIYATA TAMANSISWA YOGYAKARTA)

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Abstract

Abstracts are written in one paragraph, containing the background of the problem, state of the art, objectives, methods, and conclusions, in 150 - 250 words. Abstract written using Times New Roman 11 pt, space 1. Abstracts are made in Indonesian and English. This article is a template for writing in PAMATOR Journal using MS-Word. Articles do not need to be page numbered. The author can write articles in Indonesian or in English. Many pages do not exceed 20 sheets in A4-one column format. The author must provide affiliates and e-mail addresses after the author's name. Affiliates and e-mail addresses are written using Times New Roman 11pt, space 1. They are writing Titles using Times New Roman 14pt, Bold, All caps. For Articles in B. Indonesia, the author must write the abstract in Indonesian and English. Before writing, please adjust your article margins to the margin of this template by looking at the page setup of the template that we have provided.

Keywords: Financial attitudes, Financial behavior, Financial knowledge, Financial literacy, Financial skills

INTRODUCTION

Financial literacy illustrates how people use their money to achieve the highest level of well-being. Every human being needs this ability to protect themselves from financial difficulties (Irfan et al., 2024). defining financial literacy as the extent to which an individual understands the use of their own money based on the information they have (Sugiharti & Maula, 2019). financial literacy, financial management knowledge, skills, and behavior that arise in the process of creating a decision to produce financial prosperity (Safryani et al., 2020). This definition begins with an explanation from the Financial Services Authority, which states that literacy in finance is the ability to create a financial decision to achieve prosperity. This is based on the combination of individual knowledge, skills, and confidence. According to this definition, it can be inferred that financial literacy is a very important skill for every individual (Safryani et al., 2020). Based on a survey conducted by OJK, the financial literacy index of high school students was 38.2%,

while the index for students was 23.4%. This shows that Indonesian students have a relatively low level of understanding of currency exchange(Sustiyo, 2020).

The impact of this is that financial decisions tend to be detrimental to themselves, such as their decline in buying consumer goods so that they experience a deficit at the end of the year (Pulungan et al., 2018). A person's ability to understand financial literacy is also influenced by several indicators. There are three indicators of financial literacy, including: having knowledge of financial concepts, having a deeper attitude and interest in financial concepts, and having a behavior oriented towards saving and spending money (Novanda Zoelva Mina Raya et al., 2023). There are five indicators of a person's ability to use finances, namely: having financial records, having long-term financial planning, being able to choose their own financial products, always following developments or looking for the latest news about finance, and having supervision over financial management (Ariyani, 2018). To meet daily needs, a person must do several things, such as calculating operational costs and expenses, determining financial priorities, meeting long-term needs, and corresponding with related parties (Wardani & Susilowati, 2020).

Financial education for the younger generation has the potential to improve their readiness to face life, especially if it makes them more virtuous in terms of saving, borrowing, and consuming in everyday life. Currently, many low-income people are less inclined to invest or invest money, compared to high-income people. This shows that the higher a person's financial literacy, the higher their ability to manage their money, and vice versa (Mukhlis et al., 2023). Financial management behavior is one of the important concepts in financial science. Financial management behavior is an individual's ability to prepare financial plans, make budgets, control, raise funds, audit, manage finances, and store daily financial funds (Akbar & Armansyah, 2023). The main function of financial management is budgeting. Budgeting aims to help each individual manage their finances regularly based on the income they have (Rumbianingrum & Wijayangka, 2018). Financial management behavior does not aim to regulate or prohibit students from using their money. Instead, the goal is for students to be responsible for the financial decisions they make, which is very important for achieving financial independence in the future (Sari & Wiyanto, 2020).

College time is the starting point for most students in managing their finances independently without supervision and control from their parents (Prasinta et al., 2023). However, teenagers who enter college often do not have a sense of responsibility for financial resources and good financial management, this is because today's teenagers grow up in the midst of a debt culture and an expensive lifestyle (Yushita, 2017). With today's expensive lifestyle, students must be able to plan their finances well. Planning finances or managing one's finances must have financial knowledge or literacy so that someone has more financially responsible behavior. Therefore, in order for students to be able to manage their finances well, students must also have good financial management behavior (Prasinta et al., 2023).

Understanding financial literacy is very important for students to be able to apply the knowledge they have along with good financial attitudes in financial management (Novanda Zoelva Mina Raya et al., 2023). Financial attitude is a state of mind, opinion and judgment about finance (Wahyuningsih et al., 2024). A person's attitude refers to how they feel about personal financial problems which can be measured by their response to a statement or opinion (Irfan et al., 2024). Financial attitudes will help someone in determining their attitudes and behavior both in terms of financial management, budgeting finances, and making decisions (Haqiqi & Pertiwi, 2022). So that everyone who has a good financial attitude will have a sense of responsibility in making decisions, managing finances, and planning their financial

management practices (Sugiharti & Maula, 2019).

RESEARCH METHODS

In the study using data in the form of primary data, the data obtained through direct research on the object being studied, by distributing questionnaires to respondents in accordance with the research being conducted (Sugiyono, 2018) . A questionnaire is a data collection method where respondents are given a list of written statements that they must answer (Pranatawijaya et al., 2019).

The method of data collection in this study was by distributing questionnaires or surveys to respondents. The questionnaire method is used to collect data related to financial knowledge, skills, and financial attitudes, on the financial behavior of generation Z. In this study, the questionnaire will be distributed to Generation Z students at the Faculty of Economics Sarjanawiyata Tamansiswa University. The number of research samples was 120 respondents. Respondents filled out the questionnaire via Google Forms, which were then analyzed using SMART-PLS.

RESULT AND DISCUSSION

Evaluation of measurement model (Outer Model)

Evaluation of the measurement model is the specification of the relationship between latent variables and their indicators, also called the outer relation or measure model, which explains the characteristics of the manifest variables (Wiyono, 2020).Further explanation of the measurement model (outer model) using convergent validity, discriminant validity and composite reliability tests is as follows

Convergent validity refers to testing to determine the correlation between indicators in a research construct (Wijaya, 2019). The convergent validity testing criteria in this study use AVE and outer loading values, where a research indicator is said to be valid if the outer loading value is greater than 0.7, or can be said to be valid if the value is between 0.5 and 0.6 (Ghozali, 2015) and the AVE value is greater than 0.5. The outer loading values in this study are as follows.

Table 1. Outer Loading Results

Variabel	Indicator	Outer Loading	conclusion
Financial Knowledge	x1p1	0.752	Valid
	x1p2	0.775	Valid
	x1p3	0.832	Valid
	x1p4	0.789	Valid
	x1p5	0.826	Valid
	x1p6	0.829	Valid
Financial Skills	x2p1	0.731	Valid
	x2p2	0.817	Valid
	x2p3	0.846	Valid
	x2p4	0.844	Valid
	x2p5	0.865	Valid
	x2p6	0.858	Valid
Financial Attitudes	x3p1	0.851	Valid
	x3p2	0.779	Valid
	x3p3	0.709	Valid

	x3p4	0.751	Valid
	x3p5	0.793	Valid
	x3p6	0.775	Valid
	x3p7	0.808	Valid
Financial Behavior	yp1	0.724	Valid
	yp2	0.837	Valid
	yp3	0.738	Valid
	yp4	0.849	Valid
	yp5	0.875	Valid

source: Output SMARTPLS

Based on the table above, it can be seen that the results of each research variable indicator have an outer loading value >0.7. So it can be concluded that the indicator is declared feasible or valid for use in research and can be used further.

Table 2. Average Variance Extracted (AVE) Results

	Average variance extracted (AVE)	Conclusion
Knowledge	0.642	Valid
Skills	0.686	Valid
Attitudes	0.611	Valid
Behavior	0.651	Valid

source: Output SMARTPLS

Based on the table above, it can be seen that the Averange Variant Extracted (AVE) value for each construct is knowledge 0.642, Skills 0.686, Attitude 0.611 and financial behavior 0.651. The four constructs already have AVE > 0.50 so that the construct can be categorized as valid.

Table 3. Reliability Test Results

	Cronbach's Alpha	*Composite Reliability*
Knowledge	0,888	0.890
Skills	0,908	0.911
Attitudes	0,894	0.899
Behavior	0,864	0.869

source: Output SMARTPLS

Based on the table above, it shows that the Composite Reliability and Cronbach's Alpha values for each construct are > 0.7, which means that all research variables are valid and reliable and can be continued to the evaluation of the structural model.

Structural Model Evaluation (Inner Model)

The specification of the relationship between latent variables (structural model) is called the Inner Model or also called inner relation, describing the relationship between latent variables based on the substantive theory of the research. In this study, the evaluation of the structural model was carried out by reviewing the R square value and testing the hypothesis. The results of the R square value in this study are as follows (Wijaya, 2019).

Table 4. R Square Results

	R-square	R-square adjusted
Behavior	0.668	0.657

source: Output SMARTPLS

Based on the table above, it can be seen that the R-Square value of the Financial Behavior variable is 0.668. The R-Square value of 0.657 indicates that the variability of the Financial Behavior construct that can be explained by the variables of Financial Knowledge, Financial Skills and Financial Attitudes is 66.8% while the remaining 33.2% is explained by other variables outside the variables studied in this study.

Hypothesis testing is done by comparing t count and t table. To find out whether the variable has an effect, a comparison of t count and t table is carried out. The bootstrapping results are used to determine the t count value using Smart PLS software. If the t value is more than 1.96 or the p value is less than 0.05, the hypothesis is not rejected, in accordance with the requirements of hypothesis testing. The following are the results of the hypothesis test.

Table 5. Hypothesis Test Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
X1 -> Y	0.088	0.118	0.250	0.352	0.725
X2 -> Y	0.300	0.283	0.230	1.309	0.191
X3 -> Y	0.397	0.400	0.200	1.986	0.047

source: Output SMARTPLS

From the table above it can be seen the results of the hypothesis test, it is known that the line coefficient is 0.088 and the P value that forms financial knowledge towards financial behavior is 0.725 plus a positive T-statistic value of 0.352. Thus, these results are in accordance with the rule of thumb where the p value <0.05 and T-statistic> 1.96, it can be stated that financial knowledge (X1) partially has no effect on financial behavior (Y).

From the results of the hypothesis test, it is known that the path coefficient is 0.300 and the P value that forms financial skills towards financial behavior is 0.191 plus a positive T-statistic value of 1.309, thus these results are in accordance with the rule of thumb where p value <0.05 and T-statistic> 1.96, then it can be stated that financial skills (X2) partially have no effect on financial behavior (Y).

From the results of the hypothesis test, it is known that the path coefficient is 0.397 and the P value that forms financial attitudes towards financial behavior is 0.047 plus a positive T-statistic value of 1.986, thus these results are in accordance with the rule of thumb where p value <0.05 and T-statistic> 1.96, then it can be stated that financial attitudes (X3) partially have an effect on financial behavior (Y).

The Influence Of Financial Knowledge On Financial Behavior

Generally speaking, a mahasiswa must possess knowledge in handling money, especially

in every learning activity. Pengetahuan keuangan must have a strong petunjuk in managing keuangan so that with a begitu keuangan like that, it will respond quickly and not always give rise to sikap terlalu mengeluarkan keuangan yang berlebihan (Nisa et al., 2020). A person's financial decisions might be impacted by a variety of factors. There is a significant difference between a person's knowledge of keuangan and their knowledge of tinggi keuangan, yet it is not impossible for them to manage their financial affairs (Herdjiono & Damanik, 2016). Mahasiswa also struggle to understand the principles of money management that lead to mahaiswa being implusive for a high-quality lifestyle. This is because mahasiwa struggle to understand the theory behind handling appropriate money (Sri Ratna Sari et al., 2020).

This study is in line with research stating that financial knowledge does not affect financial behavior, so more and more appropriate financial knowledge is needed in order to produce intelligent thinking (Widyakto et al., 2022). Financial knowledge does not affect financial behavior (Dayanti et al., 2020). Thus, when individuals who lack knowledge about the concept of money do not necessarily have poor financial behavior, but their behavior may be better in making financial decisions.

The Influence of Financial Skills on Financial Behavior

This study shows that financial skills do not affect financial behavior. Shows that even though someone has good financial skills, such as making investments, budgets, or savings, these skills do not always allow them to make good financial behaviors. This shows that there are many additional factors that can influence how someone behaves in financial situations, such as personal privacy, social environment, and emotional state. As a result of peer pressure or feelings of stress, someone who knows how to handle money well may even be able to handle it in a more profitable way, so their skills are not always reflected in their actions. Financial skills alone are not enough to ensure that someone will consistently make good financial behaviors because financial transactions are also influenced by various other factors.

The results of this study are in line with research stating that although financial skills are important, other factors such as attitudes and social environment have a greater influence on students' financial behavior (Lestari & Hayati, 2019). Other studies state that financial skills do not always have a significant effect on Personal Financial Management Behavior (Heliani et al., 2022).

The Influence Of Financial Attitudes On Financial Behavior

The results of the study indicate that students of the Faculty of Economics have an important role in managing finances for the future. This is supported by very specific statements from respondents. Having financial goals can help students manage their finances consistently every month. In addition, students can manage their finances today because they can affect the future. In order for the expected goals to be achieved in the long term, the efforts made by students are carried out methodically, however, students still pay attention to the budget that is made. With the right understanding and ideas about financial aspects, students can help make good financial decisions so that financial transactions can run smoothly.

The results of this study are in line with research that states that financial attitudes influence financial behavior, which is supported by other research that states that the results of research on financial attitudes influence financial management behavior (Novianti & Salam, 2021)(Iswari, 2022). So it can be concluded that good financial attitudes will form good financial behavior as well.

CONCLUSION

This study aims to identify the influence of financial knowledge, financial skills, and attitudes on the financial behavior of Generation Z students in the Faculty of Economics, Sarjanawiyata University, Tamansiswa Yogyakarta and this study uses 120 respondents as samples. The analysis was carried out using the analysis method used to analyze the relationship between the constructs of this study is the PLS (Partial Least Square) method using the SmartPLS 4.0 program. Based on the results of data analysis and discussion that have been carried out, it can be concluded that financial knowledge and financial skills influence financial behavior, while financial attitudes do not affect financial behavior.

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