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Determinants of financial well-being among Millennials and Generation Z in Indonesia

Sumani Sumani*
Department of Management, Faculty of Business and Social Innovation, Universitas Katolik Indonesia Atma Jaya
Jl. Jenderal Sudirman No. 51, South Jakarta, DKI Jakarta, 12953, Indonesia
sumani@atmajaya.ac.id

Yasintha Soelasih
Department of Management, Faculty of Business and Social Innovation, Universitas Katolik Indonesia Atma Jaya
Jl. Jenderal Sudirman No. 51, South Jakarta, DKI Jakarta, 12953, Indonesia
yasintha.soelasih@atmajaya.ac.id

Petrus A. Usmanij
Department of Management Information System, La Trobe Business School, La Trobe University
Plenty Road, Bundoora, Victoria, 3086, Australia
p.usmanij@latrobe.edu.au

Yohanes Driyanto
Faculty of Philosophy, Universitas Katolik Parahyangan
Jl. Ciumbuleuit No. 94, Bandung, West Java, 40141
y.driyanto@unpar.ac.id

*Corresponding Author

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Abstract: *Technological advancements have transformed the lives of Millennials and Generation Z, particularly in the realm of payments. The variety of payment methods has expanded to include QRIS, e-money, bank transfers, and cash. The growing convenience of payment requires enhanced consumer financial literacy. Moreover, perspectives on deferred payment and financial attitudes are essential for sustainable financial planning. This study seeks to analyze the determinants affecting financial well-being among Generation Z and Millennials in Indonesia. Both quantitative and qualitative methodologies were employed. Data collection using purposive sampling. Three hundred respondents were recruited. The instruments employed were assessed for validity and reliability. Instrument and hypothesis testing employed structural equation modeling with partial least squares (SEM-PLS). The hypothesis test results demonstrate that financial attitude is the predominant factor affecting financial well-being. Financial literacy does not directly affect financial well-being; rather, it influences it indirectly by mediating financial behavior. The attitude towards pay-later options does not significantly affect financial behavior or financial well-being. The originality of this study resides in its analysis of*

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financial literacy, attitudes towards deferred payment, and financial attitudes concerning behavior and well-being.

Keywords: *attitude to pay later; financial attitude; financial behavior; financial literation; financial well-being*

Faktor-faktor penentu *financial well-being* di kalangan Milenial dan Generasi Z di Indonesia

Abstrak: *Perkembangan teknologi telah mengubah kehidupan Generasi Milenial dan Gen Z, termasuk dalam hal pembayaran. Metode pembayaran menjadi lebih beragam, termasuk QRIS, uang elektronik, transfer bank, dan uang tunai. Kemudahan pembayaran yang semakin meningkat menuntut literasi keuangan konsumen yang lebih tinggi. Lebih jauh lagi, sikap terhadap pembayaran tunda dan sikap keuangan sangat penting untuk perencanaan keuangan jangka panjang. Studi ini bertujuan untuk meneliti faktor-faktor yang memengaruhi kesejahteraan keuangan di kalangan Gen Z dan Milenial di Indonesia. Metode kuantitatif dan kualitatif digunakan. Pengumpulan data dilakukan dengan menggunakan purposive sampling. Sebanyak 300 orang responden direkrut. Instrumen yang digunakan telah diuji validitas dan reliabilitasnya. Pengujian instrumen dan hipotesis menggunakan pemodelan persamaan struktural dengan partial least squares (SEM-PLS). Hasil pengujian hipotesis menunjukkan bahwa sikap keuangan merupakan faktor paling signifikan yang memengaruhi kesejahteraan keuangan. Literasi keuangan tidak secara langsung memengaruhi kesejahteraan keuangan, tetapi secara tidak langsung melalui mediasi perilaku keuangan. Sikap terhadap pembayaran tunda tidak secara signifikan memengaruhi perilaku keuangan dan kesejahteraan keuangan. Keunikan studi ini terletak pada pemeriksaannya terhadap literasi keuangan, sikap terhadap pembayaran di kemudian hari, dan sikap keuangan terhadap perilaku dan kesejahteraan.*

Kata kunci: *kesejahteraan keuangan; literasi keuangan; perilaku keuangan; sikap keuangan; sikap terhadap pembayaran tunda*

INTRODUCTION

Payment instruments currently take various forms. For example, digital wallets are a widely used payment method among millennials (Le et al., 2024; Soelasih & Sumani, 2022). In addition, neobanks are developing, making it easier for consumers to conduct financial transactions (Soelasih et al., 2025). Consumers require financial literacy to proficiently manage home finances (Stolper & Walter, 2017). If customers possess a high degree of financial literacy, they will be capable of regulating their consumer behavior. Financial education is essential alongside financial literacy, as both are interdependent in fostering financial comprehension (Stolper & Walter, 2017).

On the one hand, Millennials and Gen Z are relatively consumerist when it comes to shopping. Payment conveniences, such as the use of neobanks or digital banks, support changes in consumer behavior (Soelasih et al., 2025). They love to make purchases online (Suhaily & Soelasih, 2017). Furthermore, this is corroborated by e-service quality, experience marketing, and price perception, which engender repurchase intention among consumers (Suhaily & Soelasih, 2018). High consumer spending will create an opportunity to utilize pay-later payments. A positive attitude toward paying later will further reduce financial well-being, as the tendency to purchase online products on credit indicates an increasing tendency to engage in consumer behavior without regard for financial capacity.

High consumer spending will lead to higher spending, which will impact finances. It leads to lower savings and investment if not supported by increased income (Stolper & Walter, 2017). Understanding financial literacy is needed to manage finances more wisely (Stolper & Walter, 2017). Self-discipline is essential to prevent excessive consumption, hence enhancing financial well-being (Strömbäck et al., 2020). Moreover, financial conduct underpins financial well-being (Strömbäck et al., 2020). An optimistic financial mindset will enhance financial well-being (Soepding et al., 2021). These results differ from those of Ong, Lau, & Zainudin (2021)'s research indicates that Millennials exhibit a

higher propensity for compulsive purchasing influenced by power, status, and anxiety, mediated by materialism, which subsequently leads to financial difficulties.

This study highlights the direct and indirect effects of financial literacy, attitudes towards deferred payments, and financial attitudes on financial well-being via financial behavior. This study examines financial well-being, specifically among Millennials and Generation Z in Indonesia. By 2045, Generation Z is anticipated to emerge as the golden generation in Indonesia. This study develops a multi-layered behavioral framework integrating financial literacy, financial attitude, and attitude toward pay later within a behavioral finance perspective. Financial literacy represents cognitive capability, while financial attitude reflects a stable, long-term orientation toward money management. In contrast, attitude toward pay later is conceptualized as a context-specific evaluation shaped by digital credit environments and short-term consumption incentives.

Drawing on the theory of planned behavior, financial behavior is positioned as the mechanism through which these competing forces are enacted. Specifically, financial behavior is not merely an outcome of cognition and attitude but a conflict-resolution arena where long-term financial rationality (financial literacy and financial attitude) interacts with short-term consumption bias (pay-later attitude). The dominance of either force determines the individual's financial well-being.

By distinguishing between general and context-specific attitudes and redefining financial behavior as a behavioral conflict mechanism, this study extends existing models of financial well-being beyond simple mediation relationships toward a more dynamic behavioral framework. This study advances financial well-being literature by theoretically disentangling general financial attitudes from context specific pay-later attitudes, and by positioning financial behavior as a conflict resolution mechanism between long-term financial rationality and short-term consumption bias in digital credit environments.

Financial literacy refers to an individual's capacity to comprehend and administer their financial assets to make educated choices (Lusardi & Streeter, 2023). This ability includes theoretical knowledge of financial products and risks, as well as relevant planning, budgeting, and spending control skills. A good understanding of finance is expected to encourage more prudent financial behavior. Ultimately, financial management will impact financial well-being (Sajid et al., 2024). Tahir (2025) observed that poor financial skills, overconfidence, and negative financial attitudes positively impact borrowing tendencies.

Numerous research indicate that financial literacy influences financial well-being (Antwi et al., 2024; Choung et al., 2023; Iannello et al., 2020; Lusardi & Messy, 2023; Sabri et al., 2024; Sorgente & Lanz, 2019). Self-control in financial management will shape consumers' financial attitudes (Rey-Ares et al., 2021), which in turn shape financial behavior (Komarudin et al., 2024). Consumers' attitudes toward saving will increase positive financial attitudes, thereby reducing compulsive buying (Pham et al., 2012).

A study by Sajid et al. (2024) found a discernible trend emerged; enhanced financial knowledge and beliefs led to improved financial actions, subsequently resulting in better financial well-being. It suggests that, although the study's focus was financial knowledge and beliefs, the mechanism is intrinsically linked to financial views due to the operation of identical psychological principles (Sajid et al., 2024). Power, prestige, and anxiety drive consumers toward materialism, which in turn leads to compulsive buying (Ong et al., 2021). Ultimately, consumers' financial attitudes become negative. Financial attitudes emphasize consumers' personal financial management. Those who can manage their finances effectively will tend to have a positive attitude, while those who cannot will tend to have a negative one.

The attitude toward paying later is growing rapidly among Indonesian students, influenced by a hedonistic lifestyle (Kusmalinda, 2025). The buy-now-pay-later (BNPL) payment model positively influences consumer behavior (Relja et al., 2024). BNPL (buy now pay later) typically amplifies expenditure and impulsive acquisitions (Ashby et al., 2025). Consumers benefit from BNPL's functionality, which is similar to that of a credit card but with a more straightforward process (Azmi et al., 2022). BNPL's growth is driven by technology (Wulandari & Damayanti, 2022). That has changed consumer attitudes toward BNPL usage.

Consumer behavior is further facilitated by pay later. Millennials and Generation Z are social media users, making them easily influenced by business promotions that encourage product purchases. This generation tends to be anxious about falling behind trends, leading to relatively high levels of

compulsive buying (Ong et al., 2021). The pressures of social media, promotions, and their surrounding environment further reinforce consumer behavior. Furthermore, the convenience of installment payments offered by companies to consumers further increases their purchasing power. Ultimately, consumers who cannot control themselves will tend to make impulsive purchases. It shapes consumers' attitudes toward paying later.

Financial behavior refers to the manner in which households or individuals administer their financial resources via savings, insurance, and investments (Odetayo et al., 2022). According to research conducted by Sabri et al. (2022), financial literacy and locus of control affect perceptions of financial well-being among low-income young adults. Quantitative studies and datasets from Indonesia and Asia indicate a link between BNPL use and increased impulsive buying behavior and a greater frequency of transactions unbalanced by financial control. A detailed dataset has been published outlining behavioral distinctions between BNPL users and non-users (Juita et al., 2024). It supports the claim that BNPL can change potentially risky spending behavior.

Profligate behavior, particularly within Generation Z, will influence financial stability (Powell et al., 2023). Financial well-being can be improved by consumer psychology that can control impulsive buying (Fenton-O'Creevy & Furnham, 2022). Financial conduct frequently affects the impact of antecedent variables, such as financial knowledge and attitudes, on financial well-being. It establishes a robust foundation for examining financial conduct as an intermediary between perceptions of BNPL and financial well-being (Sajuyigbe et al., 2024).

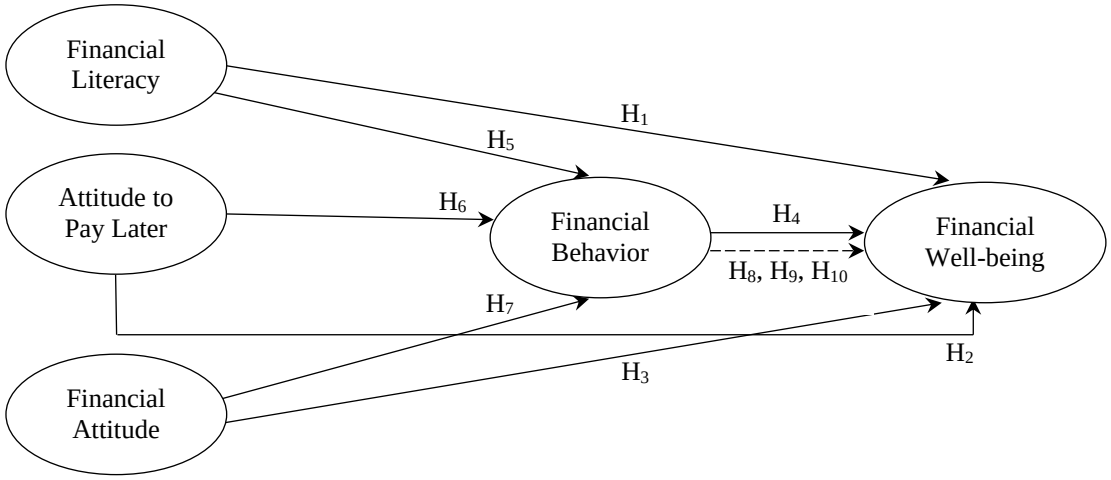


Figure 1. Research model
Source: Literature studies (2026)

Figure 1 illustrates the proposed framework, where financial literacy and financial attitude represent long-term financial rationality, while attitude toward pay later reflects short-term consumption bias. Financial behavior is conceptualized as the mechanism through which these competing forces are translated into actual financial actions, ultimately determining financial well-being. Building on the proposed framework, this study does not treat financial behavior as a simple mediator but conceptualizes it as a behavioral outcome of competing forces between long-term financial rationality and short-term consumption bias.

Financial literacy is positively associated with financial well-being, generally attained by improved financial practices, including budgeting, saving, and debt management. Quantitative studies and systematic reviews indicate that financial management knowledge enhances abilities and confidence, therefore resulting in greater financial well-being (Choung et al., 2023). Attitudes toward pay-later/BNPL, or attitudes toward pay-later services, are associated with increased spending and impulse purchases. At the merchant level, BNPL adoption increases order size and purchase frequency, and these behavioral changes can negatively impact financial health if not balanced with literacy or control. Consumer and regulatory reports also warn that BNPL users are more financially vulnerable (Kumar et al., 2024). Financial attitudes, encompassing perspectives on saving, debt, and expenditure, correlate with everyday financial behaviors; these attitudes, including budgeting, saving practices, and

debt management, frequently operate as a conduit between financial attitudes and overall financial well-being.

H_1: There is an influence between financial literacy and financial well-being.

H_2: There is an influence between the attitude to pay later and financial well-being.

H_3: There is an influence between financial attitude and financial well-being.

A study by Odetayo et al. (2022), analysis of financial conduct and financial well-being revealed that financial behavior does not directly affect financial well-being. In this case, Odetayo et al. (2022) assessed financial behavior through savings and investing, credit discipline, and financial awareness. A study by Chavali et al. (2021) found that financial behavior influences financial well-being, except for credit commitment within the financial behavior dimension. The factors used in the financial behavior study by Chavali et al. (2021) which differed from those in the study of Odetayo et al. (2022). Studies conducted in low-income groups showed that financial behavior serves as a mediator in the relationship between financial knowledge and financial well-being. This finding is consistent with mediation findings found across various situations (Rahman et al., 2021). In a cohort of young individuals, financial conduct, including debt management, strongly forecasted financial well-being. Elements, such as financial literacy and autonomy, impacted these behaviors. A study demonstrates the impact of conduct on the correlation between knowledge/attitudes and financial well-being (Sabri et al., 2024). It is seen in favorable financial conduct, which can enhance financial well-being. Financial acumen and financial literacy also impact favorable financial well-being. (Phelps & Metzler, 2025). Financial abilities exhibit a more significant correlation with financial conduct than financial knowledge (Phelps & Metzler, 2025).

H_4: There is an influence between financial behavior and financial well-being.

Financial literacy influences consumer financial conduct, resulting in more regulated expenditure (Rodriguez et al., 2024). Proficient financial literacy fosters advantageous financial conduct (Liu, 2025). Positive financial literacy and attitudes can affect financial behavior, particularly consumer savings (Reddy et al., 2024). Research by Nguyen-Cousins & Upton (2025) demonstrates that financial literacy, financial attitudes, and financial behavior affect financial well-being. Financial literacy impacts financial well-being (Zhang & Chatterjee, 2023). Research by Gunawan et al. (2025) demonstrates that financial literacy affects financial well-being via financial behavior. Positive financial well-being is achieved when individuals possess financial knowledge and can regulate their spending habits.

H_5: There is an influence between financial literacy and financial behavior.

H_6: There is an influence between attitude to pay later and financial behavior.

H_7: There is an influence between financial attitude and financial behavior.

H_8: There is an influence between financial literacy and financial well-being through financial behavior.

H_9: There is an influence between attitude to pay later and financial well-being through financial behavior.

H_{10}: There is an influence between financial attitude and financial well-being through financial behavior.

METHOD

The research object is pay-later users for Millennials and the Z Generation. The population of pay later users is unknown, so the sample is calculated by multiplying the number of indicators by a maximum of 10 and a minimum of 5. If the population is unknown, the number of samples can be calculated by multiplying the total number of indicators and variables by a maximum of 10 and a minimum of 5 (Hair et al., 2019). The number of samples taken should be 200 people. When 200 respondents were selected, only 50 had used pay later, so the sample size was increased to 300. Sampling was conducted online using G-form. Respondents were selected using purposive random sampling. A total of 300 respondents were recruited. Of these 300 respondents, 97 had used pay later. Data from 97 respondents were processed to answer the hypothesis. Data from 203 respondents were tabulated to support the discussion. The number of respondents collected showed that women outnumbered men. There were 172 women respondents, or 57.3%. The majority of respondents were aged 16-20 (168 respondents or 56%). The highest educational attainment was a bachelor's degree (232 respondents or 77.3%). Their average monthly spending on shopping products was IDR 1,000,000.

Table 1. Respondents' characteristics

No.	Characteristic	Sub characteristic	Frequency	Percentage
1	Gender	Male	128	42.7
		Female	172	57.3
2	Age	16-20 years old	168	56.0
		21-25 years old	77	26.0
		26-30 years old	32	11.0
		31-35 years old	12	4.0
		36-40 years old	4	1.0
		41-45 years old	7	2.0
3	Education	High school	17	5.7
		Diploma	16	5.3
		Bachelor	232	77.3
		Master	12	4.0
		Others	23	7.7
4	Employment	Students	224	74.7
		Private sector employee	66	22.0
		Civil servant	1	0.3
		Self-employed	8	2.7
		Others	1	0.3
5	Expenditures	IDR 100,000 - IDR 5,000,000	286	95.3
		IDR 5,000,001 - IDR 10,000,000	13	4.4
		IDR 10,000,001 - IDR 15,000,000	0	0.0
		IDR 15,000,001 - IDR 20,000,000	1	0.3

Source: The related research data (2026)

When viewed from the respondents' highest expenditure level, 286 respondents had between IDR 100,000 and IDR 5,000,000. It indicates that their income is relatively small. Therefore, they need better financial management to avoid problems in their lives. It can achieve financial well-being. Only 14 respondents had large expenditures above IDR 5,000,000. If they lack financial literacy, they will have difficulty managing their finances. Their expenditure is in line with that of the respondents, most of whom were students.

The instruments used for the variables are based on previous research. The variables and instruments used are shown in Table 2.

Table 2 Research variables and instruments

No.	Construct	Measurement items	Sources
1	Financial literation	I understand how to choose the type of pay later that suits my payment ability. I understand the terms and conditions of the pay-later service. I understand the consequences of late debt payments and the interest charged. I know how to avoid high-interest debt and choose safer payment options.	Oktaviana & Irawan (2024)
2	Attitude to pay later	Easy pay-later application process. Fast pay-later application process. Pay later offers low interest rates.	Hilmi & Pratika (2021)
3	Financial attitude	I set aside some of my money for savings or investment. I am content with my present financial circumstances. I meticulously oversee my finances.	Çoşkun & Dalziel (2020)

No.	Construct	Measurement items	Sources
		I establish long-term financial objectives and strive to attain them.	
4	Financial behavior	I review my budget to ascertain the remaining funds.	Phelps & Metzler (2025)
		I diligently contemplate the measures necessary to adhere to my budget.	
		I establish financial objectives for my monetary aspirations.	
		I design a comprehensive action plan with specific strategies to attain my financial objectives.	
5	Financial well-being	I can cover unexpectedly large expenses.	Phelps & Metzler (2025)
		I secure my financial future.	
		I can relish life because of my financial management skills.	
		I own surplus funds at the conclusion of the month.	

Source: The review of several literatures (2026)

The scale used in the study was even, ranging from 1 = "strongly disagree" to 6 = "strongly agree." The purpose of using an even scale was to ensure there were no neutral answers (Agung, 2011).

RESULTS AND DISCUSSION

Results

The variables and instruments used were tested for validity and reliability. The testing used PLS-SEM (partial least squares-structural equation modeling). The results of the validity and reliability tests are shown in Table 3.

Table 3. Loadings, CA, CR, and AVE

	Variables/instrument	Loadings	Cronbach's alpha (CA)	Composite reliability (CR)	Average variance extracted (AVE)
	Financial literation		0.913	0.939	0.793
FL1		0.893			
FL2		0.916			
FL3		0.878			
FL4		0.875			
	Attitude to pay later		0.872	0.920	0.796
APL1		0.966			
APL2		0.962			
APL3		0.727			
	Financial attitude		0.894	0.927	0.760
FA1		0.834			
FA2		0.846			
FA3		0.879			
FA4		0.925			
	Financial behavior		0.961	0.969	0.864
FB1		0.920			
FB2		0.938			
FB3		0.939			

Variables/instrument	Loadings	Cronbach's alpha (CA)	Composite reliability (CR)	Average variance extracted (AVE)
FB4	0.922			
FB5	0.929			
Financial well-being		0.895	0.927	0.762
FWB1	0.796			
FWB2	0.897			
FWB3	0.934			
FWB4	0.858			

Source: The related research data (2026)

PLS-SEM can be used with small sample sizes, although the model is more complex than factor-based SEM methods (Sarstedt et al., 2021). Table 3 shows that the loading values for each instrument are above 0.7, indicating that the instruments can form their variables. The minimum loading value is 0.7 (Dijkstra & Henseler, 2015; Hair et al., 2014). The minimum Cronbach's alpha value is 0.7, and the minimum composite reliability value is 0.8 (Hair et al., 2014). The results in Table 3 show that Cronbach's alpha and composite reliability values are above 0.7 and 0.8, respectively, meeting the reliability requirements. Meanwhile, the minimum AVE value is 0.5, and the test results for the AVE exceed 0.5, thus meeting the requirements for convergent validity (Hair et al., 2014; Henseler et al., 2016).

After conducting validity and reliability tests that meet the criteria, the next step is to test discriminant validity. The discriminant validity test uses the heterotrait-monotrait ratio of correlations (HTMT).

Tabel 4. Discriminant validity heterotrait-monotrait ratio of correlations (HTMT)

Variables	Attitude of pay later	Financial attitude	Financial behavior	Financial literacy
Attitude of pay later				
Financial attitude	0.621			
Financial behavior	0.645	0.874		
Financial literacy	0.838	0.641	0.731	
Financial well-being	0.468	0.842	0.823	0.526

Source: The related research data (2026)

Table 4 shows that the largest HTMT value is 0.874, which is below the threshold value of 0.9, meaning it is valid. The HTMT threshold value is 0.8, 0.9, or below 1 (Henseler et al., 2015).

Hypothesis testing was performed using the Smart-PLS tool. Hypothesis testing was conducted both directly and indirectly. The results of the direct hypothesis test are shown in Table 5. The results of the H_1 test showed no significant relationship between financial literacy and financial well-being. Although consumers understand financial literacy, it does not necessarily mean they are in good financial health. This study's results do not support the research of Zhang & Chatterjee (2023) and Gunawan et al. (2025). While Millennial and Generation Z consumers in Indonesia understand financial literacy, they are unable to control the influence of social media promotions, leading to a tendency towards consumerism. For H_2, there was no significant relationship between attitude toward pay later and financial well-being. This study's results do not support the research of Choung et al. (2023) and Kumar et al. (2024). The results of this study showed that only 97 respondents had used pay later, while the remaining 203 had never used it. Therefore, the results of the hypothesis 2 test showed that attitude toward paying later does not affect financial well-being. H_3 results showed that financial attitude influences financial well-being. These results suggest that controlling finances improves financial well-being. This study supports the research of Reddy et al. (2024) and Nguyen-Cousins & Upton (2025). The results of H_4 indicate that financial behavior influences financial well-being. These results support the research of Chavali et al. (2021) but do not support that of Odetayo et al. (2022). H_5 indicates that

financial literacy influences financial behavior. Improving consumer financial literacy will shape their financial behavior. These results support the research by Rodriguez et al. (2024) and Liu (2025). Meanwhile, the results for H_6 indicate that attitudes toward paying later do not affect financial behavior. Although consumers' attitudes toward pay later are positive, they do not shape their financial behavior. H_7 indicates that financial attitudes influence consumer financial behavior. Financial attitudes differ from attitudes toward paying later. These results support the research of Reddy et al. (2024) and Nguyen-Cousins & Upton (2025). The results of the partial hypothesis test overall indicate that financial attitudes have the greatest influence on financial behavior. It suggests that Millennials and Gen Z need financial control. This control will shape their attitudes. Once financial attitudes are formed, they will shape Gen Z's financial behavior.

Table 5. Direct path hypothesis results

	Hypothesis path	β values	Standard deviation	T values	*P* values	Result
H_1	Financial literacy → Financial well-being	-0.073	0.129	0.566	0.572	Rejected
H_2	Attitude of pay later → Financial well-being	-0.060	0.133	0.450	0.653	Rejected
H_3	Financial attitude → Financial well-being	0.390	0.157	2.493	0.013	Supported
H_4	Financial behavior → Financial well-being	0.550	0.136	4.046	0.000	Supported
H_5	Financial literacy → Financial behavior	0.311	0.113	2.752	0.006	Supported
H_6	Attitude of pay later → Financial behavior	0.020	0.085	0.241	0.810	Rejected
H_7	Financial attitude → Financial behavior	0.621	0.077	8.065	0.000	Supported

Source: The related research data (2026)

After the partial test, a moderation test was conducted. The results of the moderation test are shown in Table 6.

Table 6. Specific indirect path hypothesis results

	Hypothesis path	β values	Standard deviation	T values	*P* values	Result
H_8	Financial literacy → Financial behavior → Financial well-being	0.171	0.086	1.983	0.048	Supported
H_9	Attitude of pay later → Financial behavior → Financial well-being	0.011	0.046	0.245	0.807	Rejected
H_{10}	Financial attitude → Financial behavior → Financial well-being	0.341	0.083	4.102	0.000	Supported

Source: The related research data (2026)

The H_8 test showed that financial literacy influences financial well-being through financial behavior. These results support the research of Gunawan et al. (2025). Financial behavior is a key factor in improving financial well-being. Even if they know about financial literacy, if they lack self-control in their financial behavior, it will affect their financial well-being. The H_9 test results showed that attitudes toward pay later do not affect financial well-being through financial behavior. They tended not to use pay later for purchases, thus showing no effect on financial well-being through financial behavior. Hypothesis 10 indicates that financial attitudes influence financial well-being through financial

behavior. These results support the research of Reddy et al. (2024) and Nguyen-Cousins & Upton (2025). Financial attitudes will shape financial behavior, thereby improving financial well-being.

In addition to the testing, the open question results were also tabulated. The results are tabulated in Table 7.

Table 7. Tabulation of results

No.	Question	Answer
1	What payment methods do you use when shopping?	Digital wallet, virtual account, bank transfer, digital bank, cash, and e-money.
2	Why don't you use pay-later payments?	• Do not like debt. • High interest rates. • Fear of mounting interest. • The procedure is complicated using pay later. • Fear of personal data being insecure. • Fear of overspending. • Do not have a steady income. • Self-control with financial capabilities. • Fear of forgetting to pay bills.
3	What is your attitude towards pay-later payments?	• Be careful, as it can harm your finances if used unwisely. • Avoid using pay-later. • Promote consumptive behavior without considering my budget. • Use pay later when purchasing relatively expensive items that are needed right now. • Pay later is attractive because of its many promotions. • Dangerous for those who cannot control themselves when shopping. • Pay later increases costs because of its high interest. • Pay later weakens self-control because it tends to be consumptive.
4	Provide advice to pay-later users	• Do not make late payments. • Self-control in shopping. • Be careful when using pay later. • Be responsible for its use. • Avoid pay later.

Source: The related research data (2026)

Table 7 shows consumers' attitudes and reasons for not using pay later. Millennials and Generation Z need financial literacy knowledge. However, it is not just about understanding financial literacy; more importantly, it is about understanding financial behavior. Without financial literacy, consumers will continue to struggle with financial well-being. Therefore, the primary focus is on financial behavior. Financial behavior will control consumer spending. Good consumer self-control can improve financial well-being. Consumer self-control leads to lower consumer spending.

Discussion

Financial attitudes are key factors that directly and indirectly influence financial well-being. Financial attitude can shape both positive and negative financial behavior. Consumer self-control, as reflected in financial attitude, leads to positive financial behavior. However, if high consumer spending leads to low self-control, financial attitude also declines, leading to negative financial behavior. Financial behavior plays a mediating role in achieving financial well-being.

Attitudes toward paying later have no direct or indirect effect on financial well-being through financial behavior. They make payments via digital wallets, cash, or bank transfers, so their tendency to use pay-later options is low. Respondents tend to be hesitant about using pay later. Pay later will incur

interest if payments are not made on time, resulting in higher costs. Furthermore, they fear that using pay later will lead to a loss of self-control when making purchases. Millennials and Gen Z are aware of the consequences of using pay later, so they tend not to use it.

Respondents are aware that using pay later can lead to financial problems, underscoring the importance of financial literacy for consumers. However, the quick application process for pay later is a significant draw for consumers. Companies need to pay attention to the pay later application process for consumers. This convenience is what attracts consumers.

On the one hand, consumers are aware of the need to save or invest and have long-term plans. It is evident in their financial attitudes. Financial behavior shows that respondents consider every action related to their finances. It indicates that respondents have financial self-control and thus create a financial plan. Millennials and Generation Z, despite their good financial behavior, are still unable to address the problem when facing significant, unexpected expenses. It presents an opportunity for financing companies to offer more affordable financial products.

Respondents appear to prefer using digital wallets rather than pay later for product purchases. They tend to be reluctant to take on debt due to concerns about the potential interest charges. Furthermore, they are concerned about pay later providers misusing personal data. They tend to avoid using pay later. Companies should provide consumers with convenience and confidence when using pay later. Clear regulations are essential. Companies can provide clarity about pay later and guarantees for their consumers. If consumers feel uncomfortable using pay later, they will not use it. The results demonstrate that attitudes toward pay later do not affect financial behavior or financial well-being. Therefore, this presents an opportunity for companies engaged in pay later to pay attention to consumer attitudes. If companies can provide what consumers want, they will be interested in using pay later.

CONCLUSION AND SUGGESTIONS

The research results show that financial literacy has no direct effect on financial well-being but does so indirectly through financial behavior. Attitude toward pay later has no direct or indirect effect on financial well-being. It differs from financial attitude, which has both direct and indirect influences on financial well-being and financial behavior. Consumer self-control is an indicator of financial attitude and behavior. Furthermore, consumer awareness of long-term financial matters encourages them to control their consumption behavior. The novelty of this research is that even though consumers have an understanding of financial literacy alone, it is not enough, as financial literacy unsupported by financial behavior does not result in financial well-being. The indirect influence of financial literacy on financial well-being appears simultaneous. To develop financial well-being, consumers must understand financial literacy, which shapes their financial behavior. These results further reinforce the notion that attitudes toward pay later cannot shape both financial behavior and financial well-being. There is a less clear distinction between attitudes toward pay later and financial attitudes. If financial attitudes can shape both financial behavior and financial well-being, this suggests a partial influence, meaning they can directly shape consumers' financial well-being. This result differs from attitudes toward pay later.

A limitation of this research is that it does not focus on a single generation. Focusing on a single generation would likely reveal patterns that differ from those observed in this study. Future research could focus on a single generation to produce results that can be generalized across that generation. It is interesting because pay-later payments are currently growing, but the results of this study indicate that many respondents do not use pay later. It is because two generations were studied. Generation Z is likely to have an unstable income and therefore tends to avoid using pay later. This possibility is different for Millennials, who already have a steady income. The findings of this study indicate that both generations tend not to use pay later. Furthermore, the differences between financial attitudes and attitudes toward pay later can be further developed and tested as variables. These results are interesting because, despite the same consumer attitudes being tested, they yield differences in financial outcomes. The uniqueness of consumer attitudes requires companies to consider pay-later policymaking, which warrants further development in future research.

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