



The Influence of Motivation, Self-Control and Financial Literacy on Financial Management of Gen Z Students in Tangerang

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ABSTRACT

This study aims to examine the effect of motivation, self-control, and financial literacy on the financial management of Generation Z students in Tangerang. Using a purposive sampling method, 101 students who met the criteria of being part of Generation Z and domiciled in Tangerang were selected as respondents. The research employed a quantitative descriptive approach with data analyzed using SPSS. The findings reveal that motivation and financial literacy significantly influence financial management among Generation Z students, while self-control does not show a significant effect. These results underscore the importance of strengthening financial literacy and motivational factors to foster better financial behavior among young individuals. In today's rapidly changing economic environment, financial literacy provides a foundation for individuals to make informed financial decisions, manage their income wisely, and avoid risky financial behavior. Moreover, motivation plays a critical role in shaping an individual's willingness to plan, control, and pursue financial goals. Even though self-control is often associated with prudent financial behavior, this study finds it insufficient as a sole predictor of sound financial management among Generation Z. These insights are expected to serve as a valuable reference for educators, policymakers, and financial institutions in designing targeted programs that empower Generation Z with the knowledge and drive needed to make responsible financial decisions and achieve financial well-being in the future.

INTRODUCTION

Financial management behavior is a very important thing to study at this time. Related to modern life, every human being also wants to have prosperity in managing their finances. Every activity should begin with good planning because in principle planning is a clear and specific picture of what must be achieved and most importantly a roadmap to the vision. The same thing applies to the financial sector, namely financial planning is the first step to achieving financial freedom. Because in financial planning, the financial goals that are to be realized have been stated. In the financial sector, people are said to be successful if they have financial freedom. Money is no longer used as the life goals, but people control money. People don't need to do anything to get money, but the money itself will come to them. In other words, passive income is something that is very exclusive and can be obtained by everyone.

The Financial Services Authority and the Central Statistics Agency stated that the financial literacy and financial inclusion index of generation Z or Gen-Z is the lowest on a national scale. Even the Chief Executive of the Supervisory of Financial Services Business Actors' Behavior, Education, and Consumer Protection of OJK, Frederica W. D., last August revealed that the 15-17 age group has the lowest level of financial literacy and inclusion (Hapsari, 2024).

Mandell and Klein (2007) found that motivation is a dominant factor influencing someone to make a financial plan. In other words, motivation tends to change behavior to be consistent in making a financial plan. More specifically, people who have high motivation will trigger behavior to increase financial literacy. Increased financial literacy will affect the intention to make a regular and careful plan in order to build financial assets in order to realize financial freedom.

Sina (2014) this study is intended for families and every household to immediately make financial planning in order to achieve prosperity and not delay making it. Because people who have high motivation tend to remain enthusiastic in trying to achieve financial freedom. For that, it can be started from fulfilling the most basic needs, namely the realization of the basics of financial transactions, continuing to controlling personal finances to the highest needs called managing personal finances.

Furthermore, Arilia and Lestari (2022) self control is the ability to read situations and to manage behavior according to situations to present themselves. According to Luis & Nuryasman (2020), someone with good self-control will have good financial management. Self-control here is a mediating variable, meaning that literacy is thought to increase self-control and ultimately be able to increase welfare.

Apart from the variables explained previously, there is one variable that has effect on financial management, namely financial literacy. Generation Z currently faces unique challenges and opportunities to manage their personal finances. Financial literacy is a crucial factor that influences how they organize and make decisions related to finances. A good understanding of financial literacy can support Generation Z in planning and managing their finances effectively, which in turn influences their consumption decisions and savings habits (Fitrianti et al., 2024).

THEORETICAL REVIEW

Financial Management

According to Ida & Dwinta (2010) financial management behavior is related to the responsibility of someone in managing finance and other assets to achieve the financial goals. Money management is the process of understanding and using financial assets. Individuals must also feel that information that is important and relevant to individuals is enabling individuals to make a difference in the results to be achieved. Through a good knowledge sharing process, individuals can think creatively, collaborate and make decisions efficiently (Maharani et al., 2020), but individuals can not rely on their knowledge or income unless they are able to control their own financial destiny.

Motivation

Motivation can be described as a state of mind of humans that encourages activities towards achieving needs that provide satisfaction or reduce imbalance (Barelson and Steiner, Siswanto, 2005). Motivation refers to an internal psychological force that guides a person's behavior and decision making (Dewi & Berutu, 2025). The process of realizing financial freedom begins with making the right financial plan, and for that it requires a strong driving force. Related to the driving force, this study calls it motivation. Therefore, to become a financially independent person, you need to have a strong motivation so that you can immediately make a financial plan and apply it immediately. In relation to motivation, families or households can start from meeting the most basic needs to the highest needs (Sina, 2014).

Hengo, Ndoen dan Amtiran (2021) analyzed the impact of motivation on the financial management in Kupang. Survey method with a qualitative approach is used to analyze this study. Based on the results, materialism, self-control and motivation have significant effect on financial management of families in Kupang. Motivation is often associated with interest. Interest is a person's state of mind, indicating a plan to carry out an action within a specific timeframe (Winata & Berutu, 2025). Self-Determination Theory (SDT) posits that motivation quality depends on the degree to which behavior is self-endorsed and aligned with intrinsic interests and values (Ryan & Deci, 2020). It distinguishes between intrinsic motivation (doing something for inherent satisfaction) and extrinsic motivation (doing it for external rewards or pressures).

Self Control

Self control is the ability to read situations and manage behavior to present themselves. According to Luis & Nuryasman (2020), someone with good self control will have good financial management so that they can maintain their finances well. Self control here is a mediating variable, meaning that literacy is thought to increase self control and ultimately improve welfare. The Strength Model of Self-Control suggests that self-control operates like a muscle: it can become depleted after use, but it can also be strengthened over time with practice (Friese et al., 2021).

Arilia and Lestari (2022) examined the self control as the mediation variable. They studied the effect of financial literacy, income, and lifestyle on career women well-being. Income level and life style have significant effect on financial well-being. Furthermore, self control mediates the financial literacy on financial well-being. Komala, Sihabudin and Fauji (2024) studied the effect of financial attitude variables, self-control and self reward on financial management of 100 Generation Z in West Telukjambe District. Self control has significant effect on financial management. Financial attitude, self control and self reward have significant effect simultaneously on financial management.

Financial Literacy

Financial literacy is knowledge, ability and stability that determines the financial behavior, with a focus on improving financial processing capabilities and making decisions in achieving welfare. General understanding of finance, loan, saving, insurance and investment are the indicators used to measure financial literacy (Dyansyah & Pandin, 2024).

Siregar and Pratiwi (2024) examined how financial literacy affects financial behavior of Generation Z with mediating variable, lifestyle. The results show that financial literacy has significant effect on Generation Z's financial behavior, while lifestyle also significantly influences financial behavior. However, lifestyle does not mediate the relationship between financial literacy and financial behavior. Furthermore, Hidayah and Iramani (2023) examined the influence of employee engagement on contextual performance, positive and negative message behavior in company millennial employees in East Java. Employee engagement has significant effect on contextual performance, employee engagement has significant effect on positive message behavior and employee engagement has significant effect on negative message behavior of company millennial employees in East Java.

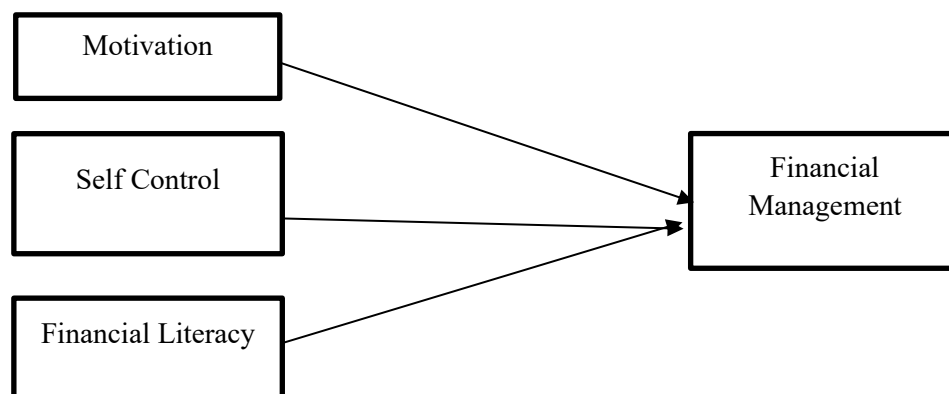


Figure 1. Conceptual Framework

METHODOLOGY

The type of study used is quantitative study. The data collection method uses a questionnaire distributed to respondents via online. The sample method is by using purposive sampling. The sample criteria to be used in this study are

respondents who live in Tangerang and are generation Z, namely respondents born between 1997-2012.

Operational Definition of Variables

Self Control (modified from Strömbäck, et al., 2017)

- Self-awareness to eliminate bad habits related to using money that is not in accordance with needs.
- Prefer to save rather than buy new items.
- Able to resist the temptation not to be consumptive.
- Lack of financial discipline.

Motivation (modified from Hengo, Ndoen and Amtiran, 2021)

- Have a desire to change financial conditions for the better.
- Plan to increase income.
- Develop yourself for a bright future.
- Increase knowledge about finance.

Financial Literacy (modified from Siregar and Pratiwi, 2024)

- I can avoid all forms of money fraud with adequate financial knowledge.
- My income is the main factor that influences the consumption level.
- One of the benefits of making a personal budget is that I can control every personal expense.
- I save money in the bank is a safe way to save.
- By saving I will create a healthier financial condition.

Financial Management (modified from Sina and Noya, 2012)

- Planning a weekly shopping budget.
- Making financial goals.
- Making financial decisions.
- Investment is important.
- Diligent in saving.
- Comparing purchases of goods with a monthly budget.
- Saving money to anticipate unexpected costs.
- Managing spending.
- Buying something because you need it.
- Looking for solutions if financial problems occur.

RESULT

Respondent Characteristics

The object of this study was Generation Z in Tangerang who were selected as a sample with a total of 101 respondents.

Table 1. Respondent Characteristics

Characteristic	Frequency	Percentage
Gender		
Male	41	40%
Female	60	60%
Allowance		
< Rp 500.000	29	29%
Rp 500.000-Rp 1.000.000	33	33%
Rp 1.000.000-Rp 2.000.000	21	20%
Rp 2.000.000-Rp 3.000.000	10	10%
> Rp 3.000.000	8	8%

Source: SPSS (processed by author, 2025)

Based on table 1, the participants in this study were mostly women as much as 60%. The majority allowance were in the group with allowance between Rp 500.000 until Rp 1.000.000 per month as much as 33%.

Normality Test

A normality test is a test to assess the distribution of data whether it is normally distributed or not. If the data is not normal, then the research model used is not good at predicting values.

**Table 2. Normality Test
One-Sample Kolmogorov-Smirnov Test**

				Unstandardi zed Residual
N				101
Normal Parameters ^{a,b}				
Mean				.0000000
Std. Deviation				4.42064280
Most	Extreme	Absolute		.083
Differences		Positive		.042
		Negative		-.083
Test Statistic				.083
Asymp. Sig. (2-tailed) ^c				.080
Monte Carlo Sig. (2-	Sig.			.080
tailed) ^d	99%	Confidence	Lower	.073
		Interval	Bound	
			Upper	.087
			Bound	

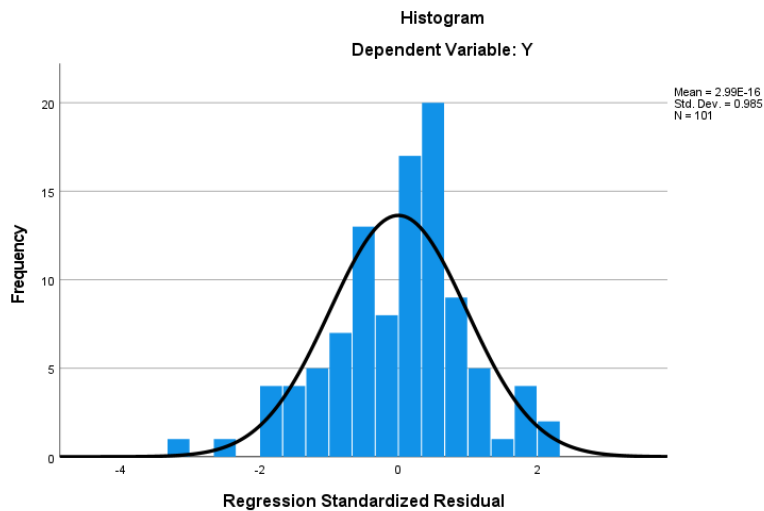
a. Test distribution is Normal.

b. Calculated from data.

- c. Lilliefors Significance Correction.
- d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: SPSS (processed by author, 2025)

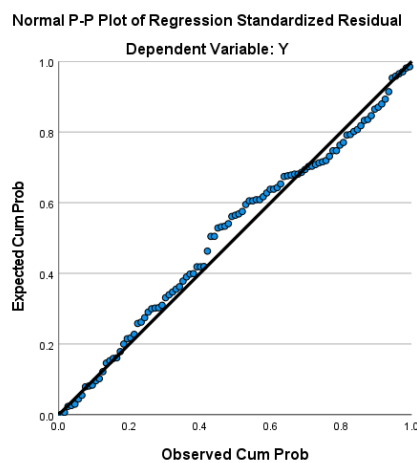
When using statistical tests, data is normally distributed if significance value is more than 5%. Based on the result, $asympt. Sig > 5\%$ then the data distributes normally. The same result also can be seen from figure 2. Based on the histogram test in Figure 2, the data in this study is distributed normally. This is because the histogram forms a bell-shaped pattern, meaning it is neither skewed to the right nor to the left.



Source: SPSS (processed by author, 2025)

Figure 2. Normality Test Histogram Graph

Apart from the two previous tests, there is also a test of the normality assumption by using normal probability plot. Based on the results of the Normal Probability Plot test in Figure 3 above, it shows that the data pattern is spread around the line which means data in this study distributed normally.

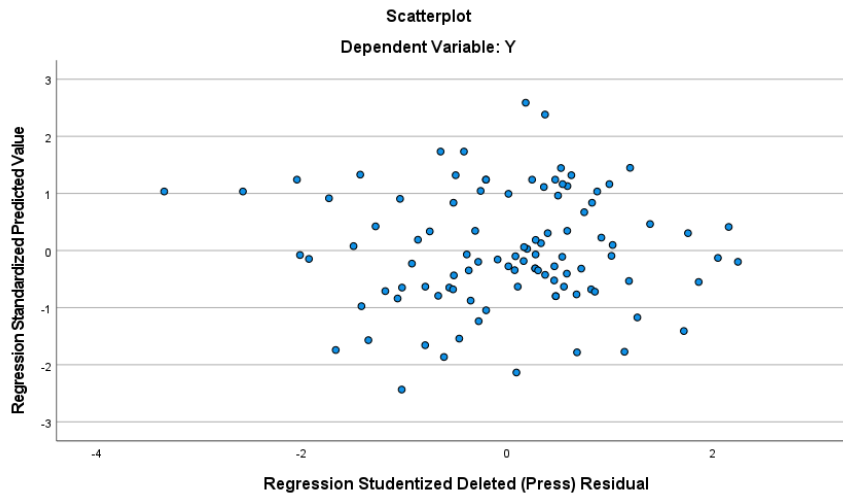


Source: SPSS (processed by author, 2025)

Figure 3. Normal Probability Plot

Heteroscedasticity Test

The heteroscedasticity test is a test to find out whether there is inequality in the variance of the residuals in all of the data. The research model in the study is assumed invalid as a forecasting tool if the heteroscedasticity assumption is not met. Based on figure 4, there is no particular pattern for all the points on the graph, there is no heteroscedasticity in all of the data.



Source: SPSS (processed by author, 2025)

Figure 4. Scatterplots Graph

Multicollinearity Test

The multicollinearity test is a test to determine whether there is intercorrelation between independent variables. If there is a relationship between all of independent variables, then the model in the research will not produce accurate prediction values.

Table 3. Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	.886	1.128
	X2	.719	1.390
	X3	.732	1.367

a. Dependent Variable: Y

Source: SPSS (processed by author, 2025)

Based on table 3, the VIF value is < 10, it can be concluded that multicollinearity does not occur in the data.

Autocorrelation Test

The autocorrelation test is a test to find out whether there is a deviation from the classical assumption of autocorrelation or not. A good regression model is one that has no autocorrelation.

Table 4. Autocorrelation Test

Runs Test	
	Unstandardized Residual
Test Value ^a	.72964
Cases < Test Value	50
Cases >= Test Value	51
Total Cases	101
Number of Runs	58
Z	1.301
Asymp. Sig. (2-tailed)	.193
a. Median	

Source: SPSS (processed by author, 2025)

Based on table 4, asymp. Sig > 0.05 then there is no autocorrelation for all of the data in this study.

T-test

The t test shows whether all independent variables have a partial effect on the dependent variable.

Table 5 T-test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.969	5.107		-.581	.562
	X1	1.123	.237	.381	4.728	.000
	X2	.468	.287	.146	1.632	.106
	X3	.815	.210	.345	3.890	.000

a. Dependent Variable: Y

Source: SPSS (processed by author, 2025)

Based on the test results in the table, the p-value obtained is thus it can be interpreted that Ho is accepted or H1 is rejected. Motivation has significant effect on financial management of generation Z in Tangerang. Self control has no significant effect on financial management of generation Z in Tangerang. Financial literacy has significant effect on financial management of generation Z in Tangerang.

F-test

The F test shows whether all independent variables have simultaneous effect on dependent variable.

Table 6 F-test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1550.703	3	516.901	25.657	.000 ^b
	Residual	1954.208	97	20.146		
	Total	3504.911	100			
a. Dependent Variable: Y						
b. Predictors: (Constant), X3, X1, X2						

Source: SPSS (processed by author, 2025)

Based on the table showing significance value less than 5%, it means self control, motivation and financial literacy simultaneously influence financial management of generation z in Tangerang.

Coefficient of Determination Test (R²)

The R-square value is used to measure the extent to which variable X influences variable Y.

Table 7 R-Square

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665 ^a	.442	.425	4.48848
a. Predictors: (Constant), X3, X1, X2				
b. Dependent Variable: Y				

Source: SPSS (processed by author, 2025)

R-square is 44%, it means that financial management can be explained by 44%, the remaining 56% is explained by other variables.

DISCUSSION

Motivation on Financial Management

Based on this study, motivation has significant effect on financial management in Tangerang. Motivation becomes a good drive that comes from within or from outside the individual that creates a desire to act something with a certain expected goal. This motivation has a very good impact on financial management behavior. This study is similar to Hengo, Ndoen and Amtiran (2021). They found that materialism, self control and motivation have significant effect on financial management.

Self Control on Financial Management

Self control can make someone have a responsible attitude in financial management. Financial management behavior tends to be associated with individual perceptions in overseeing excessive spending. Responsible financial behavior is very closely related to self control. Failure of self control in the use of finance causes psychological consequences, such as guilt, stress, shame, and

regret (Silooy (2019)). However, in this study, self control has no significant effect on financial management. People who have self control not always necessary means consider their interests in purchasing decisions. Students who have good self control cannot be a determining factor in carrying out or preparing financial planning by making appropriate financial expenditures, being responsible and being wiser and more consistent in their behavior.

Financial Literacy on Financial Management

Based on this study, financial literacy has significant effect on financial management in Tangerang. The goal of financial literacy is to ensure that consumers have adequate understanding of the benefits and risks regarding financial instruments. This aims to enable consumers to support good financial decisions according to their needs. This study has similar findings to Siregar and Pratiwi (2024). The importance of financial literacy programs can optimize the financial management for Generation Z. The appropriate educational strategy is one variable that need to support Generation Z in building financial decision. Furthermore, Agustine and Widjaja (2021) also found financial literacy has significant effect on financial management in 212 students. Financial attitude and financial knowledge have significant effect on financial management.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of this research, motivation and financial literacy has significant effect on financial management of generation Z in Tangerang. However, self control has no significant effect on financial management of generation Z in Tangerang. The researchers have suggestions that could be useful for various stakeholders. The suggestions given are as follows: For the development of science, this study is used as a reference material, especially for financial management science in analyzing financial management behavior. For individuals, it is expected to better understand financial management behavior so that they can achieve the desired goals.

FURTHER STUDY

For further study, it is recommended to add other variables like financial knowledge, income and socio-demographics that can have an impact on financial management.

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