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Linking Socialization to Behavior: The Mediating Impact of Financial and Digital Skills Among Generation Z

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Abstract

Purpose – This research aimed to examine the influence of financial socialization on behavior, with skills and digital knowledge acting as mediating variables among Generation Z.

Methodology – A quantitative method was used by distributing an online questionnaire to 411 Generation Z respondents in Batam City. The data were analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0.

Findings – The results showed that financial socialization positively influenced behavior through skills and digital knowledge. Meanwhile, financial knowledge was not a significant mediator in the relationship. These emphasized the importance of developing practical and digital skills since education promoted real behavioral change among Generation Z.

Originality – A better understanding of financial behavior was provided by incorporating digital knowledge and financial skills as key influencing factors in the context of the current landscape. This research was limited to a narrow age group and used convenience sampling, which affected generalization and offered useful insights for future analysis and education programs.

1. Introduction

The engagement of Generation Z with financial information has changed drastically due to rapid technological advancement. Currently, financial literacy blends traditional learning from schools or parents with a self-directed method through digital and social media platforms. These online channels provide different information that deepens financial understanding (Faturohman et al., 2024). However, excessive exposure to digital content may also promote impulsive spending and increase risk (Siahtiri et al., 2024). According to Khan et al. (2024), long-term financial health is largely determined by the level of literacy.

This issue is particularly urgent for Generation Z, whose recent entry into the workforce and personal finance increases susceptibility to risky behaviors influenced by social media trends and influencers (Goyal et al., 2023). Even though online information can improve financial literacy, the credibility is often unclear, creating opportunities and threats. Previous research emphasized the importance of examining the interaction of socialization, skills, and digital competence in shaping financial behavior (Cuandra et al., 2024).

Batam City offers a relevant setting for this research. According to Statistics Indonesia, Batam population was 1,294,413 in June 2022 (Badan Pusat Statistik Kota Batam, 2023). Since 27.94% of Indonesia population is classified as Generation Z (GoodStats, 2023), approximately 361,600 individuals reside in Batam. The large presence and frequent digital engagement make the location an ideal demographic for exploring the connection between socialization, skills, and digital literacy in shaping financial behavior.

This research is based on Ajzen's (1991) Theory of Planned Behavior (TPB), where the choices of an individual to take action are shaped by attitude toward the action and the expectations of people. In financial context, these factors are consistent with money management intentions. Integrating TPB with concepts of financial socialization, skills, and digital literacy provides deeper insight into social and psychological factors needed to shape decision-making.

Even though several earlier research emphasized financial knowledge as the primary driver of positive behavior, recent observations pointed to the need for a broader perspective. Mahapatra et al. (2024) showed that the role of financial skills and digital literacy in shaping socialization and decisions remained underexplored. Siahtiri et al. (2024) stated that informed decision-making required strong skills and digital competence, even though financial socialization laid the foundation for good habits.

Empirical evidence supports the joint influence of the factors. For example, Zhao and Zhang (2020) found that early financial education enhanced responsible adulthood behavior. Lahiri and Biswas (2022) showed that greater financial knowledge improved risk management in developing economies. Lučić and Uzelac (2024) emphasized that responsible financial behavior was greatly influenced by digital skills, and LeBaron and Kelley (2021) associated early socialization with the growth of literacy in adulthood. There are still a few research that examined the mediating effects of financial and digital skills between socialization and behavior, particularly with Generation Z. Filling this gap is important since the population grew up in a digital world where online habits and early family experiences influence money handling decisions. Collectively, the insights suggest that financial socialization, knowledge, and digital skills serve as direct determinants of behavior and mediating mechanisms.

Based on the description above, this research aims to examine the development of positive financial behavior through the combined effects of socialization, skills, and digital literacy among Generation Z in Batam. The topic is important because most research have focused on financial knowledge as a mediator, while few have included digital skills in a different model. The results are expected to strengthen TPB by showing that actual abilities, as well as digital confidence, play key roles in shaping financial actions. In practice, this research contributes to improving financial education and policy by emphasizing skill-based and digital learning for Generation Z in the digital era.

Financial socialization refers to learning about finances through social influences such as parents, schools, and peers. Goyal et al. (2023) discovered that this process exerted a long-term impact on financial management practices. Parental guidance, including the explanation of the concept of money and promotion of wise spending, enhances positive attitudes and habits such as saving. Similarly, Algarni et al. (2024) emphasized that early financial socialization formed a critical foundation for addressing future challenges. This early exposure equips individuals with the skills to analyze financial difficulties in the future. Early financial socialization also influences future attitudes, as reported by Candy and Vira (2024), where the values and habits learned in childhood shaped the mindset of an individual toward money.

Pak et al. (2024) observed that children's saving and spending habits were often shaped by parental behavior. Meanwhile, interactions with peers, schools, or media could reinforce and expand financial knowledge gained at home. Pandey and Utkarsh (2023) further argued that the influence of financial socialization was indirect in improving personal knowledge and confidence.

These results are consistent with TPB proposed by Ajzen (1991), where behavior is guided by intentions, attitudes, social norms, and perceived behavioral control. Financial socialization supports the framework by cultivating positive financial attitudes, instilling good habits, and enhancing confidence in managing decisions. LeBaron and Kelley (2021) found that positive financial practices modeled by parents and adopted by children are associated with greater contentment. Conversely, a lack of good financial habits in early life can lead to problems later in adulthood.

H$_1$: Financial socialization positively affects financial behavior

According to Zhao and Zhang (2020), early exposure to financial concepts in the family enhances the understanding of financial matters. Similarly, LeBaron and Kelley (2021) reported that family participation in education was very important for shaping children's attitudes, knowledge, and skills. Pak et al. (2024) observed that direct social teaching from parents improved young adults' financial knowledge and behavior. This reinforced the idea that early guidance from family was crucial in developing competence.

Chawla et al. (2022) emphasized that financial literacy was cultivated through formal education and positive behaviors shown by parents. Goyal et al. (2023) reported that children who received explicit financial instruction were more capable of managing money and holding more positive attitudes. Mahapatra et al. (2024) reported the necessity to apply financial principles in real-life contexts to reinforce and deepen knowledge.

H$_2$: Financial socialization positively affects knowledge

Pak et al. (2024) identified financial socialization as a key determinant of capabilities, with household practices laying the groundwork for future money management. Mahapatra et al. (2024) emphasized that direct parental instruction enhanced essential decision-making skills. Zhao and Zhang (2020) found that acquiring these skills early in life was connected to reduced debt levels in adulthood. Obi-Anike et al. (2023) stated that observation and active participation enabled children to acquire critical financial skills. Similarly, Algarni et al. (2024) suggested the long-term influence of parental guidance on financial well-being. Agnew and Sotardi (2024) reported that open family discussions about money promoted greater ability to handle financial matters.

H$_3$: Financial socialization positively affects financial skills

Familiarization with financial concepts through family and peers forms a foundation for effectively using digital tools (Rapina et al., 2023). LeBaron and Kelley (2021) reported that early money-related experiences increased the preparedness to use digital finance platforms. These social factors contribute to forming financial literacy, helping individuals use digital finance tools efficiently (Lyons & Kass-Hanna, 2021). Obi-Anike et al. (2023) discovered that financial socialization facilitated the adoption of digital finance for managing activities. Abdallah et al. (2024) emphasized that financial skills could be enhanced through active engagement with digital platforms and applications.

H$_4$: Financial socialization positively affects digital knowledge

In financial context, knowledge can enhance positive attitudes and strengthen confidence in managing decisions. Financial knowledge includes core key areas such as saving, investment, insurance, banking, taxes, and debt control (Rapina et al., 2023). A strong understanding of the areas helps people make wiser choices in managing finances (Faturohman et al., 2024).

Morris et al. (2022) showed that applying financial knowledge helped individuals act more responsibly with the finances. She et al. (2022) reported that confidence in financial knowledge enhanced information-seeking behavior and money management skills. Abdallah et al. (2024) further emphasized that long-term planning, including retirement savings, relied on strong knowledge. However, Zhao and Zhang (2020) stated that knowledge did not guarantee responsible habits, showing the need to examine the translation of the concept into behavior.
H$_5$: Financial knowledge positively influences financial behavior

Individuals with stronger financial skills are more inclined to develop responsible intentions. Zhao and Zhang (2020) found that these skills were associated with long-term planning and retirement savings. Lusardi et al. (2021) stated that individuals tended to manage finances effectively and make prudent choices during challenging periods. Park (2021) identified multiple components of financial capability, including knowledge, awareness, abilities, motivation, and self-confidence, that collectively supported healthy behavior. Lahiri and Biswas (2022) observed that urban residents with higher financial confidence often developed stronger skills. Shi et al. (2024) emphasized that robust financial skills enabled effective personal finance management, reflecting an individual’s real-world ability to handle money.
H$_6$: Financial skills positively affect behavior

Abdallah et al. (2024) reported that digital knowledge enhanced behavior by increasing engagement in saving, strengthening perceptions of digital tools’ usefulness, and shaping intentions related to online spending. Shi et al. (2024) found that digital competence promoted responsible habits such as saving and borrowing prudently. Lyons and Kass-Hanna (2021) emphasized the role in enhancing sound financial behavior and long-term stability. Peter et al. (2024) explained that individuals with better digital understanding could take advantage of financial technologies to make well-informed decisions. Zaimovic et al. (2024) reported the importance of building confidence and capability in managing personal finances.
H$_7$: Digital knowledge positively affects financial behavior

Goyal et al. (2023) described financial socialization as an important method for gaining understanding, abilities, mindsets, and practices commonly taught by parents during childhood. Parents’ guidance is central to building financial understanding, as stated by LeBaron and Kelley (2021). Individuals who understand fundamentally different concepts tend to handle financial matters with more awareness and caution (Faturohman et al., 2024). Mishra et al. (2024) stated that financial knowledge enhanced skills and confidence, leading to more responsible behavior. Abdallah et al. (2024) also connected strong financial knowledge to saving money for retirement. However, Zhao and Zhang (2020) stated that financial knowledge did not translate into positive habits, suggesting the need to examine the functions as a connection between understanding and behavior. Therefore, this research explores the effect of financial knowledge acts as a bridge between socialization and behavior.
H$_8$: Financial knowledge mediates the effect of socialization on behavior

Pandey and Utkarsh (2023) emphasized that financial socialization had a major impact on the perception of finances, with skills often developed through peers, schools, and media during childhood. Zhao and Zhang (2020) stated that parental instruction in financial skills was associated with lower debt levels and improved retirement planning in adulthood. Similarly, Pak et al. (2024) found that early exposure to socialization helped develop knowledge, self-control, and goal setting, contributing indirectly to better financial behavior through improved skills.

Morris et al. (2022) observed that sound financial decisions require knowledge and strong skills. Conversely, Khan et al. (2024) showed that poor money management skills could increase the risk of compulsive buying, specifically among individuals with strong materialistic tendencies. These results suggest that financial skills appear to connect socialization with behavior.

H_9: Financial skills mediate the effect of socialization on behavior

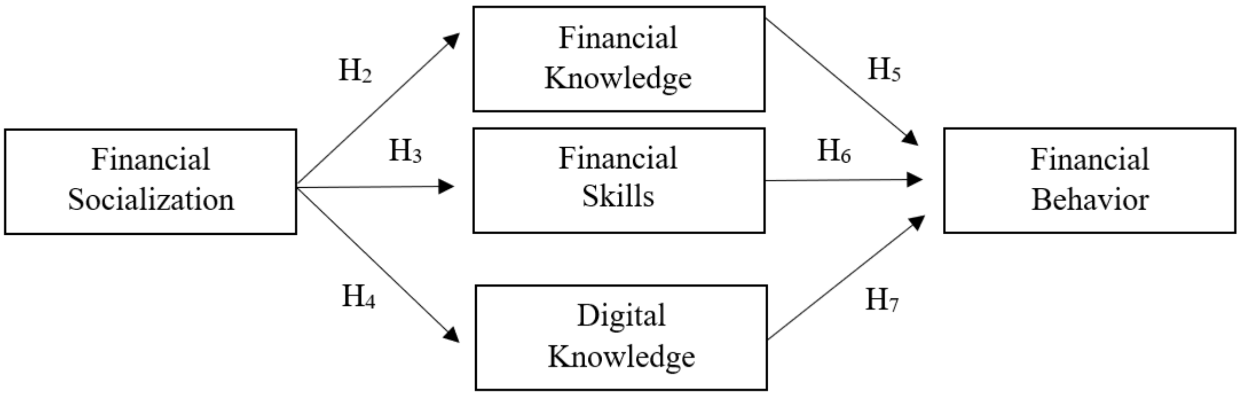

Figure 1. Research Model

Peter et al. (2024) reported that smart financial decisions were improved when individuals had knowledge and used digital tools effectively. Similarly, Abdallah et al. (2024) observed that digital literacy education was shown to be valuable since awareness of financial services impacted behavior. LeBaron and Kelley (2021) stated that early financial socialization could develop competency in managing digital tools. Lyons and Kass-Hanna (2021) emphasized that digital literacy skills, including effective use of digital platforms, were shaped by social experiences. Obi-Anike et al. (2023) stated that family participation could facilitate access to digital financial tools, aiding smarter day-to-day decision-making. Zaimovic et al. (2024) added that positive financial habits and participation in digital finance increased when individuals had strong knowledge.

H_{10}: Digital knowledge mediates the effect of financial socialization on behavior

2. Research Methods

This research adopted a quantitative method to investigate the relationships between variables and produce results. Partial Least Squares–Structural Equation Modeling (PLS-SEM) was used to assess the effects and connections among variables through SmartPLS software, widely adopted in social science. Primary data were collected from Generation Z individuals living in Batam, Indonesia. Respondents were required to state the age, and those outside Generation Z range were excluded from the analysis. Furthermore, the data were gathered using a web-based survey built with Google Forms and shared on social media to enable a broad reach.

A convenience sampling method was used because Generation Z in Batam was a large and digitally active population easily reached through online platforms. This method allowed data collection from a large number of respondents in a short time. However, representativeness was limited since the sample depended on voluntary participation rather than random selection.

The questionnaire contained statements for each variable, namely financial socialization (5 items), financial behavior (4 items), financial knowledge (2 items), digital knowledge (4 items), and financial skills (10 items). Each item was measured using a five-point Likert scale, ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). Example indicators included “My parents taught me how to manage money” (financial socialization), “I save money regularly” (financial behavior), and “I use digital apps to manage my finances” (digital knowledge).

Before the structural analysis, the research instrument was tested for validity and reliability. The results showed that all item loadings exceeded 0.60, and Average Variance Extracted (AVE) values were above 0.50. In addition, Cronbach’s Alpha and Composite Reliability (CR) were above the acceptable limits of 0.60 and 0.70 since all constructs were valid and reliable for further analysis.

The sample size was determined using the Krejcie and Morgan (1970) table, which suggested a minimum of 384 respondents for a population of about 361,600, assuming a 95% confidence level and a 5% margin of error. This research exceeded the minimum requirement, obtaining valid responses from 411 respondents, ensuring representation from diverse backgrounds. The dependent and independent variables, with mediators, were measured using a five-point Likert scale to capture the levels of agreement, perceptions, attitudes, and opinions regarding the statements in the questionnaire.

3. Results and Discussions

3.1. Respondent Demographics

Table 1 presents respondent demographic information. This information gives a general image of respondents and helps place the results of the research in context. Respondents were members of Generation Z residing in Batam City. Data was gathered from 411 individuals through a questionnaire distributed through Google Forms. In this context, 195 (47.5%) were male and 216 (52.5%) were female. Concerning age distribution, 261 (63.5%), 133 (32.4%), and 17 (4.1%) were between 19 to 23, 24 to 28, and 13 to 18 years, respectively.

Table 1. Respondent Demographics

Category	Frequency	Percentage
Gender		
Male	195	47.45%
Female	216	52.55%
Age		
13–18 years	17	4.14%
19–23 years	261	63.50%
24–28 years	133	32.36%
Education Level		
Junior High School	9	2.19%
Senior High School	196	47.69%
Bachelor's/Master's/Doctorate	206	50.12%
Monthly Income		
< Rp 5,000,000	191	46.47%
Rp 5,000,000 – Rp 10,000,000	190	46.23%
Rp 10,000,000 – Rp 20,000,000	25	6.08%
> Rp 20,000,000	5	1.22%

Source: processed data

Regarding educational attainment, 206 (50.1%), 196 (47.7%), and 9 (2.2%) held a university degree (Bachelor's, Master's, or Doctorate), high school, and junior high school, respectively. For monthly income, 191 (46.5%), 190 (46.2%), 25 (6.1%), and 5 (1.2%) respondents earned less than Rp 5,000,000, Rp 5,000,000 to Rp 10,000,000, Rp 10,000,000 to Rp 20,000,000, and more than Rp 20,000,000, respectively.

Overall, the demographic profile indicates that the sample is relatively balanced in terms of gender while being predominantly composed of respondents aged 19 to 23 years with higher educational attainment. The income distribution also shows that most respondents earned below Rp 10,000,000 per month, reflecting the typical socioeconomic characteristics of Generation Z in the study area. These demographic characteristics provide a suitable basis for examining the relationships among the study variables and support the representativeness of the sample for the targeted population.

3.2. Outer Model Test

Validity and reliability of the measurement indicators were evaluated using the outer model. An outer loading and AVE above 0.60 and 0.50 indicated validity and confirmed convergent validity, respectively. Cronbach's Alpha greater than 0.60 and CR over 0.70 reported a reliable and consistent measurement. Table 2 confirms that the measurement constructs are valid and reliable, with all items having outer loadings above 0.60, AVE values greater than 0.50, Cronbach's Alpha above 0.60, and Composite Reliability (CR) exceeding 0.70.

Table 2. Validity and Reliability Tests

Variable	Item	Outer Loading	AVE	Cronbach's Alpha	Composite Reliability
Financial Socialization	FS1	0.746	0.609	0.840	0.886
	FS2	0.784			
	FS3	0.731			
	FS4	0.826			
	FS5	0.811			
Financial Behavior	FB1	0.830	0.686	0.847	0.897
	FB2	0.782			
	FB3	0.855			
	FB4	0.844			
Financial Knowledge	FK1	0.899	0.798	0.747	0.888
	FK2	0.887			
Digital Knowledge	DK1	0.859	0.709	0.863	0.907
	DK2	0.857			
	DK3	0.800			
	DK4	0.851			
Financial Skills	FS1	0.818	0.686	0.949	0.956
	FS2	0.815			
	FS3	0.837			
	FS4	0.859			
	FS5	0.823			

Variable	Item	Outer Loading	AVE	Cronbach's Alpha	Composite Reliability
	FS6	0.818			
	FS7	0.785			
	FS8	0.873			
	FS9	0.841			
	FS10	0.810			

Source: processed data

These findings demonstrate that the measurement model satisfies the recommended psychometric criteria, indicating that the observed indicators adequately represent their respective latent constructs. The high levels of internal consistency and convergent validity suggest that the measurement instrument is robust and appropriate for further structural model analysis. Consequently, the established validity and reliability provide confidence that the subsequent hypothesis testing is based on sound and dependable measurement properties.

3.3. Inner Model Test

Inner model test was conducted to evaluate the relationships between the research variables and to determine the proposed hypotheses. This test examined the path coefficients and the significance levels using bootstrapping in SmartPLS. Table 3 presents the results of the direct effects analysis for all hypothesized relationships.

Table 3. Direct Effects Test

Path	Coefficients	P-values	Hypothesis
Financial Socialization => Financial Behavior	0.256	0.000	H_1: Significant
Financial Socialization => Financial Knowledge	0.048	0.000	H_2: Significant
Financial Socialization => Financial Skills	0.274	0.000	H_3: Significant
Financial Socialization => Digital Knowledge	0.545	0.000	H_4: Significant
Financial Knowledge => Financial Behavior	0.251	0.218	H_5: Insignificant
Financial Skills => Financial Behavior	0.469	0.000	H_6: Significant
Digital Knowledge => Financial Behavior	0.607	0.000	H_7: Significant

Source: processed data

According to Table 3, the connection between financial socialization and behavior is positive and significant ($\beta = 0.256$, $p < 0.01$), supporting (H_1). This result is consistent with Goyal et al. (2023) and Algarni et al. (2024), where financial learning from parents, schools, and peers shaped attitudes and habits from an early age. Similarly, Pak et al. (2024) showed that early financial socialization experiences enhanced individuals' skills in handling expenses and saving effectively. This suggests that early lessons and discussions about money still shape daily decisions. Family practices such as saving and planning expenses affect the handling of money.

Financial socialization has a positive and significant effect on knowledge ($\beta = 0.048$, $p < 0.01$), confirming (H_2). These results are consistent with Zhao and Zhang (2020) and LeBaron and Kelley (2021), where family financial discussions enhance conceptual understanding. Pak et al. (2024) stated that direct social inclusion, such as parents, improved financial knowledge and behavior. Therefore, direct interaction and open discussions about money at home remain the strongest source of financial knowledge. In Batam context, where formal financial education is still developing, family influence continues to be the main method young people learn about finance.

The effect of financial socialization on skills is positive and significant ($\beta = 0.274$, $p < 0.01$), supporting (H_3). Previous research (Mahapatra et al., 2024; Pak et al., 2024; Zhao & Zhang, 2020) confirmed that family guidance and role modeling during early financial socialization developed practical skills and reduced debt in adulthood. This result shows that social learning is concerned with gaining knowledge and practicing real financial activities, such as saving or budgeting. For Generation Z, these learned behaviors may form the base of financial confidence as adults.

Financial socialization significantly influences digital knowledge ($\beta = 0.545$, $p < 0.01$), leading to the acceptance of (H_4). This was consistent with Rapina et al. (2023), where financial socialization enhanced digital literacy. LeBaron and Kelley (2021) also reported that early financial experiences improved the ability to navigate digital finance platforms. Meanwhile, Obi-Anike et al. (2023) showed that the social environment shaped access to financial technologies and decision-making. The result also reflects the extension of financial habits into the digital space. Parents and peers often introduce young people to online banking or e-wallets, which strengthens the skills in handling digital tools safely and effectively. Financial knowledge does not significantly affect behavior ($\beta = 0.251$, $p = 0.218$), resulting in the rejection of (H_5). These results contradicted Rapina et al. (2023) and Faturohman et al. (2024), where better financial knowledge improved decision-making. Zhao and Zhang (2020) discovered that individuals did not act responsibly with money, even with extensive financial knowledge. This is because knowledge is not sufficient to change habits or control daily spending. According to TPB, behavior is shaped by attitude, social influence, and perceived control. In this context, financial knowledge shapes attitude but does not necessarily increase the sense of control or confidence. Practical skills and digital ability might help people apply knowledge, but may not be sufficient. Financial skills significantly and positively affect behavior ($\beta = 0.469$, $p < 0.01$), confirming (H_6). Zhao and Zhang (2020) observed that people with strong skills could manage retirement planning and savings more effectively. Similarly, Lusardi et al. (2021) and Shi et al. (2024) found that financial skills enhanced resource management and enabled wise application of behaviors in daily life. These skills serve as a practical foundation for turning intention into action. Generation Z individuals with the ability to plan, budget, or track spending maintain steady and responsible financial choices when faced with temptations to overspend online.

Table 4. Indirect Effects Test

Path	Coefficients	P-values	Hypothesis
Financial Socialization => Financial Knowledge => Financial Behavior	0.023	0.245	H_8: Insignificant
Financial Socialization => Financial Skill => Financial Behavior	0.168	0.000	H_9: Significant
Financial Socialization => Digital Knowledge => Financial Behavior	0.140	0.000	H_{10}: Significant

Source: processed data

Digital knowledge has a positive and significant effect on financial behavior ($\beta = 0.607$, $p < 0.01$), supporting (H_7). This result was consistent with Abdallah et al. (2024), where knowledge strengthened saving habits and improved perceptions of digital tools. Shi et al. (2024) and Lyons and Kass-Hanna (2021) stated the role in promoting good financial behavior and future safety. This fits with the current reality, where many financial actions happen through mobile applications and digital platforms. The understanding of these tools helps Generation Z manage money more efficiently and avoid risky online transactions.

Financial knowledge does not play a strong mediating role between socialization and behavior ($\beta = 0.023$, $p = 0.245$) since (H_8) is rejected. This result contradicts previous research suggesting that financial socialization enhances an individual's knowledge through learning from parents (Goyal et al., 2023). Even though Mishra et al. (2024) argued that knowledge enhanced awareness and assurance in handling financial matters, the variable did not have a direct effect on behavior. These results were consistent with Zhao and Zhang (2020), where knowledge was insufficient in improving responsible financial behavior without the support of other factors, such as positive attitudes and perceived behavioral control. Based on TPB, knowledge increases awareness but does not automatically lead to intention or control over the actions of an individual. Generation Z may understand financial concepts and lack the required confidence or discipline. Practical experience and digital competence play a significant role in transforming individuals' knowledge into actual behavior. In this research, financial knowledge did not act as a bridge connecting socialization with behavior. Financial skills significantly mediate the relationship between socialization and behavior ($\beta = 0.168$, $p < 0.01$), supporting (H_9). This is consistent with previous results where early exposure to financial concepts strongly influences the development of skills (Pak et al., 2024). Morris et al. (2022) observed that financially skilled individuals are more capable of making smart and informed decisions. Therefore, socialization can shape good behavior through financial skills. The ability to translate social influences into actual behavioral outcomes increases when young individuals learn to apply acquired knowledge, such as budgeting or evaluating expenditures.

Digital knowledge plays a key mediating role in the relationship between financial socialization and behavior ($\beta = 0.140$, $p < 0.01$), supporting (H_{10}). This result reinforces the argument that familiarity with digital financial services enhances decision-making quality (Peter et al., 2024). Abdallah et al. (2024) also emphasized that awareness of digital financial tools improved healthier habits. Socialization through family and peer environments facilitates the understanding and application of digital technologies, enabling smarter and more effective day-to-day decisions (Obi-Anike et al., 2023). Therefore, social experiences increase digital literacy and assist Generation Z in making smarter financial decisions.

4. Conclusions

In conclusion, this research examined the impact of financial socialization on the behavior of Generation Z by considering the interaction among financial knowledge, financial skills, and digital financial knowledge. The findings indicate that financial socialization positively influences all four constructs, while financial skills and digital financial knowledge significantly mediate the relationship between financial socialization and financial behavior, whereas financial knowledge does not. These results demonstrate that the financial behavior of Generation Z extends beyond knowledge alone, highlighting the importance of practical capability and the effective use of digital financial tools. Theoretically, this study supports and extends the Theory of Planned Behavior (TPB) by emphasizing that behavioral control is more influential than knowledge, while digital financial knowledge serves as an additional mechanism linking social learning with financial decision-making. Practically, schools, universities, parents, and policymakers should strengthen financial education through hands-on activities, such as budgeting projects, digital finance workshops, early financial guidance, and the promotion of responsible digital money use.

Nevertheless, this study is limited by the concentration of respondents within a narrow age range of Generation Z in Batam, the use of convenience sampling, data collection restricted to Batam due to time and accessibility constraints, potential bias from self-reported responses, and the exclusion of individuals with limited internet access. Therefore, future studies should adopt random sampling, include respondents from broader geographical areas, integrate surveys with interviews or actual financial data, and incorporate additional TPB constructs, such as attitude, intention, and perceived behavioral control, to provide a more comprehensive understanding of Generation Z's financial decision-making.

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