

The Influence of Financial Literacy, Self-Control, and Peer Environment on Financial Management in Gen Z in Selong City

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Abstract

This study aims to determine the effect of financial literacy, self-control, and peer environment on the financial management of Generation Z in Selong City. This research uses a quantitative approach with a causal associative research design that aims to understand the relationship and influence between two or more variables. The sampling technique used is purposive sampling with a total sample of 100 respondents. The data analysis technique employs multiple linear regression analysis using SPSS version 22. The results of this study indicate that financial literacy has no significant effect on financial management. Self-control has a positive and significant effect on financial management. The peer environment also has a positive and significant effect on financial management. Simultaneously, financial literacy, self-control, and peer environment have a significant effect on financial management..

INTRODUCTION

Changes in the global economy and advances in digital technology, especially in the field of financial technology (FinTech), have affected the way people interact with financial services by making their access and management easier (Keskin et al., 2025)(Croitoru et al., 2025). This situation requires every individual to have skills in managing finances in order to be able to make the right financial decisions (Widjayanti & Adawiyah, 2025). Therefore, efficient financial management is very important because it relates to the ability to manage income, expenses, savings, and investments wisely.

In Indonesia, the level of public financial literacy is still an important concern. Based on the results of the National Survey on Financial Literacy and Inclusion conducted by Financial Services Authority (OJK), the level of financial literacy of the Indonesian people continues to increase, the 2022 SNLIK results show that the financial literacy index of the Indonesian people is 49.68 percent, an increase compared to 2019 which was only 38.03 percent (OJK, 2022).

Selong City as the center of economic activity in East Lombok Regency has economic dynamics that also affect people's financial behavior, especially the younger generation. Data from (BPS, 2025) East Lombok Regency shows an increase in the growth of community economic activity, which is reflected in the increase in the Gross Regional Domestic Product (GDP) from 5.56% in

the first quarter to 6.61% in the fourth quarter. so it is important to understand how Generation Z manages their finances in the face of these changes.

One of the groups that has unique characteristics in financial behavior is Gen Z. Gen Z is a group that was born and grew up in the digital era with easy access to information and various technology-based financial services. Based on the results of the 2020 Population Census research released by (BPS, 2020), Gen-Z is the most numerous group in Indonesia today, with 270,203,917 people, and 1,448,701 of them are from West Nusa Tenggara (NTB). This situation shows that Gen-Z plays a role in the state of Indonesia's economy, especially when they enter the world of work and manage personal finances independently. In addition, the large Gen-Z population can be an opportunity to accelerate economic growth in Indonesia (Pratama et al., 2023). The participation and responsibility possessed by Gen-Z needs to be supported by proper personal financial management. (Miradji et al., 2023) stated that Generation Z, known as digital natives, is the first group to be raised in the digital age. Since childhood, they have been familiar with various technologies, living in a world that is interconnected through the internet, social media, and various other digital platforms. On the one hand, this convenience provides opportunities to improve financial well-being, but on the other hand, it also has the potential to cause consumptive behavior if it is not balanced with good financial management skills.

Personal financial management is a very important skill for everyone, especially for the younger generation, namely Generation Z, who are currently facing many financial challenges in the era of technology and modern lifestyles. Gen Z usually has easy access to digital financial services as well as social media that can affect the way they shop, even though their ability to manage their finances properly is not yet fully maximized. (Prawitasari et al., 2025) Stating that, Financial management plays an important role in the daily survival of individuals. Financial management can shape the financial behavior of every individual. Financial behavior is any human behavior related to money management, starting from planning, budgeting, controlling, acquiring, and storing daily financial funds. Individuals have unlimited needs and desires, so individuals tend to be consumptive if they are unable to manage their finances. The importance of efficiently managing financial behavior in daily life must be carefully planned to achieve a stable financial life. This ability is not only influenced by economic factors alone, but also by internal and external factors of individuals. Internal factors include financial literacy and self-control, while external factors are one of them is the peer environment which has a strong influence on individual behavior, especially in generation z.

Individual financial management is influenced by various factors, one of which is financial literacy. Financial literacy is an individual's knowledge and understanding of financial concepts that is used as a basis for financial decision-making. Understanding of finance or financial literacy refers to the ability of individuals to understand basic elements of financial management such as budgeting, saving, investing, and understanding risks. This is very important in shaping Gen Z's financial behavior patterns (Asma et al., 2025). A good level of financial literacy allows individuals to make rational decisions in managing income, expenses, savings, and investments. Based on a survey conducted by Financial Services Authority, the level of financial literacy of the Indonesian people still needs to be improved, especially in the young age group who tend to have high consumption behaviors in line with the development of digital lifestyles. In 2024, BPS together with the Financial Services Authority (OJK) will release the results of the National Financial Literacy and Inclusion Survey (SNLIK) which shows the Financial Literacy Index of the Indonesian population at 65.43%.

In addition to financial literacy, self-control is also an important factor in financial management. Self-control is related to the ability of individuals to control consumption impulses, prioritize needs, and make wise financial decisions. Individuals with good self-control tend to be able to resist impulsive behavior and manage finances more planned than individuals with low self-control. (Asma et al., 2025) Stating self-control is an equally important factor in financial management. Self-control is related to the ability of individuals to resist unnecessary shopping cravings and make decisions based on long-term goals, rather than just seeking momentary gratification.

In addition to internal factors, external factors that are also very influential are the friendship environment. Gen Z is strongly influenced by their social environment and friends in terms of spending patterns, lifestyle, and financial decisions. Peers can be a source of social pressure or norms that encourage consumptive behavior or, conversely, promote healthy financial habits. (Setyowati et al., 2023)

Several studies that discuss the Influence of Financial Literacy, Self-Control, and Peer Environment on Gen Z Financial Management in Selong City have not been widely done in the context. Some studies such as Research conducted by (Anjani, 2023) shows that financial literacy and self-control have a positive and significant influence on financial management behavior in Generation Z. However, the study only examined two main factors without including the influence of the social environment such as peers. Other studies (Novitasari et al., 2025) researching financial literacy, self-control, impulsive buying, campus environment, financial attitudes, and peers towards

student financial management. However, the research has a different object because it focuses more on students and uses broader variables. Therefore, there is still a research gap on how financial literacy, self-control, and peer environment simultaneously affect financial management in Generation Z, especially in regional contexts such as Selong City.

From some of the statements above, this research is expected to contribute both theoretically and practically. Theoretically, this research is expected to enrich studies in the field of financial management, especially related to the financial behavior of Generation Z by examining the influence of financial literacy, self-control, and the peer environment simultaneously. This research is also expected to fill the gap in previous research that is still limited to certain variables or to different research objects, so that it can be a reference for future research related to the financial behavior of the younger generation. Practically, this research is expected to provide benefits for Generation Z in Selong City in increasing awareness and ability to manage finances more wisely in the midst of technological developments and modern lifestyles. In addition, the results of this research are also expected to be considered for related parties, such as educational institutions, local governments, and financial practitioners, in designing more effective and targeted financial education and literacy programs.

Financial Management

Personal financial management is a very crucial element in today's life, especially in the midst of technological advancements that affect the way people shop and others. (Tarigan, 2025). With good financial management, a person can regulate his or her financial behavior. Financial behavior includes all activities related to money management, from planning, budgeting, controlling, obtaining, to storing funds that are used daily. Each individual has unlimited needs and desires, so if they are not good at managing their finances, they can become consumptive. Therefore, it is important to plan financial behavior management well in order to achieve financial stability. Consumptive financial behavior often indicates that a person is lacking in planning and budgeting for an emergency fund for the future. Consumptive behavior often refers to the pattern of a person or group of people in consuming products, using services, or choosing certain brands or companies, as well as spending excessive money, either consciously or unconsciously, over a long period of time. (Prawitasari et al., 2025)

In the context of modern life, especially in the younger generation, financial management has become very important because of the ease of access to various digital financial services and the increase in consumptive lifestyles. Individuals who have good financial management skills tend to

be able to prepare financial planning, control expenses, and allocate income effectively according to needs and priorities. (Shaffiyah et al., 2025) states that, The ability to manage personal finances well is not only a skill that everyone should have, but it is fundamentally essential to achieving financial stability in today's complex landscape. However, most people still lack the necessary understanding and insight to understand the importance of personal financial management, thus hindering their ability to achieve their financial goals.

An individual's financial management is influenced by a variety of internal and external factors. Internal factors include financial literacy and self-control abilities, while external factors can be social environments such as peer influence. Therefore, financial management abilities are not only determined by economic conditions, but also by individual behavior and environment.

Financial Literacy

Financial literacy is the understanding, ability, and beliefs that affect a person's views and actions to improve the quality of financial decisions and management to achieve prosperity. Skills in managing finances are one of the essential life skills, both in terms of managing personal finances (Herlindawati et al., 2025). Financial literacy involves knowledge of basic principles in the financial world, such as income, spending, saving, investing, debt, and so on. Advances in digital technology in various sectors, including the financial sector, have brought opportunities as well as challenges that encourage people to be more careful in managing their finances. (Madani, 2026)

According to the Financial Services Authority (OJK), financial literacy is knowledge, skills, and beliefs that influence individual attitudes and behaviors in making financial decisions to achieve prosperity. Individuals with a good level of financial literacy tend to have a better understanding of financial planning, expense management, and rational economic decision-making. According to the Financial Services Authority (OJK), financial literacy provides great benefits for the public, such as:

- a) Able to choose and utilize financial products and services according to their needs.
- b) Have the ability to do better financial planning.
- c) Able to take responsibility for the financial decisions taken.
- d) Avoid investment activities in unclear financial instruments.

Financial literacy is closely related to financial management, and the better a person's financial understanding, the more proficient he will be in handling his financial problems. (Mukhlis et al., 2023)

Financial literacy has a great influence on a person's ability to manage their finances well. With a good understanding of finances, a person will be better able to plan their income and expenses carefully. In addition, financial literacy not only makes the process of making daily financial decisions easier, but also plays a role in improving the quality of life in the long run (Lestari & Prastika, 2025). A high level of financial literacy plays an important role in shaping healthy financial behaviors. Individuals who understand financial concepts well tend to be able to manage expenses, save regularly, and avoid risky financial decisions. Thus, financial literacy has a close relationship with an individual's financial management skills.

Based on some of the explanations above, in this study the hypothesis proposed is:

H₁: Financial literacy has a positive and significant effect on financial management in Generation Z in Selong City (Y).

Self-Control

Self-control is an individual's ability to control behavior, emotions, and impulses to act in accordance with long-term goals. In the financial context, self-control is related to the individual's ability to control consumptive desires, delay satisfaction, and manage the use of money wisely. (Komariyah et al., 2025) states, Self-control is a person's ability to resist the urge to shop and make choices in a wise way. This should be a key element in shaping the financial mindset of generation Z, especially since they are heavily impacted by social media, influencer marketing, and online promotions that trigger mindless purchases.

(Yanti & Suci, 2023) states, Self-control can be understood as a person's ability to manage their actions well when faced with stimuli that seek to change their behavior towards inappropriate actions. In addition, self-control also emphasizes the importance for individuals to manage the decisions taken. In the context of financial management, self-control is an effort that encourages individuals to save money by reducing unnecessary purchases. Therefore, self-control in financial management is an approach that is applied by people to avoid wasting in personal budget management. (Setiawan & Suci, 2024) defines self-control as an effort to regulate one's actions in dealing with impulsive behavior in accordance with the principle of belief that underlies actions. The function of self-control in the development of financial behavior is to restrain emotions, avoid rushing, and postpone unwise purchasing decisions so as not to be easily influenced by trending things, to be more rational in making purchases, to avoid impulsive behavior and excessive spending and to help improve discipline in managing expenses.

Individuals who have a high level of self-control tend to be able to resist the urge to make impulsive purchases and consider the consequences of each financial decision more. The ability to control oneself allows individuals to prioritize needs over desires and manage finances more plannedly. Self-control is an important factor in financial behavior because financial decisions are often influenced by emotional urges and situational pressures. Individuals with good self-control tend to have more effective financial management behaviors than individuals with low self-control, so self-control affects the quality of financial management.

H₂: Self-Control (X₂) has a positive and significant effect on financial management in Generation Z in Selong City (Y).

Peer Influence

The peer environment is a group of individuals of relatively similar age or social status who interact with each other and influence each other's behavior. In the younger generation, peers have an important role in shaping individual attitudes, lifestyles, and consumption behaviors. Intense social interaction with peers can influence an individual's decision to use money, either directly or indirectly. (Pangesti & Safitri, 2025) stated, Peers are thought to have an impact on improving financial behavior. This makes it difficult for them to manage their personal finances due to the many temptations, such as the abundance of online stores and invitations from peers who are not paying attention to their financial condition for the future, which in turn can affect the way they manage their personal finances. Peers are individuals who are the same age and have similar knowledge. Peers play an important role in the development of individuals because they can provide information and insights about others.

The peer environment can have both positive and negative influences on financial management. A positive influence can be an encouragement to save or manage finances well, while a negative influence can be in the form of social pressure to follow a consumptive lifestyle. Therefore, the peer environment is one of the external factors that affect an individual's financial management behavior.

With this whole thinking in mind, the research framework is aimed at explaining how these three factors shape the financial management of Generation Z in Selong City. This relationship pattern is the basis for developing a quantitative research hypothesis, where each independent variable is tested for its influence on the dependent variable.

H₃: The peer environment (X₃) has a positive and significant effect on financial management in Generation Z in Selong City (Y).

METHODS

Types of research

This study uses a quantitative approach as well as uses a type of causal associative research, which aims to understand the relationship and impact between two or more variables (Scott, 2017). This approach was chosen because the focus of this research is on objective measurement of variables as well as numerical data analysis to test the hypotheses that have been determined. Causal associative research was used to evaluate the cause-and-effect relationship between independent variables and dependent variables. In this study, independent variables consisted of financial literacy, self-control, and peer environmental influence, while dependent variables were the financial management of Generation Z in Selong City. The analysis was conducted to measure how much influence each independent variable had on financial management.

Data collection techniques

The survey was applied as a data collection method with instruments in the form of a structural questionnaire that was distributed to the respondents. The collected data was then analyzed using inferential statistical techniques to test the existing hypothesis. With a causal associative quantitative approach, this study is expected to provide an empirical picture of the influence of financial literacy, self-control, and peer environment on the financial management of Generation Z in Selong City in an objective and measurable way.

Population and research sample

The population in this study is Generation Z who reside in Selong City. Generation Z in this study is defined as individuals born in the range of 1997–2012 based on the classification from the Central Statistics Agency.

The sampling technique uses **purposive sampling**, with the following criteria:

1. Aged 17–26
2. Domiciled in Selong City
3. Owning or managing personal finances

The number of samples was determined using the Slovin formula with an error rate of 10%, with a population of 361,967, so the number of samples was obtained as many as 99.97 which were then rounded to **100 respondents**.

Development of Research Instruments.

The data used in this study is primary data obtained directly from respondents through the distribution of questionnaires. The questionnaire was compiled using a Likert scale of 1–5, ranging from strongly disagree to strongly agree. The data collection technique was carried out through the distribution of online questionnaires (Google Form) to respondents who met the research criteria.

The instruments in this study were adopted from several references related to each variable, with reference to several previous studies. The following is a table of research instrument development.

Ye s	Variable	Indicator	Source
1	Financial Literacy (X ₁)	Understanding revenue management	(Fitriani & Septiarum, 2024)
2		Understanding of savings and financial planning	(Wahyuni et al., 2025)
3		Understanding of spending and budgeting	(Wardani & Yuana, 2024)
4	Self-Control (X ₂)	Ability to resist consumptive urges	(Rosmanidar & Andriani, 2024)
5		Control of impulsive behavior	(Zoraya et al., n.d.)
6		Consistency with financial planning	(Permatasari et al., 2024)
7	Peer Neighborhood (X ₃)	Influence of friends' lifestyle	(Ikhsanuddin, 2024)
8		Social pressure in consumption	(Ikhsanuddin, 2024)
9		Peer support for financial management	(Rahmani et al., 2026)
10	Financial Management (Y)	Financial planning	(Wardani & Yuana, 2024)

11		Expense management and control	(Fitriani & Septiarum, 2024)
12		Saving habits and financial evaluation	(Rosmanidar & Andriani, 2024)

Data analysis techniques

The data analysis technique in this study was carried out using the help of the SPSS Statistics version 22 program by conducting validity tests, reliability tests, and classical assumption tests consisting of (normality test, multicollinearity test, and heteroscedasticity test).

Furthermore, data analysis is carried out using multiple linear regression analysis. Multiple linear regression analysis is a statistical method used to determine the relationship between one dependent variable and several independent variables. According to (Budanti & Mariati, 2024), multiple linear regression is a model that involves more than one independent variable to determine the direction and magnitude of the influence on the dependent variable. In addition, (Halif et al., 2025) stating that this method is able to provide an estimate of the contribution of each variable simultaneously. Thus, multiple linear regression analysis is very suitable for use in studies involving more than one factor that affects a variable. In this study, the use of multiple linear regression is based on the existence of more than one independent variable, namely financial literacy, self-control, and peer environment, which is suspected to affect the dependent variable, namely financial management. This method was chosen because it is able to test the influence of each variable partially or simultaneously and to determine the amount of contribution of each independent variable to the dependent variable, so it is considered the most appropriate to answer the research objectives.

Hypothesis testing in this study includes (F test, t-test, correlation coefficient, and determination coefficient).

RESULTS AND DISCUSSION

The results of the validity test show that all indicators used in this study have a total score that has a significant level of $0.000 < 0.05$, so that it can be stated that all indicators of statements in this study are valid or meet the validity standard. The results of the reliability test based on table 1 show

that the *Cronbach Alpha* value of each variable has a result greater than 0.7 which can be interpreted as a reliable variable used in this study.

Table 1
 Reliability Test Results

Variable	Cronbach's Alpha	Remarks
Financial Literacy(X1)	0,921	Reliable
Self-Control(X2)	0,920	Reliable
Peer Environment(X3)	0,890	Reliable
Financial Management(Y)	0,931	Reliable

Source : Data processed by researchers, 2026

Based on the results of the normality test using Kolmogorov-Smirnov, it was shown that the value of Asymp. Sig. (2-tailed) was $0.200 > 0.05$, so it can be stated that the data in this study was normally distributed. Then, the results of the multicollinearity test showed that the tolerance value of the financial literacy variable was 0.568, self-control was 0.568, and the peer environment was 0.990, all of which > 0.1 . Meanwhile, the VIF values of each variable were 1.761 (Financial literacy), 1.760 (Self-Control), and 1.010 (Peer Environment) which were all < 10 , so it can be concluded that there were no symptoms of multicollinearity in the regression model. Furthermore, the results of the heteroscedasticity test using Spearman's Rank showed that the significance value of the financial literacy variable was 0.364, self-control was 0.405, and the peer environment was 0.858, all of which > 0.05 , so it can be concluded that there were no symptoms of heteroscedasticity in the regression model. Based on the results of the classical assumption test that has been carried out, it can be concluded that the data in this study has met the assumption of normality, there is no multicollinearity, and there are no symptoms of heteroscedasticity, so the regression model is suitable for further analysis.

Table 2
 Results of Multiple Linear Regression Analysis

Models	Coefficient				
	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	t	Sig.

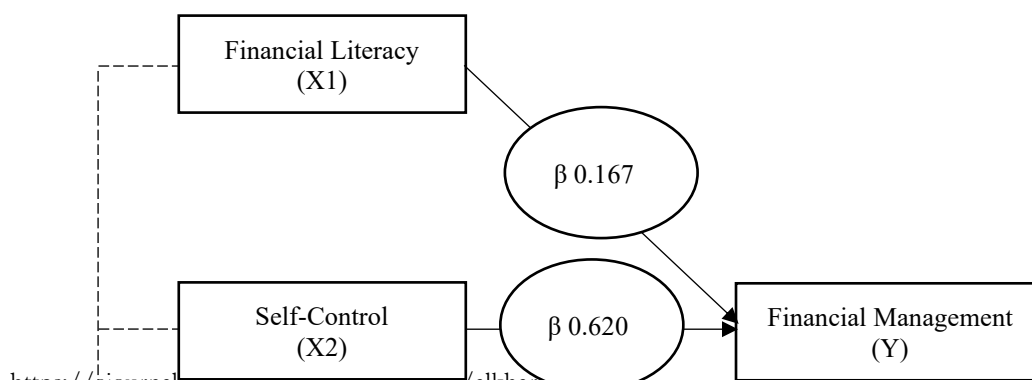
1	(Constant)	2.436	2.841	.857	.393
	Financial Literacy	.167	.087	.164	1.931
	Self-Control	.620	.082	.643	7.552
	Peer Environment	.144	.052	.177	2.751

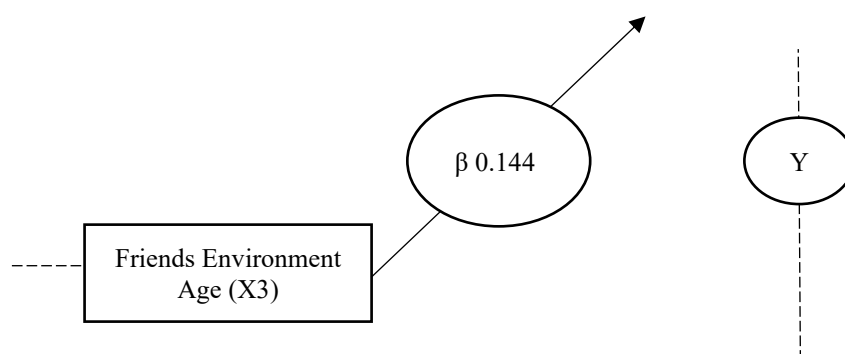
Dependent Variable: Financial Management

Source: Data processed by researchers, 2026

The results of the F test showed a significance value in the F test of 0.000 which was < 0.05 , so that the variables of financial literacy (X1), self-control (X2), and peer environment (X3) had a significant effect directly on financial management (Y) which can be interpreted that the model in this study was declared feasible. The results of the t-test showed that the significance value of the financial literacy variable (X1) was $0.056 > 0.05$, thus showing that financial literacy did not have a significant influence on financial management (Y). This result stated **that H1 was rejected**. The result of the significance value of the self-control variable (X2) was $0.000 < 0.05$, thus showing that self-control has a positive and significant influence on financial management (Y). This result states **that H2 is accepted**. The result of the significance value of the peer environment variable (X3) is $0.007 < 0.05$, thus showing that the peer environment has a positive and significant influence on financial management (Y). This result states that **H3 is accepted**.

Based on the results of the correlation coefficient test, it was shown that the value of the correlation coefficient of 0.778 was close to the value of 1, so it can be interpreted that the relationship between the variables in this study was relatively strong. Based on the results of the determination coefficient test, it was shown that the value of R Square was 60.5%, which means that the variables of financial literacy (X1), self-control (X2), and peer environment (X3) had an influence on financial management (Y) by 60.5%. While the remaining 39.5% was influenced by other variables that were not studied in this study. The following is a picture of the coefficients of each variable that explain the relationship of the thinking framework.





DISCUSSION

The Influence of Financial Literacy on Financial Management

Hypothesis 1 shows that financial literacy does not have a significant effect on financial management. The conclusion is that even though individuals have a good level of financial literacy, it is not necessarily followed by the ability to manage finances effectively. This can happen due to the lack of application of financial knowledge in daily life as well as the influence of lifestyle and consumptive behavior and are easily influenced by trends, so that financial knowledge is not always followed by good financial management behavior. In addition, habits and personal discipline factors are more dominant in determining how a person manages their finances than just knowledge. This is in line with the theory of financial behavior which states that financial decision-making is not only influenced by knowledge, but also by psychological factors and individual habits. The results of this study are supported by previous research conducted by (Soliha et al., 2023) which shows that financial literacy alone is not enough without the support of other factors such as self-control in influencing the financial behavior of generation Z. (Prasinta, 2023) It was also found that financial literacy often does not directly affect financial behavior due to lifestyle factors and consumptive habits in Generation Z.

The Effect of Self-Control on Financial Management

Hypothesis 2 shows that self-control has a positive and significant effect on financial management. The conclusion is that the better the individual's ability to control himself, the better he is at managing finances. Individuals with high self-control tend to be able to control spending and avoid consumptive behavior. In addition, self-control is closely related to the ability to prioritize needs and distinguish between needs and wants. Individuals with high self-control also tend to have financial planning, such as making budgets and setting aside money for savings. Self-control also functions as a controller from external influences, such as promotions, discounts, or social pressure from the surrounding environment. Thus, despite many consumptive temptations, individuals are

still able to maintain their financial stability. The results of this study are supported by previous research conducted by (Soliha et al., 2023) which shows that self-control has a significant influence on the financial management behavior of generation Z. In addition, research conducted by (Prasinta, 2023) It also states that self-control is able to suppress consumptive behavior so that it has an impact on better financial management.

The Influence of Peer Environment on Financial Management

Hypothesis 3 shows that the peer environment has a positive and significant effect on financial management. The conclusion is that the social environment has an important role in shaping individual financial behavior, especially in generation Z. Peer environment can affect lifestyles, consumption patterns, and habits in managing finances. Individuals tend to imitate the behavior of the surrounding environment, including in terms of finances. In addition, the existence of peer pressure makes individuals tend to adjust to their group, both in terms of lifestyle and consumption patterns. If the peer environment tends to be frugal and wise in finances, then individuals will be encouraged to follow these behaviors. On the other hand, if the environment tends to be consumptive, then individuals have the potential to experience excessive spending to maintain their social existence. The peer environment also acts as a source of information and reference, including in terms of the use of financial products, so that it can affect the way individuals manage their finances. The results of this study are supported by previous research conducted by (Nurjanah et al., 2024) which shows that peers have an influence on financial behaviors such as saving habits in Generation Z. In addition, research by (Idris et al., 2023) also shows that the social environment and lifestyle have an influence on the financial behavior of generation Z. Recent research by (Rismarina & Maulana, 2024) It also shows that Generation Z's financial management is influenced by a variety of factors including the social environment and individual habits.

Implications of the research results

Based on the results of the research on the influence of financial literacy, self-control, and peer environment on the financial management of Generation Z in Selong City, several implications of the research results can be explained as follows:

First, the lack of a significant influence of financial literacy on financial management shows that the level of financial knowledge possessed by Generation Z is not necessarily followed by application in daily financial management. This indicates that the understanding of financial concepts is not enough to encourage the formation of good financial behavior without other supporting factors.

Second, the discovery of a positive and significant influence of self-control on financial management shows that the ability of individuals to control themselves has a very important role in managing finances. Generation Z who are able to resist consumptive impulses, control spending, and prioritize needs over desires tend to have better financial management. Thus, self-control is the main factor in forming healthy financial behavior.

Third, the peer environment has also been shown to have a positive and significant effect on financial management. This shows that social interaction with peers can affect the way individuals manage finances, either through the encouragement to behave thriftily or vice versa. A positive environment will encourage individuals to be wiser in managing finances, while a consumptive environment can increase the risk of poor financial behavior.

Fourth, simultaneously financial literacy, self-control, and peer environment have a significant effect on financial management. This shows that these three variables are able to explain the variation in financial management of Generation Z, so that the research model used is declared feasible to explain the phenomenon being studied.

Fifth, the determination coefficient value of 60.5% shows that most of the variation in financial management can be explained by the three variables studied, namely financial literacy, self-control, and peer environment. Meanwhile, the remaining 39.5% is influenced by other factors outside the study, such as income, lifestyle, family influence, and other psychological factors that were not studied in this study.

Overall, the results of this study imply that efforts to improve financial management in Generation Z are not enough only to increase financial literacy, but also need to be balanced with strengthening self-control and forming a positive social environment. In addition, for future researchers, it is recommended to add other variables in order to provide a more comprehensive picture of the factors that affect financial management.

Theoretical implications

Based on the results of the study which showed that financial literacy did not have a significant effect on financial management, while self-control and peer environment had a positive and significant effect, the theoretical implications of this study can be explained as follows:

First, the results of this study show that financial literacy does not have a significant effect on the financial management of Generation Z in Selong City. This finding is not entirely in line with the theory put forward by the Financial Services Authority (OJK, 2022) which states that financial literacy is knowledge, skills, and beliefs that can influence individual behavior in financial decision-making. In addition, (Herlindawati et al., 2025) and (Lestari & Prastika, 2025) It also states that individuals with a high level of financial literacy tend to be able to manage finances better.

However, the results of this study indicate that the financial knowledge possessed by individuals is not necessarily implemented in real behavior. This shows that there is a gap between the cognitive aspect (knowledge) and the behavioral aspect in financial management. In other words, financial literacy alone is not enough to influence financial management without being supported by other factors such as self-control and the social environment.

Second, the results of the study show that self-control has a positive and significant effect on financial management. These findings are in line with the theory put forward by (Komariyah et al., 2025), (Yanti & Suci, 2023), and (Setiawan & Suci, 2024) which states that self-control is an individual's ability to control behavior, resist consumptive impulses, and make rational decisions. Individuals who have good self-control tend to be able to manage spending, delay satisfaction, and avoid impulsive behavior in shopping.

Thus, the results of this study strengthen the theory that self-control is a very important internal factor in shaping financial management behavior. This shows that psychological aspects have a more dominant role than just knowledge in determining the quality of individual financial management.

Third, the results of the study show that the peer environment has a positive and significant effect on financial management. These findings are in line with the opinion (Pangesti & Safitri, 2025) which states that peers have a role in shaping an individual's financial behavior through social interaction and environmental influence. The peer environment can influence consumption habits, lifestyle, and the way an individual manages finances.

The implications of these findings suggest that external factors in the form of the social environment have an important contribution in shaping financial behavior. Peer influence can be a driving factor for individuals to manage their finances better if they are in a positive environment, but conversely they can also encourage consumptive behavior if the environment is negative.

Overall, this study reinforces the concept that individual financial management is not only influenced by aspects of knowledge (financial literacy), but also by internal factors (self-control) and external factors (peer environment). Thus, the results of this study contribute theoretically that the approach to understanding financial behavior needs to be multidimensional, not only focusing on financial literacy, but also considering the psychological and social aspects of individuals.

Practical implications

Based on the results of research on the influence of financial literacy, self-control, and peer environment on the financial management of Generation Z in Selong City, the practical implications that can be given are as follows:

First, for Generation Z, the results of this study show that good financial management is not only determined by the level of financial literacy, but also greatly influenced by the ability to control themselves and the social environment. Therefore, Generation Z is expected not only to improve financial knowledge, but also to practice self-control, such as limiting consumptive spending, making budget planning, and postponing non-urgent purchases. In addition, it is important to choose a friendly environment that has a positive influence on financial behavior.

Second, for educational institutions, the results of this study imply that financial education programs provided to students or students are not enough to focus only on cognitive aspects (knowledge), but also need to integrate behavioral aspects, such as self-control training and financial decision-making. Educational institutions can develop practice-based learning programs, such as financial management simulations, budgeting, and education about consumptive behavior.

Third, for families, the results of this study show that the social environment has an important role in shaping individual financial behavior. Therefore, families are expected to provide examples of good financial management and supervise children's social patterns. Family support in forming habits of saving, saving, and managing finances wisely is indispensable in forming healthy financial behavior from an early age.

Fourth, for the government and related institutions, the results of this study provide implications that the financial literacy program that has been carried out needs to be developed with a more comprehensive approach. The program not only focuses on improving knowledge, but also needs to target behavior change through self-control campaigns, needs-based financial management, and

the formation of a community or environment that supports healthy financial behavior, especially for Generation Z.

Fifth, for the next researcher, the results of this study show that there are still other variables of 39.5% that affect financial management beyond the variables studied. Therefore, the next study is recommended to add other variables such as income, lifestyle, family influence, or other psychological factors in order to obtain more comprehensive and in-depth results.

CONCLUSION

Based on the results of research on the influence of financial literacy, self-control, and peer environment on the financial management of Generation Z in Selong City, it can be concluded that partially financial literacy does not have a significant effect on financial management. This shows that the level of financial knowledge possessed by Generation Z is not necessarily followed by the ability to implement it in daily life. Meanwhile, the variables of self-control and peer environment have been proven to have a positive and significant influence on financial management. This means that the better the individual's ability to control themselves and the more positive their social environment, the better their financial management.

Simultaneously, the three variables, namely financial literacy, self-control, and peer environment, had a significant effect on financial management, so the research model was declared feasible to explain the phenomenon studied. The determination coefficient value of 60.5% showed that most of the variation in Generation Z's financial management could be explained by these three variables, while the remaining 39.5% were influenced by other factors outside the study, such as lifestyle, income, social media influence, and other psychological factors.

The results of this study confirm that in the context of Generation Z, behavioral aspects and social environment have a more dominant role than cognitive aspects alone. Therefore, efforts to improve the quality of financial management are not enough only through increasing financial literacy, but also need to be balanced with strengthening self-control and creating a social environment that supports healthy financial behavior.

Thus, it is suggested that Generation Z not only focus on improving financial knowledge, but also develop self-control skills in managing expenses and be more selective in choosing a social environment. For future researchers, it is hoped that other variables such as lifestyle, income level, use of financial technology, and psychological factors can be added so that the research results become more comprehensive and able to provide a broader picture of the factors that affect financial management.

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