

Financial Literacy, Social Status, Lifestyle, and FOMO on Generation Z Financial Management

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ABSTRACT

Purpose: This study examines the partial and simultaneous effects of financial literacy, social status, lifestyle, and Fear of Missing Out (FOMO) on personal financial management among Generation Z in Metro City, Lampung Province, Indonesia.

Methodology: A quantitative descriptive survey was conducted with 100 Generation Z respondents (born 1997–2012) who had manageable income. Respondents were selected using purposive sampling methods. Data were collected using a validated and reliable Likert-scale questionnaire and analyzed using multiple linear regression after fulfilling classical assumption tests.

Results: Financial literacy ($\beta = 0.364$, $p < 0.001$) and lifestyle ($\beta = 0.201$, $p = 0.042$) significantly and positively influenced personal financial management. Meanwhile, social status ($\beta = 0.151$, $p = 0.067$) and FOMO ($\beta = 0.129$, $p = 0.142$) have positive but statistically insignificant effects on purchase intention. Simultaneously, all variables significantly affected personal financial management ($F = 19.471$, $p < 0.001$), with an Adjusted R^2 of 0.823, indicating that 82.3% of the variance in financial management was explained by the model.

Conclusions: Financial literacy is the most influential factor in shaping the financial management behavior of Generation Z, followed by lifestyle. Social status and FOMO did not independently exert significant effects.

Limitations: This study is limited to Generation Z in Metro City and employs purposive sampling, which may reduce generalizability.

Contribution: This study extends the understanding of Generation Z's financial behavior by integrating financial literacy, social status, lifestyle, and FOMO, while emphasizing the importance of financial education in improving financial management practices.

Keywords: *Financial Literacy, Financial Management, FOMO, Generation Z, Lifestyle.*

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1. Introduction

Generation Z individuals born between 1997 and 2012 constitutes Indonesia's largest demographic cohort, representing 27.94% of the national population, or approximately 74.93 million individuals. This generation has come of age in an era defined by pervasive digital connectivity, social media saturation and platform-mediated consumption norms. [Irianto et al. \(2024\)](#) consumer survey found that 48% of Generation Z respondents accessed social media more frequently than any other generational cohort, establishing digital platforms as primary information sources, peer reference systems, and consumption-behavior influencers. These characteristics create a distinctive financial management challenge: Generation Z simultaneously encounters unprecedented access to financial information and products while facing behavioral pressures conspicuous consumption encouragement, YOLO ('You Only Live Once') lifestyle promotion, and Fear of Missing Out (FOMO) anxiety that systematically undermine disciplined financial behavior.

The consequences of poor financial management among Gen Z are not merely individual but are structurally significant ([Bado, Hasan, Tahir, & Hasbiah, 2023](#)). As this cohort progressively enters the workforce, forms households, and becomes primary economic consumers, its collective financial behavior patterns will shape Indonesia's household savings rate, consumer credit quality, and long-term macroeconomic stability. Indonesia's Financial Services Authority reported a national financial literacy index of 65.43% alongside a financial inclusion index of 75.02%, a 9.59 percentage point gap indicating that a significant segment of the population has access to financial products without the literacy to use them optimally. Among Generation Z, the gap between digital financial product access and behavioral financial management is likely even wider, given the cohort's disproportionate adoption of e-wallets, buy-now-pay-later (BNPL) platforms, and social commerce purchasing channels that facilitate spending while potentially obscuring its cumulative financial impact.

Metro City in Lampung Province provides a particularly instructive research context. Despite recording the highest general literacy index in Lampung Province at 92.86%, a pre-survey conducted on 56 Generation Z respondents in Metro City revealed that 60.7% of them do not maintain a monthly financial budget, which is a fundamental financial management practice. This finding challenges the assumption that high general literacy correlates with financial literacy and management competencies. Metro City's Generation Z population is exposed to both urban consumption pressures (digital retail, food and beverage trends, entertainment spending) and the academic pressures of a multi-university city, creating a population whose financial management challenges are representative of peri-urban Indonesian Generation Z more broadly.

Prior research on Generation Z financial management has predominantly examined financial literacy as a standalone predictor ([Erwantiningsih, Wahyuni, and Wardhani \(2024\)](#) and [Elvira and Ryanto \(2025\)](#)) or paired it with economic factors such as parental socioeconomic status. Less attention has been devoted to the behavioral and psychosocial dimensions specifically, the FOMO phenomenon and lifestyle orientation that recent behavioral finance and consumer psychology research identifies as primary drivers of discretionary spending decisions among digital natives ([Rahmandani et al., 2021](#); [Sachiyati, Yanuar, & Nisa, 2023](#)). The integration of FOMO with financial literacy, social status, and lifestyle in a single explanatory model for Generation Z financial management represents a theoretical advancement over prior single-factor studies and provides a more ecologically valid account of the multiple competing influences shaping young adult financial behavior.

This study addresses the following four research questions: (*RQ₁*) Does financial literacy significantly affect personal financial management among Generation Z in Metro City? (*RQ₂*) Does social status significantly affect financial management? (*RQ₃*) Does lifestyle affect financial management significantly? (*RQ₄*) Does FOMO significantly affect financial management behaviors? (*RQ₅*) Do all four variables jointly and significantly predict personal financial management? The study contributes empirically by providing the first multi-variable quantitative analysis of Generation Z financial management in Metro City, theoretically by integrating financial literacy, socioeconomic, lifestyle, and behavioral finance frameworks within a unified explanatory model, and practically by generating evidence-based financial education and policy recommendations.

2. Literature Review and Hypothesis/es Development

2.1 Personal Financial Management: Theoretical Foundations

Personal financial management is defined as an individual's systematic capacity to plan, control, and evaluate financial conditions to ensure that current and future needs are sustainably met ([Salsabilla, Tubastuvi, Purnadi, & Innayah, 2022](#); [Setiawan, Effendi, Santoso, Dewi, & Sapulette, 2022](#)). Warsono (as cited in [Suardi, 2022](#)) operationalizes personal financial management through four functional dimensions: identifying income sources (salary, business revenue, investment returns), allocating expenditure according to prioritized needs, managing financial risks through emergency funds and insurance, and planning for future goals through savings and investment. Effective personal financial management integrates these four dimensions into a coherent behavioral system that balances short-term consumption with long-term financial security.

Financial management theory, applied to the personal domain, draws on agency theory to conceptualize individuals as agents managing capital on behalf of their future selves the 'principal' whose welfare depends on current management decisions. This intertemporal agency framework explains why present-biased individuals those who disproportionately weight immediate consumption over future financial security systematically underinvest in savings, over-rely on credit, and fail to maintain emergency reserves, even when they possess sufficient financial knowledge to identify these behaviors as suboptimal ([Ismail, Hamzah, & Zaldy, 2025](#)). Generation Z's documented susceptibility to present-biased consumption patterns, amplified by social media's immediate-reward framing of consumption experiences, makes this theoretical lens particularly applicable.

2.2 Financial Literacy and Financial Management

Financial literacy is defined as an individual's competency in understanding financial concepts, managing income and expenditure effectively, and making informed financial decisions across the savings, investment, credit, and insurance domains ([Gumay & Syarif, 2025](#)). [Lusardi and Mitchell \(2014\)](#) identify three core financial literacy dimensions: numeracy (ability to perform basic financial calculations), financial knowledge (understanding of interest rates, inflation, and diversification), and financial awareness (familiarity with available financial products and services). Individuals with higher financial literacy are better equipped to construct budgets, evaluate investment options, assess borrowing costs, and maintain financial reserves behavioral competencies that directly contribute to effective personal financial management ([Katnic, Katnic, Orlandic, Radunovic, & Mugosa, 2024](#)).

The financial literacy-financial management relationship is one of the most empirically well-established linkages in personal finance research. [S. Dewi and Muchtar \(2023\)](#) documented significant positive effects of financial literacy on financial management among Generation Z in Indonesian urban settings. [Erwantiningsih et al. \(2024\)](#) confirmed the relationship in a student population context. [Elvira and Ryanto \(2025\)](#) extended these findings to the social media consumption context, demonstrating that financial literacy moderates the negative impact of social media exposure on financial management behavior. [Gama, Buderini, and Astiti \(2023\)](#) provided corroborating evidence from a Lampung sample. Internationally, [Lusardi and Mitchell \(2014\)](#) demonstrated in a cross-country analysis that financial literacy is the strongest predictor of retirement savings adequacy, a finding that underscores the life-course impact of financial literacy on financial management quality.

The mechanism linking financial literacy to financial management operates via multiple pathways. Cognitively, financial literacy reduces information asymmetry between financial product providers and consumers, enabling a more accurate evaluation of costs, risks, and returns. Behaviorally, financial literacy provides the procedural knowledge needed to translate financial intentions into specific management actions (budgeting, automated savings, and debt repayment scheduling). Motivationally, financial knowledge increases perceived self-efficacy for financial management the confidence that one's actions will produce desired financial outcomes which in turn increases the likelihood of sustained management behavior ([Kaban, Thamrin, & Andriana, 2025](#)).

H₁: Financial literacy has a significant positive effect on the personal financial management of Generation Z in Metro Cities.

2.3 Social Status and Financial Management

Social status is defined as an individual's relative position within social hierarchies, determined by education level, occupational prestige, and income ([Chotimah, Ani, & Widodo, 2017](#); [M. Z. Dewi & Listiadi, 2021](#)). Social status affects financial management through several mechanisms. Higher educational attainment provides greater exposure to formal financial education and to economic reasoning. Higher-prestige occupations provide greater income stability, access to employer-sponsored financial benefits (such as pension plans and insurance), and professional networks with financial information value. Higher income levels expand the feasible set of financial management options, enabling savings, investment, and insurance that lower income levels render impractical ([Sastrawati, 2020](#)).

However, the relationship between social status and financial management is theoretically complex for Generation Z, who are predominantly in educational or early career stages with homogeneous and limited income levels. At this life stage, income differentials within the cohort are narrow and primarily reflect part-time employment intensity rather than occupational prestige. More critically, Generation Z's financial behavior is more strongly mediated by digital peer reference groups online social comparisons with peers encountered through social media than by traditional socioeconomic status markers. This digital social comparison dynamic may attenuate the traditionally positive status-management relationship by creating aspirational consumption pressures that override income-constrained financial-management instincts ([A. V. Dewi, Nusantoro, & Japlani, 2021](#)).

Empirically, the relationship between social status and financial management in Generation Z contexts has been inconsistent. [S. Dewi and Muchtar \(2023\)](#) found non-significant social status effects on financial management, as did [M. Z. Dewi and Listiadi \(2021\)](#) in a student sample. These null findings align with the theoretical prediction that at homogeneous socioeconomic stages, status-related access advantages are insufficient to overcome the consumption-orientation pressures that characterize Generation Z's digital life stage.

H₂: Social status has a significant positive effect on the personal financial management of Generation Z in Metro Cities.

2.4 Lifestyle and Financial Management

Lifestyle is conceptualized as an individual's characteristic pattern of activities, interests, and opinions that reflects how they allocate time and money in pursuit of self-expression and social belonging ([Damanik, Prasetyo, Alie, & Oktaria, 2025](#); [Kotler, Keller, & Chernev, 2022](#)). Lifestyle encompasses both consumption modality choices (which platforms are used for shopping, which product categories receive discretionary spending, and how leisure time is organized) and the motivational orientations behind those choices, including hedonic orientation (pleasure-seeking consumption), utilitarian orientation (goal-directed consumption), and social orientation (consumption for identity signaling and peer acceptance).

The lifestyle-financial management relationship is theoretically bidirectional. A hedonic, trend-following lifestyle generates consumption expenditure patterns that pressure financial management systems, requiring either income expansion, savings reduction, or debt accumulation to sustain. Conversely, effective financial management constrains lifestyle choices by establishing budgetary boundaries within which consumption must be contained. For Generation Z, whose lifestyle is heavily influenced by social media-mediated consumption trends viral food and beverage categories, fashion cycles, digital entertainment subscriptions, and travel experiences promoted through influencer content—the pressure of lifestyle on financial management is particularly acute ([A. V. Dewi et al., 2021](#)).

[Gama et al. \(2023\)](#) documented positive lifestyle effects on financial management among Indonesian young adults, interpreting the positive coefficient as reflecting that engaged, active lifestyle participants are also more likely to develop structured financial management systems to sustain their lifestyle activities a reverse causality interpretation consistent with the finding. [S. Dewi and Muchtar \(2023\)](#) confirmed comparable lifestyle effects in a Generation Z sample. The positive lifestyle-management relationship may seem paradoxical; one might expect higher-consumption lifestyles to undermine

financial management. However, this relationship is interpretable if lifestyle is conceptualized not as raw consumption volume but as intentional engagement with specific activity domains, which can coexist with disciplined budgeting.

H₃: Lifestyle has a significant positive effect on the personal financial management of Gen Z in Metro Cities.

2.5 Fear of Missing Out and Financial Management

Fear of Missing Out (FOMO) is defined as a pervasive anxiety characterized by the desire to stay continually connected to what others are doing, particularly experiences, trends, and social events observed through social media, motivated by a persistent apprehension of Missing Out valued opportunities ([Milyavskaya, Saffran, Hope, & Koestner, 2018](#); [Przybylski, Murayama, DeHaan, & Gladwell, 2013](#)). [Rahmandani et al. \(2021\)](#) operationalize FOMO in the Indonesian youth context through three psychological dimensions: fear (anxiety about failing to participate in trending activities), worry (concern about being excluded from social events and reference group activities), and anxiety (compulsive social media monitoring to detect opportunities and experiences being missed).

FOMO's financial management implications of FOMO derive from its function as a purchase motivation trigger. When social media exposure activates FOMO by presenting peers' consumption experiences as aspirationally desirable, it generates impulse purchase urgency that bypasses rational financial management calculus. [Sachiyati et al. \(2023\)](#) documented that FOMO-driven social media engagement is associated with increased discretionary spending among Indonesian adolescents. Academically, the mechanism is theoretically grounded in social comparison theory [Festinger \(1954\)](#), individuals experiencing FOMO engage in upward social comparisons with more affluent or experientially enriched peers, generating status-bridging consumption motivations that prioritize social acceptance over financial prudence.

However, the FOMO financial management relationship is not deterministically negative. [Elvira and Ryanto \(2025\)](#) found non-significant FOMO effects on financial management in a sample with above-average financial literacy, suggesting that financial literacy moderates FOMO's behavioral impact; individuals who understand the financial consequences of impulse purchases are better equipped to resist FOMO-triggered spending impulses. The present study's finding that FOMO is directionally positive but non-significant ($p= 0.142$) in a sample that includes financially literate respondents is consistent with the moderation hypothesis.

H₄: FOMO has a significant positive effect on the personal financial management of Generation Z in Metro cities.

2.6 Simultaneous Effects on Financial Management

The simultaneous prediction of financial management by financial literacy, social status, lifestyle, and FOMO reflects the multi-causal nature of financial behavior in behavioral finance theory. Financial behavior is jointly determined by cognitive competency (financial literacy), socioeconomic endowment (social status), behavioral orientation (lifestyle), and psychological pressure (FOMO) four analytically distinct but empirically interdependent dimensions of financial management ([Lusardi & Mitchell, 2014](#)). A model incorporating all four dimensions provides substantially more complete explanatory power than any single predictor alone, as evidenced by the joint model in the present study (Adjusted $R^2= 0.823$).

[Ali, Fitri, and Maulana \(2022\)](#) and [Angelica, Febriyanto, and Ali \(2025\)](#) established the organizational financial management context within which individual financial decisions are embedded, supporting the view that personal financial management quality reflects the interaction of individual competencies (literacy), structural endowments (social status), and behavioral orientations (lifestyle, FOMO). [A. V. Dewi et al. \(2021\)](#) specifically documented the interactive relationship between financial behavior, social media influence, and lifestyle hedonism in the context of Indonesian students, providing a direct precedent for the multivariable framework of the present study.

H₅: Financial literacy, social status, lifestyle, and FOMO jointly and significantly predict the personal financial management of Generation Z in metro cities.

3. Methodology

3.1 Research Design and Setting

This study employed a quantitative descriptive survey design to examine the relationships among financial literacy, social status, lifestyle, FOMO, and personal financial management. The quantitative approach enables systematic hypothesis testing through an inferential statistical analysis of numerically measured variables (Sugiyono, 2017). The descriptive component characterizes the distribution of each variable within the Metro City Generation Z population, providing a contextual grounding for the regression findings.

The study was conducted in Metro City, Lampung Province, Indonesia, targeting Generation Z individuals (born 1997–2012, aged 13–28 at time of data collection) with at least one manageable income source. Metro City was selected as the research site because of its distinctive characteristics: high general literacy (92.86% the highest in Lampung Province), substantial Generation Z population concentrated across multiple universities and secondary schools, active digital commerce and social media engagement culture, and documented financial management challenges evidenced by the pre-survey finding that 60.7% of respondents lack monthly budgets. These characteristics make Metro City representative of urbanizing secondary cities, where Generation Z financial management challenges are both pronounced and insufficiently studied.

3.2 Population and Sampling

The research population comprised Generation Z individuals residing or studying in Metro City who met two eligibility criteria: (1) born between 1997 and 2012, and (2) having at least one source of manageable income (salary, allowance, part-time employment revenue, or business income). Given the difficulty in precisely enumerating this population, purposive non-probability sampling was employed, selecting respondents who met the eligibility criteria and were accessible during the data collection period (Sugiyono, 2017). A sample of 100 respondents was targeted, consistent with the common minimum threshold for multiple regression analysis, ensuring adequate statistical power for detecting medium effect sizes with four predictors.

3.3 Measurement Instruments and Operationalization

Primary data were collected through a structured self-administered questionnaire employing a five-point Likert scale (1 = Strongly Disagree; 5 = Strongly Agree). Each construct was measured using 20 items. Table 1 presents the construct's operationalization.

Table 1. Variable operationalization

Variable	Construct Definition	Indicators	Source
Financial Literacy (X_1)	Competency in understanding financial concepts and making informed financial decisions	Financial knowledge (savings, credit, investment, insurance); Financial attitude (interest, motivation, awareness); Financial behavior (budgeting, saving, debt management)	Kumar, Pillai, Kumar, and Tabash (2023) , Lusardi and Mitchell (2014) , and Idris (2023)
Social Status (X_2)	Individual's position in social hierarchies determined by education, occupation, and income	Education level; Occupational type and prestige; Income magnitude; Access to financial information	Chotimah et al. (2017) and M. Z. Dewi and Listiadi (2021)
Lifestyle (X_3)	Pattern of activities, interests, and opinions reflecting time and money allocation	Activities (spending behavior, e-wallet usage, online shopping frequency); Interests (fashion, food, travel preferences); Opinions (consumer trend orientation, influencer alignment)	Kotler et al. (2022)

FOMO (X_4)	Anxiety about missing valued social experiences observed through social media	Fear (anxiety about missing trends); Worry (concern about social exclusion); Anxiety (compulsive social media monitoring)	Przybylski et al. (2013) and Rahmandani et al. (2021)
Financial Management (Y)	Individual capacity to plan, control, and evaluate personal finances for current and future need fulfillment	Income source identification; Expenditure prioritization; Risk management (emergency funds, insurance); Future planning (savings, investment)	Setiawan et al. (2022) ; Warsono in Suardi (2022)

All 100 questionnaire items (20 per construct \times 5 constructs) were validated using Pearson product-moment correlation, with a critical r -value of 0.165 at $n=100$, $\alpha=5\%$. Each item exceeded this threshold, confirming construct validity. Reliability was assessed using Cronbach's alpha, with all constructs meeting the $\alpha > 0.60$ threshold [Ghozali \(2018\)](#): financial literacy ($\alpha=0.686$), social status ($\alpha=0.816$), lifestyle ($\alpha=0.702$), FOMO ($\alpha=0.704$), and personal financial management ($\alpha=0.816$).

3.4 Data Analysis Procedure

The analysis proceeded in two sequential stages. In the first stage, three classical assumption diagnostics were performed: (1) Normality Kolmogorov-Smirnov test applied to unstandardized residuals; Asymp. Sig. (2-tailed) > 0.05 confirmed normality. (2) Linearity ANOVA Deviation from Linearity test for each predictor-outcome pair; Sig. > 0.05 confirms a linear functional form. (3) Homogeneity Levene's test of variance homogeneity. > 0.05 indicates equal variance. In the second stage, multiple linear regression was estimated.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad (1)$$

where Y is personal financial management, X_1 is financial literacy, X_2 is social status, X_3 is lifestyle, X_4 is FOMO, α is the intercept, β_1 – β_4 are partial regression coefficients, and ε is the error term. Partial t -tests ($\alpha=0.05$) were used to test H_1 – H_4 . The F -test was used to assess H_5 . The adjusted R^2 quantifies the explanatory power. All analyses were performed using IBM SPSS Statistics 26.

4. Results and Discussion

4.1 Reliability Test Results

Table 2. Reliability test summary ($n=100$)

Variables	Items	Cronbach's α	Threshold	Status
Financial Literacy	20	0.686	≥ 0.60	Reliable ✓
Social Status	20	0.816	≥ 0.60	Reliable ✓
Lifestyle	20	0.702	≥ 0.60	Reliable ✓
FOMO	20	0.704	≥ 0.60	Reliable ✓
Financial Management	20	0.816	≥ 0.60	Reliable ✓

4.2 Classical Assumption Test Results

The Kolmogorov-Smirnov normality test applied to the model's unstandardized residuals returned asymptotic significance (p) values of. Sig. (2-tailed) = 0.200 > 0.05 , confirming that the residuals were normally distributed. All four linearity tests returned Deviation from Linearity significance values above 0.05, confirming linear functional forms for all predictor-outcome relationships.

Table 3. Linearity test results (deviation from linearity)

Relationship	F (Dev. Lin.)	Sig.	Rule	Conclusion
$X_1 \rightarrow Y$ (Financial Literacy)	1.076	0.391	$p > 0.05$	Linear ✓
$X_2 \rightarrow Y$ (Social Status)	1.437	0.125	$p > 0.05$	Linear ✓
$X_3 \rightarrow Y$ (Lifestyle)	0.472	0.970	$p > 0.05$	Linear ✓

$X_4 \rightarrow Y$ (FOMO)	1.284	0.216	$p > 0.05$	Linear ✓
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Table 4. Homogeneity of variance test results (Levene's test)

Variable	Levene Stat.	df ₁	df ₂	Sig.	Conclusion
Financial Literacy (X_1)	0.604	17	76	0.849	Homogeneous ✓
Social Status (X_2)	0.702	16	76	0.861	Homogeneous ✓
Lifestyle (X_3)	1.715	16	77	0.061	Homogeneous ✓
FOMO (X_4)	1.293	15	78	0.227	Homogeneous ✓

4.3 Multiple Linear Regression Results

Table 5 presents the regression coefficient. The estimated equation is as follows:

$$Y = 16.091 + 0.364X_1 + 0.151X_2 + 0.201X_3 + 0.129X_4 \quad (2)$$

Table 5. Multiple linear regression coefficients (n= 100)

Variable	B	Std. Error	β (Std.)	t	Sig.
Constant	16.091	8.748	—	1.840	0.069
Financial Literacy	0.364	0.091	0.383	4.015	0.000***
Social Status	0.151	0.082	0.163	1.850	0.067
Lifestyle	0.201	0.098	0.187	2.062	0.042*
FOMO	0.129	0.087	0.131	1.480	0.142

Dependent variable: Personal Financial Management (Y). n= 100. $R^2= 0.830$; Adjusted $R^2= 0.823$; $F= 19.471$; $p= 0.000$. * $p < 0.05$; *** $p < 0.001$.

Table 6. F-test and coefficient of determination

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	1,163.422	4	290.856	19.471	0.000***
Residual	1,419.088	95	14.938	—	—
Total	2,582.510	99	—	—	—

$R = 0.911$; $R^2 = 0.830$; Adjusted $R^2 = 0.823$. *** $p < 0.001$.

4.4 Hypothesis Testing and Discussion

4.4.1 H_1 : Effect of Financial Literacy on Financial Management

The partial t-test for financial literacy yields $t = 4.015$ ($p = 0.000 < 0.001$), providing strong statistical support for H_1 : financial literacy significantly and positively affects financial management ($B = 0.364$, $\beta_{std} = 0.383$). Financial literacy is the single most powerful individual predictor in the model, both by standardized coefficient magnitude and significance level, confirming its status as the dominant driver of Generation Z's financial management quality in Metro City. H_1 is accepted.

The mechanism is theoretically clear and empirically well grounded. Financially literate individuals possess the cognitive tools to convert financial knowledge into management behavior: they understand that budgeting reduces financial stress, that compound interest makes early savings exponentially more valuable than late savings, that diversification manages investment risk, and that emergency funds prevent debt accumulation during income shocks. This knowledge-behavior conversion is the core function of financial literacy, and its consistent operationalization in this study's respondents who demonstrated budget creation, savings maintenance, and risk planning behaviors confirms that literacy is not merely declarative knowledge but an actionable behavioral capacity.

The finding that Metro City's Generation Z with higher financial literacy demonstrates better financial management, despite the broader Metro City context of documented financial management gaps (60.7% lacking monthly budgets), suggests that within-cohort literacy variation is the primary discriminating factor in financial management quality. This finding has direct policy implications: financial education interventions that increase financial literacy should yield measurable financial management

improvements among this population, with the greatest returns expected among the currently literacy-deficient 60.7% who lack basic budgeting practices.

These results are consistent with [S. Dewi and Muchtar \(2023\)](#), [Erwantiningsih et al. \(2024\)](#), [Gama et al. \(2023\)](#), and [Elvira and Ryanto \(2025\)](#) all of whom documented significant positive financial literacy effects on financial management or related financial behavior outcomes in Indonesian Generation Z contexts. The cross-study consistency strongly supports the generalizability of the financial literacy-management relationship across Indonesian secondary cities with similar demographic and digital engagement profiles.

4.4.2 H_2 : Effect of Social Status on Financial Management

The partial t-test for social status yielded $t = 1.850$ ($p = 0.067 > 0.05$), leading to the non-rejection of H_0 : social status does not significantly affect financial management in the partial analysis. The positive coefficient ($B = 0.151$; $\beta_{std} = 0.163$) indicates a directionally positive relationship, consistent with the theoretical prediction that a higher socioeconomic status facilitates financial management; however, this effect does not reach conventional significance. H_2 is rejected.

The non-significance of social status can be theoretically explained through two mechanisms. First, the present sample consisted of Generation Z individuals predominantly in educational or early career stages with narrow income variation the primary economic dimension of social status. At this life stage, income differentials within the cohort are insufficient to generate meaningful access advantages for financial management activities available to all income levels through digital financial platforms (mobile savings apps, robo-advisors, digital budgeting tools). Second, Generation Z's social status dynamics differ fundamentally from traditional socioeconomic frameworks: digital peer networks not occupational or income hierarchies constitute the primary reference group for Gen Z identity and consumption orientation.

In this digital social comparison environment, the traditional mechanisms through which high status facilitates financial management (professional networks, institutional access, income stability) are overshadowed by lifestyle consumption pressures and information access equalization that digital platforms create. This finding replicates the results of [S. Dewi and Muchtar \(2023\)](#) and [M. Z. Dewi and Listiadi \(2021\)](#), both of whom found non-significant social status effects in Indonesian young adults' financial behavior studies. The convergence across studies conducted in different Indonesian cities and institutions strengthens confidence that social status is systematically non-significant as a standalone financial management predictor for Generation Z an important finding for policy design, as it suggests that status-targeted interventions (graduate employment programs, income support schemes) will have limited direct financial management impact without accompanying literacy development.

4.4.3 H_3 : Effect of Lifestyle on Financial Management

The partial t-test for lifestyle yielded $t = 2.062$ ($p = 0.042 < 0.05$), supporting H_3 : lifestyle significantly and positively affects financial management ($B = 0.201$; $\beta_{std} = 0.187$). Lifestyle is the second most influential significant predictor, establishing that more active lifestyle engagement is associated with higher financial management scores among Metro City Generation Z respondents. H_3 is accepted.

The positive direction of the lifestyle effect requires careful interpretation of the results. Intuitively, one might expect higher-consumption lifestyles more frequent restaurant visits, online shopping, and entertainment expenditures to undermine financial management by generating expenditure pressures that exceed budget capacities. The positive relationship observed in this study suggests an alternative interpretation: Metro City Generation Z respondents with more active lifestyles are simultaneously more financially engaged, more likely to track expenditures, set spending budgets for specific lifestyle categories, and use digital financial tools that enable real-time spending monitoring. This interpretation is consistent with the 'engaged consumer' hypothesis [Kotler et al. \(2022\)](#), individuals who invest greater personal resources time, attention, and money in specific consumption domains develop more structured and intentional financial management systems to sustain those domains without financial disruption.

Another mechanism is awareness-driven financial management. Generation Z respondents who actively participate in consumer trends and lifestyle activities develop heightened financial awareness through managing their consumption budgets within the constraints of their income. The practical necessity of allocating limited income across competing lifestyle expenditures creates a natural budgeting exercise that develops financial management competency through its use. This learning-by-doing mechanism may explain why higher lifestyle engagement correlates with higher rather than lower financial management scores.

This result aligns with [Gama et al. \(2023\)](#) and [S. Dewi and Muchtar \(2023\)](#), who found comparable positive lifestyle-financial management relationships. These consistent findings suggest that lifestyle engagement, when combined with adequate financial literacy, generates financial management competency, rather than undermining it. This insight has significant implications for financial education strategies, suggesting that lifestyle-contextualized financial education (budgeting tools embedded in lifestyle apps, financial challenges integrated with consumer activities) may be more effective than abstract financial instruction for Generation Z.

4.4.4 *H₄: Effect of FOMO on Financial Management*

The partial t-test for FOMO yields $t = 1.480$ ($p = 0.142 > 0.05$), leading to the non-rejection of H_0 : FOMO does not significantly affect financial management in the partial analysis ($B = 0.129$; $\beta_{std} = 0.131$). H_4 is rejected. The positive but non-significant coefficient suggests that while FOMO has a directionally positive association with financial management, this effect is insufficient to reach statistical significance when financial literacy, social status, and lifestyle are controlled simultaneously.

The non-significant FOMO result challenges the popular assumption of FOMO's financial consequences among young adults. While theoretical frameworks predict that FOMO-driven impulse consumption should undermine financial management, the respondents in the present study Metro City Generation Z with incomes and financial literacy exposure appear to substantially self-regulate FOMO-triggered spending impulses. This self-regulation capacity may reflect the moderating effect of financial literacy: respondents who understand the long-term financial costs of impulse spending are better equipped to recognize and resist FOMO-triggered purchase motivations, consistent with [Elvira and Ryanto \(2025\)](#) finding that financial literacy moderates FOMO's behavioral impact.

The positive coefficient direction (rather than the expected negative) is theoretically interpretable within a social-motivational framework: FOMO, as a social connection motivation, may generate not only consumption impulses but also financial engagement the desire to participate in social experiences motivates financial management as a means of accumulating the resources needed to fund those experiences. In this interpretation, FOMO functions as a motivational driver for earning, saving, and managing money rather than purely as a form of consumption pressure. However, the statistical non-significance indicates that this motivational effect is insufficient to discriminate financial management quality within this sample.

4.4.5 *H_s: Joint Effect on Financial Management*

The F-test yields $F = 19.471$ ($F_{table} = 2.47$; $p = 0.000 < 0.001$), providing strong support for H_s : financial literacy, social status, lifestyle, and FOMO jointly and significantly predict personal financial management. The model's Adjusted $R^2 = 0.823$ indicates that the four predictors collectively explain 82.3% of the variance in personal financial management, which is a high explanatory power for a social science study with behavioral outcome variables.

The joint model's exceptional explanatory power, which is substantially higher than that of any single predictor, reflects the comprehensive coverage of the financial management determinant space achieved by the four-variable model. Financial literacy covers the cognitive competency dimension, social status covers the socioeconomic endowment dimension, lifestyle covers the behavioral orientation dimension, and FOMO covers the psychosocial pressure dimension. Together, these four dimensions capture the primary sources of individual variation in financial management competency among Metro City

Generation Z, leaving only 17.7% of the variance attributable to unmeasured factors such as parental financial modeling, peer influence, financial product access, and income volatility.

The practical implication of joint significance is that financial management improvement programs should address multiple determinants simultaneously rather than focusing exclusively on financial literacy. A comprehensive financial wellness program for Metro City Generation Z should combine financial literacy education (addressing the dominant predictor) with lifestyle-contextualized financial management tools (budgeting apps integrated with consumer platforms), FOMO-awareness digital wellness training (reducing compulsive social comparison), and social status-independent financial management frameworks that emphasize accessible management practices for all income levels.

5. Conclusions

5.1 Conclusion

This study examined the partial and simultaneous effects of financial literacy, social status, lifestyle, and FOMO on personal financial management among 100 Generation Z respondents in Metro City, Indonesia. Five principal findings have emerged. First, it was found that financial literacy significantly and positively affects financial management ($t= 4.015$, $p= 0.000$; $B= 0.364$; $\beta_{std}= 0.383$), supporting H_1 . Financial literacy is the dominant predictor, confirming that cognitive financial competency is the most powerful determinant of financial management behavior among Metro City Generation Z. Second, social status does not significantly affect financial management in the partial analysis ($t= 1.850$, $p= 0.067$), leading to the rejection of H_2 . The non-significance reflects Generation Z's stage-specific socioeconomic homogeneity and the primacy of digital peer reference networks over traditional status hierarchies as financial behavior influencers.

Third, lifestyle significantly and positively affected financial management ($t= 2.062$, $p= 0.042$; $B= 0.201$), supporting H_3 . Active lifestyle engagement is associated with more structured financial management, consistent with the hypothesis that lifestyle participation motivates financial planning as a resource management necessity. Fourth, FOMO does not significantly affect financial management in the partial analysis ($t= 1.480$, $p= 0.142$), leading to the rejection of H_4 . FOMO's non-significance suggests that Metro City Generation Z respondents substantially self-regulate FOMO-triggered consumption impulses, potentially through financial literacy moderation. Fifth, the four predictors jointly and significantly explain 82.3% of the financial management variance (Adjusted $R^2= 0.823$; $F= 19.471$, $p= 0.000$), supporting H_5 and establishing the model as a highly comprehensive predictor of Generation Z financial management quality.

5.2 Research Limitations

This study had several limitations. The purposive sampling approach limits generalizability to the Metro City Generation Z population and precludes inference to other Indonesian cities or Generation Z subpopulations. Future research should employ probability sampling across multiple Lampung Province cities to enable regional comparisons and more robust inferences. The cross-sectional design captures financial management perceptions at a single point in time and cannot establish a causal direction. Longitudinal designs tracking the same Generation Z cohort across income transitions (student to employed) would enable stronger causal inferences and assessments of how the financial literacy–financial management relationship evolves with financial complexity.

5.3 Suggestions and Directions for Future Research

Future research should investigate the moderation hypothesis specifically, whether financial literacy moderate's FOMO's effect on financial management using interaction term regression or structural equation modeling. Testing this moderation would clarify whether financial literacy education reduces the financial management risks associated with FOMO exposure, providing direct evidence for the combined financial literacy and digital well-being intervention strategies recommended in this study. Finally, qualitative complementary research, including in-depth interviews exploring how Metro City Generation Z respondents subjectively navigate the tension between FOMO-driven consumption pressures and financial management goals, would enrich the quantitative findings with mechanistic insights unavailable from survey data alone.

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