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Analysis Financial Management Behavior through Financial Literacy: Gen Z's Preferences Fintech, FoMO, Love of Money

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Abstract

In the digital era, Gen Z's financial behavior is shaped by technology and emotions. Financial literacy plays a key role in filtering emotional influences and guiding Gen Z toward smarter financial decisions. This study explores how Gen Z in Pasuruan City uses financial technology (abbreviated as fintech), and how their fear of missing out (FoMO) and attitudes toward money influence their financial habits-particularly through the lens of financial literacy. Using purposive sampling, the research finds that fintech offers real benefits for Gen Z, especially in terms of convenience, security, and privacy. These features make it easier for them to manage money, though a solid understanding of financial literacy remains essential for shaping responsible financial behavior. Interestingly, FoMO-though emotionally strong-does not significantly affect how they manage finances when filtered through financial literacy. Emotional and social factors, like self-control and support from others, seem to matter more. On the other hand, a strong desire for money, even when paired with good financial knowledge, tends to reduce healthy financial behavior. This suggests that emotional ties to money can overpower financial understanding. In short, while fintech helps Gen Z take control of their finances, emotional factors like FoMO and love of money need to be addressed more deeply to truly support smart financial decision-making.

Keywords: Fear of missing out, Financial literacy, Financial management behavior, Financial technology, Love of money

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INTRODUCTION

The era of globalization has had a tremendous impact so that there are many transformations for countries around the world, including Indonesia. The rapid transformation brought by technology has significantly impacted various aspects of life, particularly in the way individuals utilize digital and information technology. This development offers a wide range of options for individuals when making financial decisions. The availability of diverse financial products further influences individual financial management behavior. According to Fazly (2021), financial management behavior refers to the actions involved in managing finances, including planning, implementation, and evaluation. In the current era, the increasing needs of individuals, consumerist attitudes, and high lifestyle demands often lead people to spend their money without proper financial calculations or planning. Based on data from the Central Statistics Agency of Pasuruan City (2021), the population is predominantly composed of Gen Z and millennials, with Gen Z accounting for 26.97% of the total population. According to Putri (2023), Gen Z refers to individuals born between 1996 and 2010. Often referred to as the iGeneration or digital natives, this cohort has grown up with advanced technology and is recognized as one of the most demographically diverse generations, with many members originating from immigrant or multiracial families. This demographic pattern is also evident in Pasuruan City, especially among its Gen Z population. A preliminary survey conducted by the researchers, through interviews and observations, targeted Gen Z in the region. This group is expected to possess the ability to manage their finances effectively and efficiently in order to foster sound financial management behavior. The initial findings revealed several issues, including a high frequency of uncontrolled online shopping. Many individuals in this group frequently access e-commerce platforms and engage in debt-based transactions, such as using "pay later" services, without careful consideration—largely due to low levels of financial literacy. Additionally, Gen Z in Pasuruan City tends to follow hedonistic and consumptive lifestyle trends. Their spending habits are often impulsive and lack selective financial planning, which characterizes the overall lifestyle of this generation in the region.

The development of increasingly sophisticated technology in Indonesia can trigger the younger generation, especially Gen Z, to behave consumptively. Financial technology has emerged as an alternative to help and improve buying and selling transactions and payment systems to be more practical. Bank Indonesia explained that e-commerce transactions in Indonesia continued to increase from 2018 to 2023. The value of e-commerce transactions in 2023 reached IDR 453.75 trillion. E-commerce transactions continue to rise due to behavioral changes in society, especially among Gen Z, who frequently use gadgets with internet access. The internet has become a very important aspect of life for the Indonesian people. Ardhana & Linda (2023) stated that financial technology has a significant effect on financial management behavior. Individuals who possess good knowledge of financial technology and understand its benefits will also exhibit better financial management behavior. Meanwhile, Wati (2023) stated that financial technology mediated by financial literacy has a significant effect on financial management behavior; the higher the use of financial technology mediated by financial literacy, the better the financial management behavior. The financial decisions of Gen Z in Indonesia can be influenced by FoMO (fear of missing out) behavior (Putri, 2023), especially in terms of unnecessary spending. Purnama & Simarmata (2021) stated that fear of missing out—or the feeling of being left behind by popular trends or activities—encourages individuals to make purchases or take actions that are actually unnecessary, simply to follow a lifestyle or because they believe that everything must be experienced, in line with Gen Z's "you only live once" mindset. Mazruk et al. (2023) stated that Gen Z is often affected by this issue due to a lack of understanding of financial management and inadequate financial literacy.

Rudy et al. (2020) stated that the desire for money is connected to an individual's level of fondness for it and the perceived significance of money in their lives. According to Ulumudiniati (2022), individual perceptions and understandings regarding the love of money can lead to both positive and negative behaviors. Individuals with a strong affection for money are more likely to develop effective financial management habits, including being meticulous in planning and allocating their finances. The aforementioned study indicated that the desire for money has a notable and beneficial impact on financial management practices. Gen Z tends to view money as important, valuable, and attractive; therefore, possessing substantial financial resources is perceived as desirable and beneficial for their lives. According to the Financial Services Authority (OJK) and Anggarini et al. (2021), improving financial literacy and inclusion among the younger generation is expected to drive economic growth, as many individuals still lack a basic understanding of financial concepts. Wati (2023) explained that financial decisions made using a conventional approach are based on two assumptions: first, that individuals act rationally; and second, that decisions are made with consideration of future outcomes. However, in reality, these assumptions often fall short due to cognitive limitations, which gave rise to the emergence of behavioral finance. High financial literacy is considered a form of strong financial intelligence. Gen Z faces challenges in making sound investment decisions. Financial literacy plays a crucial role in shaping how their preferences affect their financial management behavior. To highlight the novelty of this research in light of existing phenomena and prior studies, the researcher aims to conduct a more in-depth investigation by refining the variables, methodology, and findings. This study explores how Gen Z's preferences for financial technology, FoMO, and love of money significantly influence their financial behavior. Furthermore, financial literacy plays a crucial role in moderating the impact of these preferences on their financial management behavior.

LITERATURE REVIEW

The Theory of Planned Behavior serves as a framework for understanding individual behavior, emphasizing actions that align with personal intentions rather than external expectations, based on rational evaluations of consequences and social perceptions of behavior (Ajzen, 1991). This theory can be applied to observe changes in an individual's attitude. Financial management behavior reflects a person's sense of responsibility in managing and organizing financial resources. Psychological, sociological, and financial dimensions can contribute to strengthening individual financial behavior (Ardhana & Linda, 2023). Good financial behavior is demonstrated by an individual's ability to manage and utilize finances responsibly, thereby reducing potential future financial problems.

According to Rahmawati & Haryono (2020), financial management behavior is indicated by four key aspects: (1) organizing behavior—an individual's ability to actively manage finances, (2) spending behavior—the ability to control expenses and distinguish between needs and wants, (3) saving behavior—the ability to allocate money for future needs and assess one's saving capacity, and (4) squandering behavior—the ability to spend money appropriately according to one's needs. Ramadhan & Asandimitra (2019) defined financial behavior as an individual's ability to manage daily finances through activities such as planning, budgeting, selecting, managing, monitoring, spending, and saving funds.

Financial behavior arises from an individual's various needs and desires to fulfill life necessities based on their income level Kholilah & Iramani (2013). Dew & Xiao (2011) remarked that there are various indicators of financial behavior, including: (1) Consumption, which refers to how an individual's financial actions can be seen in the way they manage their spending, such as what they purchase and the reasons behind those purchases. Consumption is a burden incurred by households for various goods and services; (2) Cash-flow Management, namely Cash flow is the main aspect that shows good financial management, namely the standard of individual ability to meet what he has, good cash flow management, namely there is conformity, cash inflow and expenditure. Cash-flow management can be observed from whether individuals pay bills on time, observe records or proof of payment and make financial budgets and plans for the future; (3) Saving and investing involve setting aside a portion of income that remains unused over a specific period. Since the future is uncertain, individuals need to save money to prepare for unforeseen circumstances. Investment, namely investing capital now with the aim of gaining profit for the future; (4) Credit management is the last part of financial behavior, namely credit management or debt management. Debt management is an individual's ability to manage debt so that it does not cause him to experience losses, or in other words, debt management in order to gain happiness in the future.

According to Ramadhani & Halidy (2022), fear of missing out (FoMO) refers to persuasive appeals or statements—whether explicitly or implicitly personal—that are communicated by external sources, such as institutions or agencies. FoMO, or the fear of 'losing out,' is often expressed implicitly and typically arises in contexts involving the urge to request, utilize, or purchase a product. According to Wahyuni et al. (2022), if not properly managed, the fear of missing out can lead to negative consequences and may interfere with an individual's mental health. Individuals experiencing mental health disturbances may exhibit reduced self-control, lack of wisdom, diminished concern for others, and an unclear or pessimistic outlook on their future. According to Lalin & Ceren (2017) feeling afraid of being left behind is interpreted as anxiety that an individual or group of people will miss valuable moments if they cannot follow. According to Putri (2023), the indicators of FoMO are as follows: (1) Comparison with friends, anger that arises due to comparing oneself with other people or friends; (2) Being left out, the occurrence of negative emotional attitudes caused by feeling alienated from a conversation or activity; (3) Missed experiences, the emergence of unpleasant anger as a result of the inability to play a role in an activity, and the main compulsion is the activity of continuing to observe what other individuals are doing in order to avoid feelings such as fear of being left behind.

Financial technology is a form of digital service platform in the financial sector by maximizing the use of easily accessible technological facilities and providing user convenience when making transactions, this makes it less interactive with financial service providers (Wijaya, 2024), while according to Andora et al. (2020) stated that the financial technology ecosystem includes more than just new businesses. Because of the use of modern digital technology for financial facilities, where it is often associated with this company. However, many businesses have experienced long-term corporate changes by offering digital-based financial services. Andiani & Maria (2023) mentioned that financial technology can be measured by the following indicators: (1) Benefits of use (useful) benefits obtained by consumers by using available information technology applications; (2) Easy to use—convenience and flexibility felt by consumers in using available information technology applications; (3) Website appearance (website design)—designing a company website that shows financial technology products that can be used by consumers; (4) System availability—Availability of service systems provided for all consumers; (5) Privacy—Financial Technology products prepare a special room that can only be accessed by users; (6) Security—available security obtained by consumers from the use of information technology applications that are prepared, security from viruses, cybercrime, system failures and so forth. What we use in this study are four indicators, namely benefits of use, ease of use, system availability, security.

Every individual who has a sense of "Love of Money" or a high sense of pleasure in money can have an impact on all actions towards money. The need for money is important for a person's existence, it is important because the desires and needs that are currently owned, especially all the products used are products that have been made by humans who use money in their transactions (Putri, 2023). According to Hidayatulloh & Sartini (2020), love of money is the will, score, lust, appreciation, and actions of individuals towards money, meaning that money according to them is needed for both needs, materialism and greed. Love of money is related to the level of a person's love for money, and the perception of how useful money is for them. (Rudy et al, 2020). According to Putri (2023), the love of money scale (LOMS) is used to evaluate the degree of attachment to money, with various factors serving as criteria for measuring LOMS, as outlined below: (1) Richness: A person's assumption of obtaining welfare if they get a lot of money.; (2) Motivator: Actions that are motivated by money, then observed as an encouragement in life, as well as an encouragement that drives the individual to achieve his goals; (3) Success: The existence of money is considered a form of a sign of success and becomes an encouragement to get it; (3) Important: Considering that money has an important role in his/her life. Financial literacy helps people understand how to manage money to achieve prosperity in the future by taking advantage of existing opportunities Setiawan (2023). Financial literacy is the knowledge that a person has about financial concepts that are used to manage and use money as a basis for decision making Andarista et al. (2022). Financial literacy indicators according to Setiawan (2023) are as follows: (1) Basic knowledge of financial management is knowledge of the basic principles that a person has to then manage their finances personally, family, or business; (2) Credit management, also known as credit management, is a process in which credit owners or debtors regulate how credit is used effectively and in accordance with the original purpose of providing credit; (3) Investment management is a process that helps formulate policies and objectives and supervision in the field of investment to gain profit, while savings management is a process that helps place a person's surplus funds with the aim of facilitating access to liquidity, financial planning, and security; (4) Risk management is a systematic and structured process used to identify, measure, develop, and develop alternatives for monitoring and controlling risk and risk management. The purpose of risk management is to prevent or minimize risks that arise as a result of decisions made by the company's management.

The Effect of Financial Technology on Financial Literacy

Mulasiwi & Julialevi (2020) stated that financial technology has a positive effect on financial literacy and offers various advantages, including the ease and practicality of access to financial services. This makes fintech a financial service capable of encouraging an increase in financial literacy. Putri et al. (2022) argued that fintech has a negligible impact on financial literacy. The reason is that different fintech applications have not been sufficiently socialized, and individuals are not yet aware enough to contribute to the advancement of financial literacy (Fadillah et al., 2024). Based on the description above, a hypothesis can be formulated as follows:
H_1: financial technology has a significant effect on financial literacy

The Effect of FoMO on Financial Literacy

Wahyuni et al. (2022), the attitude of FoMO if not anticipated properly, the FoMO this act can cause harm and can interfere with mental health. Someone whose mental health is disturbed is someone who has the ability to control themselves, is wise, more attentive to others, and has a good outlook on their future. Jood (2017) "asserted that FoMO behavior is a negative emotional reaction arising from unfulfilled social relationship needs characterizes the fear of missing out". Based on the description above, a hypothesis can be formulated as follows:
H_2: FoMO has a significant effect on financial literacy

The Effect Love of Money on Financial Literacy

Jumiati et al, (2022), that someone who has a high love of money or has a high love for money is more motivated to take any action to obtain/get more money including increasing knowledge about how to manage finances well through financial literacy. Wati (2023) stated that love of money has a significant effect on employee financial literacy. Based on the description above, a hypothesis can be formulated as follows:
H_3: love of money has a significant effect on financial literacy

The Effect Financial Technology on Financial Management Behaviors

The presence of fintech makes it easier for Gen Z to access financial services, but it can also increase financial risks if not balanced with good financial literacy (Novianta et al., 2024). Fintech payments can be an effective tool in helping students manage their finances to prepare for their future. According to Ulumudiniati (2022) and Wati (2023), financial technology refers to the use of technology in the financial system that produces new products, services, technologies, and/or business models, which can impact monetary stability, financial system stability, and/or the efficiency, smoothness, security, and reliability of the payment system. Based on the description above, a hypothesis can be formulated as follows:
H_4: financial technology has a significant effect on financial management behaviors.

The Effect of FoMO on Financial Management Behavior

Khoirunnisa & Purnamasari (2024) found that K-Pop fans (Army) in Malang City are greatly influenced by the impact of FoMO on personal financial management. Due to the rise in FoMO, impulsive behavior and the desire to follow trends or social experiences often lead them to ignore the principles of good financial

management. Imron et al. (2025) concluded that FoMO has an effect on financial management. Based on the description above, a hypothesis can be formulated as follows:
H_5: FoMO has a significant effect on financial management behavior

The Effect of Love of Money on Financial Management Behavior

The level of love for money in general varies from person to person. This will affect how a person uses their money (Yerianto & Mustaqim, 2024). The attitude of loving money affects the financial management behavior of MSMEs in Subang Regency (Fathurrahman et al., 2020). Based on the description above, a hypothesis can be formulated as follows:
H_6: love of money has a significant effect on financial management behaviors

The Effect of Financial Literacy on Financial Management Behaviors

Financial literacy has a significant and positive effect on financial behavior, as it can lead to improvements in how individuals manage their finances (Prasetyo et al., 2024). According to Syamsuri & Noor (2023), financial literacy has a positive and significant effect on the interest of economics and business students majoring in management in using Islamic financial institutions. The researchers also concluded that financial literacy and financial inclusion are closely related to an individual's interest in using Islamic financial services. Furthermore, Syamsuri & Noor (2023) found that students' financial behavior is positively and significantly influenced by financial literacy and their parents' income. Based on the description above, a hypothesis can be formulated as follows:
H_7: financial literacy has a significant effect on financial management behavior

The Effect of Financial Technology on Financial Management Behaviors through Financial Literacy

Fadillah et al. (2024) found a significant positive influence of the fintech variable on financial management through financial literacy. Financial literacy can greatly strengthen the impact of fintech on MSME performance. According to Astari & Candraningrat (2022), fintech has a significant effect on financial management behavior through financial literacy; the higher the understanding of financial literacy, the more focused the use of fintech will be, resulting in better financial management. Lestari et al. (2024) also emphasized that fintech can help Gen Z manage their finances through financial literacy. Based on the description above, a hypothesis can be formulated as follows:
H_8: financial technology through its impact on financial literacy, has a significant effect on financial management behavior

The Effect of FoMO on Financial Management Behaviors through Financial Literacy

Hasmaini & Siregar (2024) who gave the results that financial literacy does not play a role in weakening the influence of lifestyle on consumer behavior, Putri (2023) financial literacy cannot moderate the influence of fear of missing out (FoMO) on personal financial planning with a negative and insignificant influence. Khoirunnisa & Purnamasari (2024), FoMO influences personal financial management through financial literacy. Based on the description above, a hypothesis can be formulated as follows:
H_9: FoMO through its impact on financial literacy, has a significant effect on financial management behavior

The Effect of Love of Money on Financial Management Behaviors through Financial Literacy

Ulumudiniati (2022), financial literacy has an influence in mediating the relationship between love of money and financial management. Financial literacy affects the relationship between love of money and personal financial management of K-Pop fans (Army) in Malang. This shows that K-Pop fans are better at making financial decisions if they understand financial concepts and products Khoirunnisa & Purnamasari (2024). Based on the description above, a hypothesis can be formulated as follows:
H_{10}: the love of money through its impact on financial literacy, has a significant effect on financial management behaviors

METHODS

This study was conducted using a quantitative approach, implementing scientific methods while adhering to fundamental scientific principles. To accurately identify the research problem, empirical evidence and a solid understanding of theories—gained through a review of relevant literature—are essential. The study utilized both secondary and primary data. Secondary data included statistics on the number of Gen Z individuals in Pasuruan City, while primary data was collected through interviews and questionnaire responses related to the financial management behavior of Gen Z in the area.

The population of this study consisted of all Gen Z individuals residing in Pasuruan City. A non-probability sampling technique was employed, specifically purposive sampling, with the following inclusion criteria: (1) individuals from Gen Z who have conducted transactions using financial technology, and (2) individuals from Gen Z who possess social media accounts and have knowledge of financial management behavior.

The sample for this study consisted of Gen Z individuals in Pasuruan City, although the exact size of the population is unknown. To determine the appropriate sample size, the study adopted the formula proposed by Hair et al., as cited in Putra & Chou (2022), which is commonly used when the population size is undetermined. This method suggests that the minimum sample size should be 5 to 10 times the number of indicator variables. With a total of 21 indicator variables in this study, the minimum required sample size was calculated as $21 \times 5 = 105$. Therefore, a total of 105 Gen Z respondents from Pasuruan City, meeting the specified criteria, were included in this study.

This research utilizes two data collection methods: field studies and literature reviews. The field study was carried out by conducting interviews with respondents through the distribution of questionnaires. A literature review was undertaken to reinforce the theoretical framework of this research. To assess respondent conditions and their relevance to the research issues and objectives, descriptive analysis was applied to present and explain he characteristics of the respondents and the variables examined. Respondent characteristics refer to the variation among participants as observed from multiple perspectives. Descriptive analysis is also utilized to illustrate respondents' perspectives on questions pertaining to the research variables.

The hypothesis is evaluated using inferential statistical analysis, followed by the development of an appropriate model. This study employs Structural Equation Modeling (SEM) with a Variance-Based approach, commonly referred to as Partial Least Squares (PLS). PLS is utilized with the aim of making predictions, specifically regarding how the relationships between constructs operate. PLS is capable of handling both formative and reflective measurement models within its structural framework Andriawan et al. (2023) PLS software used for PLS data analysis is Smart PLS. In PLS analysis, model evaluation is conducted through two components: The measurement model (outer model) and the structural model (inner model) are used. The outer model evaluates the relationships between latent variables and their indicators, showing how each indicator aligns with its respective latent construct.

Convergent validity and discriminant validity are used to evaluate the reflective indicator measurement model. The indicator's external loading coefficient on its construct variables will show the results of convergent validity measurements. An indicator is considered valid if the external pressure coefficient is between 0.60 and 0.70. This indicator is considered significant at the alpha level of 0.05 or t-statistic 1.96. According to Hussein in Adriawan et al. (2023) convergent validity can be seen through the Average Extracted Variance (AVE), which is expected to have an AVE value of more than 0.50.

The discriminant validity test determines the validity of the indicator with its latent variables. The cross-construct loading value can be used to determine whether the construct has sufficient discriminant. The loading value for a given construct should exceed its loading values on any other constructs (Adriawan et al., 2023). In addition to convergent validity and discriminant validity, composite reliability and Cronbach's alpha are also used as measurement criteria. A research or measurement instrument is considered reliable if the composite reliability and discriminant validity values are greater than 0.70.

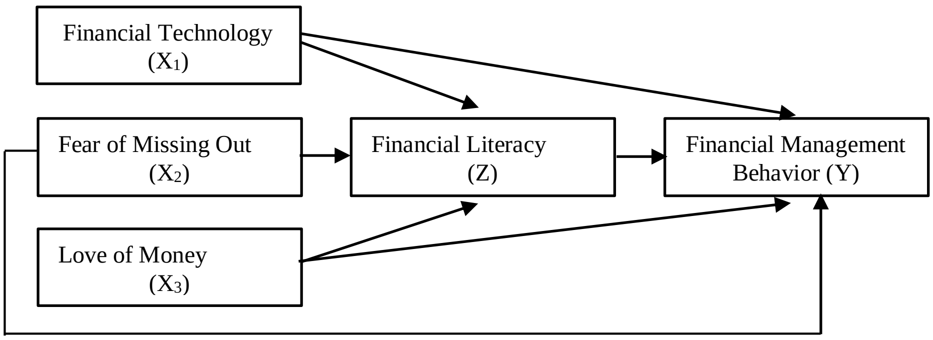

Figure 1. Conceptual Framework of Research Model

The hypothesis is tested through the following steps: a) Establish the significance level or critical value (alpha) at 5%; b) Compare the t-statistic value from the bootstrapping output in the Smart PLS program with the t-table value. The t-table value for a 5% alpha level is 1.96. As a result, the hypothesis is accepted if the t-statistic exceeds the t-table value (i.e., if the t-statistic is greater than 1.96). Additionally, the PLS output displays the path coefficient value for each variable. These values help assess whether the direction of the relationship between the constructs aligns with the research hypothesis. The mediation test is conducted to assess whether the mediating variables in a study play a significant role in the model being developed. The evaluation of this mediation test in the study is carried out in two steps (Putra & Chou 2022) as follows: (1) Estimating the direct effect without including the mediating variable; (2) Estimating the indirect effect using the PLS-SEM triangle model, which includes the mediating variable within the model. The detail of research framework is provided in Figure 1.

RESULTS

Evaluation of the Measurement Model (Outer Model) Convergent Validity Test

The general guideline for assessing convergent validity includes an outer loading greater than 0.7, a communality value above 0.5, and an Average Variance Extracted (AVE) exceeding 0.5. The final step in the analysis of convergent validity is to confirm that the AVE value is greater than 0.5. Table 1 displays the outer loading values used to assess convergent validity for each indicator across the study's five main constructs: financial technology, FoMO, love of money, financial literacy, and financial management behavior. The results indicate that all indicators have loading values above the recommended threshold of 0.70, which confirms that each item strongly represents its corresponding construct. The indicators for fintech (FT1–FT6) show high loading values ranging from 0.918 to 0.985, suggesting that respondents clearly understood and consistently responded to the items related to financial technology. Similarly, the FoMO indicators (FB1–FB4) demonstrate very strong outer loadings, with values between 0.961 and 0.993, indicating that these items reliably capture the FoMO dimension. The financial literacy indicators (FL1–FL4) also show excellent convergent validity, with loadings from 0.958 to 0.994. For the love of money construct, the indicators (LOM1–LOM3) have loading values between 0.957 and 0.981, reflecting the emotional and psychological attachment toward money among participants. Lastly, the financial management behavior indicators (FM1–FM3) are all above 0.90, confirming that they are valid measures of this construct. Overall, the high outer loading values across all variables demonstrate that the measurement model is both reliable and valid for further analysis.

Table 1. Mark Outer Loading Convergent Validity

Indicator	Financial Technology (FT)	FoMO (FM)	Love of Money (LOM)	Financial Literacy (FL)	Financial Management Behavior (FB)
FB1					0.967
FB2					0.990
FB3					0.961
FB4					0.993
FL1				0.958	
FL2				0.994	
FL3				0.992	
FL4				0.983	
FM1		0.973			
FM2		0.925			
FM3		0.981			
FT1	0.964				
FT2	0.981				
FT3	0.974				
FT4	0.918				
FT5	0.985				
FT6	0.943				
LOM1			0.981		
LOM2			0.957		
LOM3			0.962		

Inner Model

Coefficient of Determination Test

The R Square value for the financial management behavior variable, as shown in Table 2, is 0.99. This suggests a strong influence of the exogenous variables on the endogenous variable, as the R Square value exceeds the threshold of 0.5. It can be interpreted that the independent variables together influence 99% of the financial management behavior variable. While the R Square value of the financial literacy variable is 0.98.

Table 2. Values R-Square

	R Square	Adjusted R Square
Financial Literacy	0.984	0.984
Financial Management Behavior	0.991	0.991

Model Parameter Estimation

Table 3 shows the direct influence between variables based on the T-statistics and P-values. A relationship is considered significant if the P-value is below 0.05. The results indicate that financial technology significantly influences financial management behavior (P = 0.003), but does not significantly affect financial literacy (P = 0.096).

Table 3. Direct Influence

	T Statistics	P Values	Results
Financial Technology → Financial Literacy	1.668	0.096	Rejected
Financial Technology → Financial Management Behavior	3.028	0.003	Accepted
Fear of Missing Out → Financial Literacy	8.479	0.000	Accepted
Fear of Missing Out → Financial Management Behavior	1.007	0.314	Rejected
Love of Money → Financial Literacy	4.029	0.000	Accepted
Love of Money → Financial Management Behavior	2.267	0.024	Accepted
Financial Literacy → Financial Management Behavior	3.267	0.005	Accepted

Fear of missing out significantly affects financial literacy (P = 0.000), yet it does not have a significant direct effect on financial management behavior (P = 0.314). Meanwhile, love of money shows a significant influence on both financial literacy (P = 0.000) and financial management behavior (P = 0.024). Lastly, financial literacy has a significant and positive effect on financial management behavior (P = 0.005). These findings highlight that while financial literacy plays a central role in shaping financial behavior, emotional and psychological factors like FoMO may not directly affect behavior unless mediated by other variables.

Table 4. Indirect Influence

	T Statistics	P Values	Results
Financial Technology → Financial Literacy → Financial Management Behavior	2.647	0.014	Accepted
Fear of Missing Out → Financial Literacy → Financial Management Behavior	0.841	0.401	Rejected
Love of Money → Financial Literacy → Financial Management Behavior	0.853	0.394	Rejected

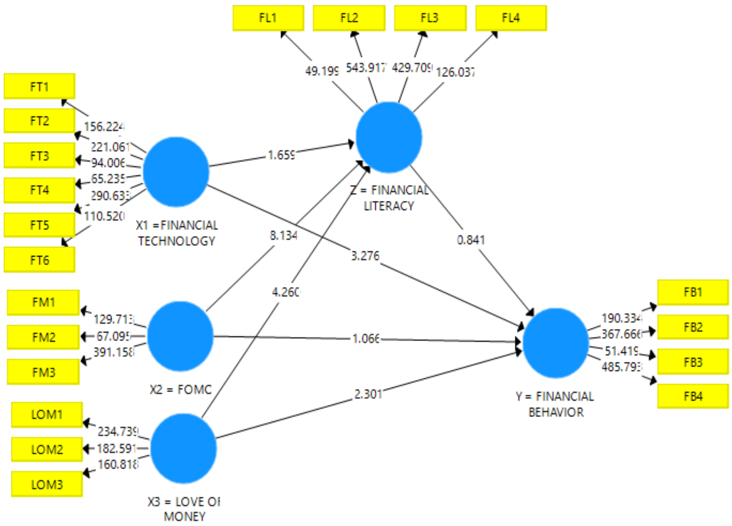

Figure 2. Structural Equation Path Diagram

Table 4 presents the results of indirect influence testing, examining whether financial literacy mediates the relationship between other variables and financial management behavior. The analysis shows that financial technology indirectly affects financial management behavior through financial literacy with a significant result (P = 0.014), indicating that financial literacy successfully mediates this relationship. In contrast, the indirect effect of fear of missing out on financial management behavior through financial literacy is not significant (P = 0.401), meaning no mediation occurs. Similarly, the indirect influence of love of money through financial literacy is also not significant (P = 0.394). These findings suggest that while financial literacy strengthens the impact of fintech on financial behavior, it does not play a mediating role in the effects of emotional factors like FoMO and love of money. Figure 2 provides the final model in this research.

DISCUSSION

The test results indicate that financial technology does not significantly impact financial literacy. This finding is reflected in the observation that Gen Z in Pasuruan City remains largely unfamiliar with and uncertain about using financial technology, primarily due to their limited understanding of Financial Literacy. Based on observations and available data, many individuals in this demographic are not particularly interested in utilizing fintech products for investment purposes, opting instead to use fintech applications such as e-wallets primarily for payment transactions. These results are consistent with the findings of Hasnanafisa (2021), which also concluded that fintech has minimal impact on financial literacy. This limited influence is likely due to the insufficient dissemination of information about various fintech applications and a general lack of public awareness necessary to foster financial literacy.

The next results reveal that financial technology has a significant effect on financial management behavior. An increase in the use of financial technology corresponds to an improvement in financial management behavior. The ease, convenience, security and protection of personal access to financial technology encourages Gen Z of Pasuruan City to improve their financial management properly and wisely. This study is in accordance with Wati (2023); Ardhana & Linda (2023), which remarked that financial technology is the application of technology within the financial sector that leads to the development of innovative products, services, technologies, and business models, potentially influencing monetary stability, the stability of the financial system, and the efficiency, security, reliability, and effectiveness of the payment system.

In addition, the test findings indicate that fear of missing out (FoMO) significantly affects financial literacy. According to Lalin & Ceren (2017), FoMO behavior is a negative emotional reaction arising from unfulfilled social relationship needs, which characterizes FoMO. The higher the FoMO behavior among Gen Z in Pasuruan City, the more it encourages them to understand how to manage their finances effectively. The attitude of not wanting to be left behind appears to motivate Gen Z to improve their financial literacy. Within the FoMO variable, the item with the highest score reflects the statement that respondents often feel uncomfortable when they are unaware of an activity or event happening among their friends. However, in this item, most respondents chose 'disagree.' This indicates that the majority of Gen Z individuals are not disturbed, anxious, or uneasy when they are not informed about ongoing events.

However, this study found that FoMO does not have a significant impact on financial management behavior. This is because Gen Z in Pasuruan City tends not to be able to enjoy life to the fullest when they do not attend events or activities that are considered important by their friends and they feel disturbed because they miss out on information, which has an impact on the financial management behavior of Gen Z. In line with Putri (2023) and Syandana & Dhania (2024), FoMO does not significantly influence financial management behavior.

The test results indicate that the love of money significantly influences financial literacy. The greater the level of money attachment among Gen Z, the higher their financial literacy. Individuals who have a high love of money or have a high love for money are more motivated to take any action to get more money, including increasing their insight into how to manage finances properly through financial literacy Putri (2017). The love of money of Gen Z can be observed from the results of the study that money provides more motivation in themselves and they want to be rich by having a lot of money so that with a high love of money they realize the understanding of good financial management so that the money they have can be controlled. The results of this study contradict Wati (2023) who stated that love of money does not have a significant effect on financial literacy.

Furthermore, love of money significantly affects financial management behavior. The higher the level of money attachment among Gen Z, the more effective their financial management behavior tends to be. Love of money is defined as an individual's affection for or interest in money or property. Individuals with a high level of love of money tend to have a more tolerant attitude and greater confidence in managing their finances, and are more likely to handle their finances better than those who are less concerned with money. Gen Z in Pasuruan City who exhibit a high love of money tend to have a strong drive to earn income, achieve higher social status through wealth, and prioritize financial interests over other values in life. This finding is in line with the research conducted by Rohmaturrohmania (2023), which suggests that love of money significantly affects the financial management behavior of economics students. The results of this study also support the findings of Ulumudiniati (2022). This study showed that financial literacy significantly impacts financial management behavior. As financial literacy increases, so does the level of financial management behavior. This indicates that high and low financial literacy has an effect and implications on the good and bad financial management behavior. Individuals who have a good understanding of financial concepts. Thus, the insight and results of the decisions taken will be accurate, financial control can be easily controlled, so that they know when to use a credit card, save, and invest, thus financial management behavior can be achieved well too. Therefore, Gen Z in Pasuruan City should improve their financial literacy, particularly in areas such as investment and insurance, enabling them to better manage their finances, confirming Ulumudiniati (2022).

Similarly, it indicates that financial technology, mediated by financial literacy, significantly impacts financial management behavior. As the level of financial technology mediated by financial literacy increases, so does the level of financial management behavior. Financial technology greatly helps in managing their finances with the ease, security and privacy protection available in the financial technology application, making them feel very helped so that understanding related to financial management is very necessary, so that the financial management behavior of the Z generation of Pasuruan City will be formed properly and wisely (Wati, 2023).

Next, FoMO which mediated by financial literacy, does not significantly impact financial management behavior. A person makes decisions related to impulsive spending, where financial literacy the higher the fear of missing out mediated by financial literacy, the lower the financial management behavior. Based on the results of the study, the financial literacy of Gen Z focused on insight and technical skills in managing their finances, fear of missing out is caused by more complex emotional and social aspects. Fear of missing out is more likely to not have a strong influence in changing these actions. Other aspects, namely self-control and social support, can have a greater role in minimizing the effects of FoMO on financial management behavior (Wati, 2023).

Lastly, it shows that love of money mediated by financial literacy does not have a significant effect on financial management behavior. The higher the love of money mediated by financial literacy, the lower the financial management behavior. The study results indicate that complex emotional and psychological factors play a crucial role in the love of money, which may have a greater influence on financial management behavior than the financial literacy levels of Gen Z. Good financial management are caused by aspects of values, prioritized needs, and goals of a person, which may not change even though the individual has a good understanding of financial literacy. Love of money can be used as a reference in assessing an individual, or the desire for money but not their main need. The love of money preferences of Gen Z in Pasuruan City show that aspects of life’s needs can be resolved in appropriate and reasonable ways, supporting the findings of Putri (2023) and Wati (2023).

CONCLUSION

This study draws several important conclusions. First, financial technology does not have a significant influence on financial literacy. This is evident from the findings showing that Gen Z in Pasuruan City still lacks confidence and knowledge in utilizing financial technology due to limited financial literacy. However, financial technology does have a significant impact on financial management behavior. The increasing use of financial technology—characterized by ease, convenience, security, and personal data protection—encourages Gen Z to manage their finances more effectively and wisely. Second, fear of missing out (FoMO) has a significant effect on financial literacy. A higher level of FoMO behavior among Gen Z motivates them to learn better financial management, as the fear of being left behind drives a greater awareness of the importance of financial knowledge. Third, a strong attachment to money (love of money) significantly affects both financial literacy and financial management behavior. Gen Z individuals with a high love of money are more motivated to gain financial knowledge and to take actions aimed at increasing their wealth. They tend to prioritize financial interests over other values and strive for higher social status through the accumulation of wealth. This strong motivation contributes to better financial literacy and more responsible financial behavior. Financial literacy significantly impacts financial management behavior. As financial literacy increases, financial management behavior improves accordingly. This indicates that high and low financial literacy has an effect and implications on the good and bad financial management behavior of Gen Z. Financial technology mediated by financial Literacy has a significant effect on financial management behavior. As financial technology, mediated by financial literacy, increases, financial management behavior improves. financial technology greatly helps Gen Z in managing their finances with the ease, security and privacy protection available in the Financial Technology application, making them feel very helped so that understanding related to financial management is very necessary, then the financial management behavior of Gen Z will be formed properly and wisely. The FoMO, mediated by financial literacy, does not significantly impact financial management behavior. As FoMO, mediated by financial literacy, increases, financial management behavior will also decrease.

Based on the results of the study, financial literacy of Gen Z is focused on insight and technical skills in managing their finances, FoMO is caused by more complex emotional and social aspects. FoMO causes someone to make decisions related to impulsive spending, where financial literacy is unlikely to have a strong influence in changing these actions. The love of money, mediated by financial literacy, does not significantly affect financial management behavior. As the love of money, mediated by financial literacy, increases, financial management behavior tends to decrease. The study results suggest that complex emotional and psychological factors play a crucial role in the love of money, and these factors may have a greater influence on financial management behavior than the level of financial literacy among Gen Z in Pasuruan City. Good financial management is caused by aspects of value, prioritized needs, and a person's goals, which are unlikely to change even though the individual has a good understanding of financial literacy. Love of money can be used as a reference in assessing an individual, or a desire for money but not their main need.

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