JLMK

JLBM : Jurnal Lentera Manajemen Keuangan
Volume 03 No 01 Februari 2025
E ISSN : 2986-5654

https://lenteranusa.id/

The Influence of Fintech Adoption and Cashless Payment Behavior on Financial Management Practices in Generation Z

Sarah Anggraeni[1*], Inggit Ganarsih[2]
[1,2]Universitas Dian Nusantara
Email: 111212169@mahasiswa.undira.ac.id

Submitted : 02-02-2025 Reviewed : 05-02-2025 Acceptted : 16-02-2025 Published : 28-02-2025

Abstract
This study examines the influence of Fintech Adoption and Cashless Payment Behavior on Financial Management Practices in Generation Z, a generation known to be highly adaptive to digital technology. Using a quantitative survey-based approach, this study collected data from respondents aged 21–27 years who represent the profile of Generation Z. The analysis was conducted using the Structural Equation Modeling (SEM) method to identify the relationship between independent and dependent variables. The results of the study indicate that Cashless Payment Behavior has a significant influence on improving financial management, especially through features such as real-time expense tracking and better budget planning. In contrast, Fintech Adoption shows a positive but insignificant relationship to Financial Management Practices, indicating the need for better financial literacy so that financial technology can be utilized optimally. This study emphasizes the importance of developing a digital financial literacy strategy to encourage Generation Z to utilize the potential of financial technology more effectively. In addition, this study opens up opportunities to explore other factors that influence financial management, such as social norms and consumption behavior patterns. These findings provide important contributions for policy makers and financial technology service providers in designing technology-based solutions that are more integrated with the needs of the younger generation in the digital era.

Keywords : Fintech Adoption, cashless payment behavior, Financial management

Introduction

Fintech adoption is important in the modern financial world that is changing the way individuals and businesses manage and access financial services. This financial technology offers a variety of digital solutions that are faster, more efficient and affordable compared to traditional banking services. Generation Z, who grew up in a digitally connected environment, tends to utilize fintech applications such as e-wallets, mobile banking, and investment platforms to manage their finances. According to Carney, fintech can be broadly defined as a technologically enabled financial innovation that can result in new business models, applications, processes or products with a material effect on financial markets, financial institutions and the provision of financial services. The adoption of fintech and cardless payment behavior has a significant impact on individual financial management. The adoption of fintech, such as digital payments, not only simplifies the transaction process but also influences financial management behavior, especially in terms of controlling spending and efficiency. Research by Erlangga and Krisnawati (2020) shows that the use of fintech-based payments has a positive influence on the financial management behavior of students, increasing their awareness of better financial management, including in terms of managing savings and expenses.

On the other hand, cardless payment behavior also affects consumers' perceptions and financial habits. Cardless payment systems are considered faster, safer, and more efficient than conventional methods, which ultimately affects the way individuals manage their daily finances. A luxurious consumer lifestyle worsens the situation, affecting their overall financial management behavior (Pamella & Darmawan, 2022; Veriwati et al., 2021). In addition, this is in line with research conducted by Mukti et al. (2022), where fintech payments help raise awareness of the importance of good financial management. based on research results from Runnemark et al. (2015) stated that people are willing to pay more for the same goods using a debit card than with cash. This is because the representation of money or the amount of money to be spent can affect users or consumers.

Generation Z, who are familiar with digital technology, shows a significant increase in the use of fintech-based financial services and cashless payment methods. Data from Worldpay states that in 2021, around 49% of global transactions were made digitally, driven by a preference for e-wallets and payment applications such as Apple Pay, and GPay. Generation Z prefers this method because of its ease in accessing and managing financial transactions without relying on cash or physical cards, which are considered slow and less efficient than digital payments. the latest Visa Consumer Payment Attitudes Study report in Indonesia. Payments via digital wallets continue to increase with the highest use of 92 percent among Indonesians, a figure similar to last year, while cash decreased to 80%, from 84% in 2022.

In addition, McKinsey (2023) identified that Generation Z has high expectations for access to information and transparency in finance, as well as the importance of personalizing financial services for their individual needs. Therefore, this generation considers fintech applications as a means that can increase their confidence and skills in managing finances. The adoption of cardless payments allows Gen Z to be more aware of their spending, but also presents challenges in maintaining their own financial discipline amidst the ease of access to technology-driven shopping. This also increases financial awareness and saving ability among Generation Z, as evidenced by research in Pontianak Sari et al. (2023), which shows that the perception of ease and benefits of using fintech significantly increases their interest in responsible financial management. So this trend shows that the use of fintech not only helps in transaction efficiency, but also increases awareness in financial management, especially in terms of savings and spending control.

Generation Z, known as the digital-native generation because they grew up with the development of digital technology, shows different financial management patterns from previous generations and faces challenges in financial management. Their habits in managing finances can be influenced by easy access to information, adoption of financial technology, and changes in payment behavior that increasingly rely on cashless payment transactions. These changes present the potential for shifts in their financial management practices, which include budgeting, savings, investment, and debt management. Although accustomed to the ease of digital transactions, Generation Z often faces challenges in long-term financial management, including awareness of the risks of overspending and limitations in sustainable financial planning (Herawati, 2020). Although Generation Z has greater access to digital tools to help manage finances, research shows that their level of financial literacy is often inadequate to deal with complex financial risks. This can affect their ability to manage income and expenses wisely, which in turn has an impact on their financial well-being in the future. This study aims to understand the factors on how the adoption of fintech and digital payment behavior affect financial management practices in Generation Z, considering the important role of financial literacy in the process. In addition, understanding how generation Z can maintain discipline in managing their finances amidst the various conveniences offered by today's technology, where this study aims to identify effective strategies that can help generation Z maintain financial balance and reduce potential risks that arise from excessive digital transaction habits.

The adoption of financial technology (fintech) significantly affects financial management practices, especially among Generation Z who are very familiar with digital technology. Several studies have shown that the use of fintech services, such as digital banking applications, e-wallets, and online investment platforms, can improve Generation Z's skills in managing finances and reduce dependence on cash transactions. Through fintech, they gain easier access to services that support daily financial management, such as tracking expenses and determining budgets. A study by Gimpel et al. (2018) found that fintech adoption is positively related to increased financial awareness, because this technology provides information and guidance that helps users make wiser financial decisions. Another study by Jünger and Mietzner (2020) also supports this finding, showing that generations exposed to financial technology tend to have better financial management skills than those who do not use it, because fintech applications facilitate the process of budgeting and financial monitoring. Likewise, Zhang and Chen (2021) found that the use of fintech applications by Generation Z encourages them to improve money management, because of features that facilitate recording and reminding transactions.

However, there are also studies that show that fintech adoption does not always have a significant impact on financial management practices. For example, a study by Langley and Leyshon (2017) found that although fintech provides access to easier and faster financial tools, many users do not fully utilize these features for financial management purposes. This study shows that without adequate financial literacy, fintech is only a transaction tool, not a means to improve financial management practices. Generation Z, although familiar with technology, may not always understand how to best utilize fintech for long-term financial management and do not utilize features that can support their financial management, meaning that fintech adoption alone is not enough to improve or enhance their financial management habits.

Cashless payment behavior is increasingly popular among Generation Z, who prefer digital transaction methods due to their efficiency. Several studies have shown that this behavior has a positive impact on their financial management practices. A study by Bhoopathy and Kanagaraj (2023) stated that the use of digital payments, such as digital wallets and online payments, can help consumers track and manage their spending better. This study highlights that the ease of monitoring transactions in real-time allows users to increase financial awareness and reduce impulsive spending .

However, not all studies have found a positive relationship between cashless payment behavior and financial management practices. Some studies have shown a positive relationship between cashless payment behavior and financial management. For example, a study in Poland identified that users with higher financial knowledge have a stronger tendency to use non-cash payments. Those with better financial literacy tend to have more disciplined financial behavior when using digital payment methods, which helps in managing budgets and expenses effectively (Wisniewski et al., 2021). This study found that easy access to digital payment methods makes some users less disciplined in controlling spending, so there is no significant increase in financial management practices. In addition, it was found that the use of digital transactions often only functions as a quick payment tool, without leading to changes in financial management habits. This shows that although cashless payments provide convenience, not all users use them for better financial management, especially if they do not have a deep understanding of finance. This highlights the importance of financial literacy in maximizing the potential positive impact of digital transactions on financial management. As stated in the journal "Digital Financial Literacy" by the Alliance for Financial Inclusion (AFI), which outlines the importance of digital financial literacy to maximize the use of technology-based financial services safely and efficiently. This report shows that financial literacy is very important in helping users understand the risks and take advantage of the positive potential of digital transactions, especially for groups who are less familiar with technology.

Generation Z is a generation that grew up in the digital era, where the development of financial technology (fintech) and cashless payment methods have become an important part of their daily lives. Fintech and cashless payments allow Generation Z to more easily access and manage financial services, from daily transactions to long-term financial planning. However, although this ease of access offers a lot of potential to improve financial management practices, there are still concerns about the impact of using this technology on long-term financial habits. Several studies have shown that the convenience provided by fintech and digital payments can trigger impulsive spending or lack of discipline in financial management, especially if not accompanied by sufficient financial literacy. Therefore, it is important to understand the extent to which the adoption of fintech and cashless payment behavior affects Generation Z's ability to manage their finances and understand whether the adoption of fintech and cashless payment behavior can encourage better financial management practices. Because Generation Z is a digital

native who is very familiar with digital technology and has a different financial behavior pattern from the previous generation.

This study aims to identify and analyze the influence of fintech adoption and cashless payment behavior on financial management practices among generation Z. Specifically, this study aims to Assess whether the use of fintech technology, such as digital banking applications, e-wallets, or investment platforms, can help generation Z in better financial management. Analyze how cashless payment behavior affects generation Z's ability to manage budgets, expenses, and financial planning. Provide insights for fintech service developers and policy makers regarding the potential impact of this technology on the younger generation, so that it can support the development of strategies to improve literacy and healthy financial management practices for generation Z. With the results of this study, it is expected to contribute to the understanding of technological factors that play a role in improving or inhibiting generation Z's ability to manage their finances.

Methods

This study uses a quantitative approach with a descriptive and causal design. The descriptive approach is used to describe the characteristics of respondents and their behavior related to the adoption of financial technology and digital payments. Meanwhile, the causal approach aims to analyze the relationship between independent variables, namely Fintech Adoption (X1) and Cashless Payment Behavior (X2), to the dependent variable Financial Management Practices (PFM) in Generation Z (Y). This study focuses on generation Z, namely individuals aged 21–27 years who are familiar with digital technology and modern payment methods. Data collection was carried out through an online-based questionnaire via google form, distributed to 56 respondents selected using the convenience sampling method. Respondents consisted of 22 men (39.3%) and 34 women (60.7%) with the majority having secondary education (62.5%) to higher education (28.6%). The questionnaire was compiled using a Likert scale to measure respondents' perceptions of each research variable, such as the level of fintech use, cashless payment behavior, and personal financial management practices. Data analysis in this research used Smart-PLS.

Result and Discussion

Respondent Profile

Table 1. Respondent Profile

Item	Type	Respondents	Percentage
Gender	Man	22	39.3%
	Woman	44	60.7%
Age Range	14-17 Years	1	1.8%
	18-20 Years	1	1.8%
	21-23 Years	27	48.2%
	24-27 Years	27	48.2%

Last Level of Education	No school	-	-
	Elementary School Equivalent	-	-
	Junior High School or Equivalent	-	-
	High School/Vocational High School or Equivalent	35	62.5%
	Diploma (D1/D2/D3)	5	8.9%
	Bachelor (S1/S2/S3)	16	28.6%

Source : Smartpls 4 Output (2024)

This study involved 56 respondents selected using the convenience sampling method . Respondents consisted of 22 males (39.3%) and 34 females (60.7%), indicating a larger proportion of the female group. Based on age range, respondents were dominated by the 24–27 age group with 27 people (48.2%), followed by the 21–23 age group with the same number (27 people or 48.2%). Other age groups were 14–17 years and 18–20 years, each consisting of 1 person (1.8%). This shows that most respondents have entered the young adult stage, where they tend to have greater experience or awareness regarding the financial aspects studied. The majority of respondents have a secondary education level, with 35 people (62.5%) graduating from high school/vocational high school/equivalent. A total of 16 respondents (28.6%) have higher education at the S1/S2/S3 level, while 5 people (8.9%) have completed D1/D2/D3/D4 education. There were no respondents who did not attend school or only completed elementary or junior high school/equivalent education. This composition shows that most respondents have had adequate formal education, which likely contributes to their ability to understand and manage finances.

The characteristics of these respondents reflect the Generation Z population which is the main focus of this study. Generation Z is known as a digital-native generation that grew up with technology, including digital financial services such as fintech and cashless payments. Most respondents are in the productive age group and have secondary to higher education levels, so they tend to be more familiar with the adoption of technology and modern financial behavior. This profile is relevant to the research objective which examines how Generation Z manages their finances in the digital era.

Validity Test

Table 2. Validity Test

Variables	Statement	Outer Loadings	Information
Y	Y1.1	0.646	Valid
	Y1.2	0.764	Valid
	Y1.3	0.802	Valid
	Y1.4	0.709	Valid

JLMK

JLBM : Jurnal Lentera Manajemen Keuangan
Volume 03 No 01 Februari 2025
E ISSN : 2986-5654

https://lenteranusa.id/

	Y1.5	0.718	Valid
	Y1.6	0.738	Valid
	Y1.7	0.837	Valid
	Y1.8	0.758	Valid
	Y1.9	0.808	Valid
	Y1.10	0.710	Valid
X1	X1.2	0.692	Valid
	X1.3	0.645	Valid
	X1.5	0.706	Valid
	X1.7	0.648	Valid
	X1.8	0.618	Valid
	X1.9	0.777	Valid
	X1.10	0.784	Valid
X2	X2.1	0.657	Valid
	X2.2	0.742	Valid
	X2.3	0.801	Valid
	X2.4	0.756	Valid
	X2.5	0.785	Valid
	X2.6	0.833	Valid
	X2.7	0.835	Valid
	X2.8	0.719	Valid
	X2.9	0.647	Valid

Source : Smartpls 4 Output (2024)

Based on the validity test using outer loadings on Smartpls with the research title "The Influence of Fintech Adoption and Cashless Payment Behavior on Financial Management Practices for Generation Z". This study shows that all variables in X1, X2 and Y have outer loadings values that meet the validity criteria (≥ 0.6). This shows that these indicators are valid in representing each variable construct significantly.

In Variable Y (Financial Management Practice-PFM), Variable Y is measured using 10 indicators (Y1.1 to Y1.10). The results of the analysis show that the outer loadings value for each indicator is in the range of 0.646 to 0.837. Indicator Y1.3 has the highest outer loading value of 0.837, which indicates that this indicator has the strongest contribution to the latent construct Y. Indicator Y1.1 has the lowest outer loading value of 0.646, but this value still meets the minimum validity criteria (≥ 0.6), so this indicator can be maintained. Thus, all indicators in variable Y are declared VALID and are able to represent the construct of Financial Management Practice (PFM) well.

In variable X1 (Influence of Fintech Adoption-PFA) where variable X1 is measured using 10 indicators (X1.1 to X1.10). The results of the analysis show that the outer loadings values for the indicators in variable X1 are in the range of 0.618 to 0.784. Indicator X1.10 has

the highest outer loading value of 0.784, which indicates that its contribution to the construct of Influence of Fintech Adoption (PFA) is the strongest. Indicator X1.8 has the lowest outer loading value of 0.618, but this value still meets the minimum validity criteria (≥ 0.6). Therefore, all indicators in variable X1 are declared valid and suitable for use in further analysis.

Variable X2 (Cashless Payment Behavior-CPB) is measured using 9 indicators (X2.1 to X2.9). The results of the analysis show that the outer loadings for the indicators in variable X2 are in the range of 0.647 to 0.835. Indicator X2.6 has the highest outer loading value of 0.835, indicating that this indicator has the greatest contribution in explaining the Cashless Payment Behavior (CPB) construct. Indicator X2.9 has the lowest outer loading value of 0.647, but is still above the minimum limit value (≥ 0.6), so it can be maintained. Thus, all indicators in variable X2 are declared valid.

Reliability Test

Table 3. Reliability Test

Variables	Cronbach's Alpha	Information
Y PFM	0.913	Reliable
X1 PFA	0.824	Reliable
X2 CPB	0.905	Reliable

Source : Smartpls 4 Output (2024)

Reliability was tested using Cronbach's Alpha value, where a value above 0.7 is considered to indicate good internal consistency. The results of the reliability test indicate that all research instruments are declared reliable and suitable for use in further analysis.

The Fintech Adoption (PFA) variable as the first independent variable (X1) has a Cronbach's Alpha value of 0.824, which is above the minimum reliability limit. This shows that the indicators used to measure the level of fintech adoption in generation Z are able to provide consistent and reliable results. This instrument is considered quite stable in measuring respondents' perceptions of the use and acceptance of modern financial technology.

Furthermore, the Cashless Payment Behavior (CPB) variable as the second independent variable (X2) recorded a Cronbach's Alpha value of 0.905, which is included in the very reliable category. This confirms that the instrument used to measure cashless payment behavior has a high level of consistency. These results support the reliability of the data in analyzing how the habit of using digital payment methods impacts the financial management practices of generation Z. Features that encourage financial efficiency, such as budget planning, expense tracking, and financial education, can be improved to strengthen their impact on their financial management.

Finally, the variable of Financial Management Practice (PFM) as the dependent variable (Y) shows the highest Cronbach's Alpha value of 0.913, which indicates very good reliability. This shows that the instrument designed to measure respondents' ability to manage personal finances effectively and efficiently has a very high level of reliability. With this reliability value, the instrument used is believed to be able to capture consistent information about generation Z's financial management. A significant impact can be in the form of more specific recommendations to improve financial planning skills, manage expenses, and invest. The results of the study can be used to develop a digital-based financial literacy training program that is in accordance with the characteristics of generation Z.

R-Square Test

Table 4. R-Square Test

Variables	R-Square	R-Square Adjusted
Y	0.621	0.606

Source : Smartpls 4 Output (2024)

The R-square value obtained is 0.621, which indicates that 62.1% of the variation in the dependent variable, namely Financial Management Practices (PFM), can be explained by the independent variables in the model, namely Fintech Adoption and Cashless Payment Behavior. In other words, the adoption of financial technology and cashless payment behavior have a significant influence in explaining how Generation Z manages their finances. This figure shows that the model used has a strong ability to measure the influence of both independent variables on PFM.

In addition, the adjusted R-square value of 0.606 indicates that after taking into account the number of independent variables used in the model and the sample size, the contribution of the independent variables to the dependent variable remains high, which is 60.6%. This adjustment is important to provide a more accurate and realistic estimate of the model's ability to describe the relationship between variables in a wider population. With the adjusted R-square value, it can be ascertained that this research model is not only suitable for the data used in the study, but also has good validity for applications outside the research sample.

These results provide a deep understanding that Fintech Adoption and Cashless Payment Behavior are two main factors that influence Generation Z's financial management practices. This generation is known to be very adaptive to digital technology, including technology-based financial services (fintech), and is increasingly familiar with the habit of cashless transactions. This is in line with technological developments that provide easy access to financial services, allowing Generation Z to manage their finances more efficiently and modernly.

However, these results also show that there is 37.9% of variation in Financial Management Practices that is not explained by these two variables. This indicates that there are other factors that influence Generation Z's financial management, such as financial literacy levels, social influences, spending patterns, or even macroeconomic conditions. These factors can be opportunities for further research in subsequent studies to provide a more comprehensive picture. Overall, these results confirm that Fintech Adoption and Cashless Payment Behavior have a significant contribution to Generation Z's financial management practices, while highlighting the importance of developing fintech services and education about non-cash payments to support better financial management among this generation.

Path Coefficients Test

Table 5. Path Coefficients Test

	Original Sample	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
CPB -> PFM	0.624	0.619	0.111	5,601	0.00
PFA -> PFM	0.216	0.234	0.123	1,750	0.00

Source : Smartpls 4 Output (2024)

the path coefficients test show that the influence Cashless Payment Behavior (CPB) on Financial Management Practices (PFM) in Generation Z is statistically significant with a coefficient of 0.604 . The t-statistics value of 6.650 (greater than 1.96) and the p-value of 0.000 indicate that this relationship is very significant at a significance level of 5%. This means that the higher the cashless payment behavior carried out by individuals, the better their financial management practices. These results indicate that CPB has an important role in forming more organized and efficient financial habits, which are relevant to the trend of financial digitalization among Generation Z. Therefore, this variable can be one of the main focuses in financial literacy development strategies and policies that encourage the use of digital payment methods.

In contrast, the Fintech Adoption (PFA) variable shows a positive but not statistically significant relationship to PFM. With a coefficient of 0.233 and a t-statistics value of 1.830 (below 1.96), and a p-value of 0.067 (greater than 0.05), there is no strong evidence that fintech adoption directly affects financial management practices in generation Z. These results indicate that although financial technology has the potential to support financial management, its direct influence may still be limited, especially if it is not accompanied by supporting financial literacy or behavior. This opens up opportunities for further research, such as testing mediation mechanisms through CPB or other factors, such as financial literacy. These findings also underline the importance of increasing awareness and understanding of the benefits of using fintech in order to have a more significant impact on the financial practices of generation Z.

Discussion

The Relationship between the Influence of Fintech Adoption and Financial Management Practices in Generation Z

This study reveals that the adoption of financial technology (fintech) has a positive relationship with individual financial management practices in generation Z. However, the influence is not significant enough to show a strong role directly. This may be due to the early stage of adaptation of generation Z in integrating fintech into their daily financial practices. This technology provides great potential in supporting financial planning and management, but without the support of adequate financial literacy or organized financial habits, its influence tends to be limited.

The characteristics of generation Z as respondents in this study show several factors that can influence the results. As a generation that grew up with technology, they tend to be familiar with digital platforms such as e-wallets or banking applications. However, mastery of this technology has not been fully accompanied by a strategic understanding of how to use it effectively to improve financial management skills. This finding shows the importance of the role of education to help generation Z develop a deep understanding of the functions and benefits of fintech in supporting their financial goals.

The results of this study support various previous studies that emphasize that fintech adoption requires supporting elements in order to have a significant impact on financial management practices. Firmansyah et al. (2023) through their study revealed that financial literacy, trust in platform security, and risk perception are the main determinants that influence fintech adoption. In the context of this study, generation Z as the main respondents may face challenges related to a lack of trust or in-depth understanding of fintech functions. This is consistent with the findings of Firmansyah et al., which show that trust and financial literacy play a key role in the success of fintech implementation in various community groups. In addition, Amnas et al. (2023) in their study highlighted that performance expectations, supporting conditions, and trust have a significant influence on the intention and actual use of fintech. Their findings also stated that fintech tends to be seen more as a practical tool than entertainment, reflecting the perception of the younger generation who use fintech as a means of efficient financial management. In this study, the relevance of Amnas et al.'s findings is reflected in how fintech adoption among respondents may be limited to users who feel that there is trust and real benefits from this technology. Furthermore, Suryono et al. (2020) in their article emphasize that social norms and attitudes play an important role in driving fintech adoption intentions and behavior. They found that users are more likely to adopt fintech if supported by group norms that promote its use. This is relevant to the findings of this study which show that although fintech can affect financial management, its influence is indirect and requires social support or a positive attitude towards the technology.

This study has important practical implications, especially in the context of developing financial education programs for Generation Z. Given that the effect of fintech adoption is not yet statistically significant, a practical approach that can be taken is to improve digital financial literacy among the younger generation. Technology-based training programs can be designed to teach how to utilize fintech features, such as expense tracking, budget management, and investment, to support personal financial management. From a theoretical perspective, this study makes an important contribution to the literature examining the relationship between financial technology and financial management practices. These findings open up opportunities for further research to explore mediating mechanisms, such as the role of financial literacy or digital payment behavior, in strengthening the relationship between fintech adoption and financial management. In addition, this study indicates the need to examine other external factors, such as social influences and economic conditions, that may affect Generation Z's financial management in the digital era.

The Relationship between Cashless Payment Behavior and Financial Management Practices in Generation Z

This study confirms that cashless payment behavior contributes significantly to financial management in generation Z. Digital payment methods, such as e-wallets, QRIS, and credit or debit cards, play a key role in creating efficiency in financial management. The superior features of cashless payments, such as real-time expense tracking, easy transaction recording, and the ability to group expense categories, provide significant added value for individuals in managing their budgets in a more organized manner. Thus, the more often generation Z uses this method, the better their ability to plan and control personal finances.

The characteristics of the respondents in this study underline the close relationship between Generation Z and digital payment technology. As a generation that grew up with the development of technology, they have a deep familiarity with the use of financial applications. The majority of them showed a high preference for digital payment methods, both for reasons of convenience and efficiency. This is also influenced by the level of education of the respondents, which allows them to understand the features of this technology better. In addition, the results of the study indicate that women in the Generation Z age group are more open to digital-based financial innovations, which also supports the improvement of their financial management skills.

The findings of this study are consistent with previous studies showing that cashless payment behavior has a positive impact on personal financial management. For example, a study by Świecka et al. (2021) in the article "Consumer Financial Knowledge and Cashless Payment Behavior for Sustainable Development in Poland" highlighted that financial literacy plays a key role in shaping digital payment method preferences. The study found that individuals with higher levels of financial knowledge tend to choose cashless payment methods, which further drives efficiency in their personal financial management. Rahman et al. (2022) in the article "An Empirical Analysis of Cashless Payment Systems for Business Transactions" also emphasizes the importance of technological competence and compatibility in the adoption of cashless payments. Although this study focuses on businesses, its implications suggest that the simplicity and convenience of digital payment technologies contribute to the enhancement of more efficient and organized financial practices, which are relevant for individual users. In addition, a study by Thirupathi et al. (2021) in the article "Factors Affecting Cashless Payment of Goods and Services" shows that individuals prefer digital payment methods because of their speed, security, and accessibility. These results support the research findings that cashless payment habits help individuals manage expenses more easily, reduce the risk of losing cash, and provide quick access to transaction records for better personal financial analysis. These three studies reinforce the view that cashless payment behavior not only makes transactions easier but also provides practical benefits for individual financial management. In the context of generation Z, who are technologically digitally literate, these findings confirm that increasing the adoption of cashless payment methods can be an effective strategy to improve personal financial management skills. If supported by financial literacy and broad access to technology, the positive impact will be more significant.

The results of this study have important practical implications, especially in supporting digital-based financial literacy programs. Governments and digital financial service providers can utilize these findings to develop educational campaigns that encourage the use of cashless payment methods, with a focus on the long-term benefits for personal financial management. In a theoretical context, this study strengthens the understanding that CPB is not only related to technological efficiency, but also acts as a catalyst in increasing public financial literacy and awareness. This study opens up opportunities for further exploration, such as the mediating role of financial literacy and social norms in strengthening the relationship between CPB and PFM. In addition, its practical implications can be realized in the form of integrating financial education features in digital payment applications to encourage users to understand and practice better financial management in the digital era.

Conclusion

This study shows that cashless payment behavior significantly supports Generation Z's financial management by strengthening efficiency and effectiveness in budget planning, expense tracking, and transaction recording. As a generation that is familiar with technology, Generation Z is able to utilize digital payment technology features to improve regularity and accountability in their financial practices. Meanwhile, fintech adoption shows a positive relationship to financial practices, but is not strong enough to produce significant changes without adequate financial literacy support. These results emphasize the importance of integration between technology, financial education, and service innovation in creating more optimal financial management in the digital era. Further research can further explore the role of financial literacy as a mediating variable in the relationship between financial technology and financial management practices, especially among Generation Z. In addition, additional studies on the impact of external factors such as social norms, economic conditions, and technology policies on the adoption of fintech and digital payments will provide a more comprehensive picture. A qualitative approach can also be used to explore users' experiences in integrating financial technology into their daily financial management habits.

References

Agustiyanti. (2023). Indonesians are becoming more cashless, electronic money transactions soar 30%. *Katadata.co.id*. Retrieved from https://katadata.co.id/finansial/keuangan/63ccb3580a3e3/orang-indonesia-makin cashless-transaksi-uang-elektronik-melonjak-30

Alliance for Financial Inclusion. (2021). *Digital financial literacy: Guideline note* (45), 1–24. Retrieved from https://www.afi-global.org/publications/digital-financial-literacy/

Amnas, M. B., Selvam, M., Raja, M., Santhoshkumar, S., & Parayitam, S. (2023). Understanding the determinants of fintech adoption: Integrating UTAUT2 with trust theoretic model. *Journal of Risk and Financial Management, 16*(12). https://doi.org/10.3390/jrfm16120505

Anton, A., Purnama, I., & Sunaryo, J. (n.d.). Analysis of the influence of CAR, BOPO, LDR, and NIM on ROA of banks listed on the IDX in 2015-2019. *Business and Society*. https://doi.org/10.58794/bns.v1i1.38

Carney, M. (2017, January). The promise of fintech – Something new under the sun. *Deutsche Bundesbank G20 Conference*, 1–14. Retrieved from https://www.bankofengland.co.uk/speech/2017/the-promise-of-fintech-something-new-under-the-sun

Bhoopathy, G., & Kanagaraj, P. (2023). The impact of digital payments on consumer spending habits. *Tuijin Jishu/Journal of Propulsion Technology, 44*(4), 5373–5380. https://doi.org/10.52783/tjjpt.v44.i4.1896

Erlangga, M. Y., & Krisnawati, A. (2020). The influence of fintech payment on students' financial management behavior. *Journal of Management and Business Research, 15*(1), 53. https://doi.org/10.21460/jrmb.2020.151.348

Firmansyah, E. A., Masri, M., Anshari, M., & Besar, M. H. A. (2022). Factors affecting fintech adoption: A systematic literature review. *Fintech, 2*(1), 21–33. https://doi.org/10.3390/fintech2010002

Francis, T., & Hoefel, F. (2018). "True Gen": Generation Z and its implications for companies. *McKinsey & Company*. Retrieved from https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies

Gimpel, H., Rau, D., & Röglinger, M. (2018). Understanding fintech start-ups – A taxonomy of consumer-oriented service offerings. *Electronic Markets, 28*(3), 245–264. https://doi.org/10.1007/s12525-017-0275-0

Herawati, N. T., & Dewi, N. W. Y. (2020). The effect of financial literacy, gender, and students' income on investment intention: The case of accounting students. *ICIRAD 2019*, *394*, 133–138. https://doi.org/10.2991/assehr.k.200115.022

Hidayat, A. R. (2023). Analysis of adoption of fintech payment system usage in millennial generation using diffusion of innovation theory. *Journal of Management Science*, *13*(1), 117–132. https://doi.org/10.32502/jimn.v13i2.6974

Hong, C. Y., Lu, X., & Pan, J. (2021). Fintech adoption and household risk-taking: From digital payments to platform investments. *NBER Working Paper*, 1–23.

Huang, J., Sherraden, M. S., & Sherraden, M. (2021). Toward finance as a public good.

Visa Inc. (2024). Cashless culture rampant in Indonesia as cash usage continues to decline. *Visa Inc.* Retrieved from https://www.visa.co.id/about-visa/newsroom/press-releases/nr-id-240319.html

Irimia-Diéguez, A., Velicia-Martín, F., & Aguayo-Camacho, M. (2023). Predicting fintech innovation adoption: The mediating role of social norms and attitudes. *Financial Innovation*, *9*(1). https://doi.org/10.1186/s40854-022-00434-6

Jünger, M., & Mietzner, M. (2020). Banking goes digital: The adoption of fintech services by German households. *Finance Research Letters, 34*(July), 1–8. https://doi.org/10.1016/j.frl.2019.08.008

Lusardi, A. (2019). Financial literacy and the need for financial education: Evidence and implications. *Swiss Journal of Economics and Statistics, 155*(1), 1–8. https://doi.org/10.1186/s41937-019-0027-5

Nazariah, A., & Fajira, N. (2023). Analysis of financial performance seen from current ratio (CR), debt to equity ratio (DER) and total asset turnover (TATO) in the primary consumer goods sector D222 processed foods registered on the IDX in the 2017-2021 period. https://doi.org/10.47647/jeko.v3i2.1350

Pamella, C. D. (2022). The effect of financial literacy, financial attitude, locus of control and income on financial management behavior on the millennial generation. *Journal of Applied Managerial Accounting, 6*(2), 241–253. https://doi.org/10.30871/jama.v6i2.4361

Rahman, M., Ismail, I., Bahri, S., & Rahman, M. K. (2022). An empirical analysis of cashless payment systems for business transactions. *Journal of Open Innovation: Technology, Market, and Complexity, 8*(4), 213. https://doi.org/10.3390/joitmc8040213

Runnemark, E., Hedman, J., & Xiao, X. (2015). Do consumers pay more using debit cards than cash? *Electronic Commerce Research and Applications, 14*(5), 285–291. https://doi.org/10.1016/j.elerap.2015.03.002

Sari, W. A., Fiorintari, F., & Ardhi, Q. (2023). Generation-Z's perception in using fintech payment. *Eksos, 19*(1), 17–26. https://doi.org/10.31573/eksos.v19i1.509

Świecka, B., Terefenko, P., Wiśniewski, T., & Xiao, J. (2021). Consumer financial knowledge and cashless payment behavior for sustainable development in Poland. *Sustainability (Switzerland, 13)*(11), 1–18. https://doi.org/10.3390/su13116401