Financial Behavior Study of Generation Z Investors

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ABSTRAK

This study examines the influence of financial education in the family, financial literacy, lifestyle, and locus of control on investors' financial behavior. This research is interesting because it combines two psychological variables: lifestyle and locus of control. This type of research uses a quantitative approach using the SEM (Structural Equation Modeling) analysis method. This research was conducted with a focus on stock investors who are included in the Generation Z category. The results stated that financial education in the family has a significant favorable influence on financial behavior. Furthermore, financial literacy also has a significant positive effect on financial behavior. Lifestyle does not affect financial behavior. Finally, locus of control does not affect financial behavior. The novelty of this research is that it provides novelty in terms of using psychological factors that are pretty important, namely locus of control and lifestyle in Generation Z investors, which have not been widely researched in Indonesia. The focus is on generation Z because they are the majority of investors today and are a generation that will increasingly develop in the future. The novelty of this research is that it provides novelty in terms of using psychological factors that are pretty important, namely locus of control and lifestyle in Generation Z investors, which have not been widely researched in Indonesia. The focus is on generation Z because they are the majority of investors today and are a generation that will increasingly develop in the future.

Keywords: *Financial Behavior, Financial Education in the Family, Financial Literacy, Lifestyle, Locus of Control*

1. INTRODUCTION

The development of Indonesian capital market is increasingly experiencing growth in terms of the number of investors, which has reached more than 10 million, dominated by investors aged 30 years and under. PT Kustodian Sentral Efek Indonesia stated this data with a percentage of 58.18% or equivalent to 6,262,155 investors aged 30 years and under. Investors aged 30 years and under are dominated by Generation Z. Given the relatively young age of investors, this impacts the possibility of bias in these young investors. Many of today's investors make irrational decisions that affect their financial management (Haigh & List, 2003; Paule-Vianez et al., 2020). The irrationality and illogicality of this behavior are explained through behavior finance theory. Therefore, behavior finance is an appropriate and interesting topic to discuss because it can study the psychology of a person's financial behavior to prevent or anticipate behavioral biases and make decisions with existing financial resources (Listiyani et al., 2021).

Various factors strongly influence investor financial behavior. Financial behavior can be interpreted as how a person manages and uses various funds owned. Financial behavior combines economic, psychological, and sociological theories in financial science to be used when making decisions (Wahyuni et al., 2023). The concept of behavioral finance is to study the psychological phenomena of a person that affect financial markets and individual investors (Pompian, 2006). There has been a shift from fundamental theory to behavioral finance theory due to the incorporating of psychology and sociology theories into financial science. This shift causes a situation with certainty to shift to uncertainty, resulting in a shift in rational decision-making conditions that tend to be irrational (Wahyuni et al., 2023).

This research will investigate the factors influencing financial behavior, especially among Gen Z investors, including those born in 1997 and 2012. This research focuses on Gen Z, considering that they are currently dominant in the Indonesian capital market. In the next few years, they will enter the mature age and have excellent income potential. This study will examine what factors influence financial behavior in Gen Z investors by looking at the research gaps that have been found in previous studies, such as financial education in the family, financial literacy, lifestyle (Widyakto et al., 2023), and locus of control (Ritakumalasari & Susanti, 2021; Muhidia, 2019).

Financial education in the family has a significant positive effect on the financial behavior of young people. The existence of parental teaching not to waste money has made students understand the importance of managing sound finances and using their money according to their needs. The experience and knowledge possessed and provided by parents can help young people achieve economic welfare (Zunairoh et al., 2023). The financial literacy variable also significantly affects financial behavior (Widyakto et al., 2023). Good financial literacy will lead to good financial behavior as well. Muhidia's research (2019) shows different results, where financial literacy has no significant effect on financial behavior. The amount of financial literacy a person has does not significantly impact their financial behavior. The higher a person's financial literacy, the better his financial behavior (Wahyuni et al., 2023). The better a person understands his financial literacy, the higher the awareness of his financial behavior when managing his finances. Financial literacy can positively influence financial behavior because a person's good financial literacy will increase his financial behavior (Ubaidillah, 2019).

Lifestyle is also an interesting discussion today. The era of hedonism, supported by social media, can influence a person's lifestyle. A simpler lifestyle and not too carried away by trends can determine or guarantee that their financial management will improve. Lifestyle significantly influences Financial behavior positively and relevantly (Ritakumalasari & Susanti, 2021). Social behavior, such as following trends, can influence a person's lifestyle. This following pattern comes from the fear of missing out (FOMO). This fomo will undoubtedly impact the consumptive lifestyle that can plague Gen Z today, which is also interesting to research.

The lifestyle of hedonism and bandwagoning can be reduced if Gen Z can control itself. For this reason, this study also includes the locus of control variable. Locus of control has a significant positive effect on financial behavior (Ritakumalasari & Susanti, 2021). If individuals can control and deal with their financial problems, this will positively impact their financial behavior. Muhidia's research (2019) explains that locus of control significantly affects financial behavior. Individuals who believe in stable control will determine one's financial behavior.

Based on the explanation above, this research will aim to prove whether there is an effect of financial education in the family, financial literacy, Gen Z investor lifestyle, and locus of control on the financial behavior of investors categorized in Generation Z who are investors born in 1997 - 2012.

2. LITERATURE REVIEW

Behavioral finance is divided into 2, namely microfinance behavior (discussing investor behavior and biases) and macro-finance behavior (describing anomalies in the efficient market hypothesis that can be explained in behavioral models) (Pompian, 2006). Almost everyone knows from experience that wealth management challenges can affect the potential for irrational financial decision-making (Damayanti & Rokhim, 2022). Investors' decision-making is influenced by cognitive and emotional aspects, which can lead to biases in their decision-making (Beatrice et al., 2021; Murhadi et al, 2024a). Cognitive biases include anchoring and adjustment bias, self-attribution bias, availability bias, representativeness bias, conservatism bias, the illusion of control bias, hindsight bias, and confirmation bias. Meanwhile, emotional biases include loss aversion, overconfidence, status quo bias, regret aversion bias, endowment bias, greed bias, and self-control bias.

Good and regular financial behavior is important for investors in making investment decisions. Someone with sound financial management skills can utilize their financial resources. Good financial behavior can make it easier for someone, especially investors, to evaluate related financial improvements. Indicators of financial behavior that will be used in this study (Arwildayanto et al., 2017) are:

a. Consumption is the financial behavior of individuals, as seen from the way they carry out consumption activities, including the reasons why they spend their money on this.
b. Cash flow management measures a person's ability to pay bills or debts promptly. A person is said to have good cash flow management when there is a balance between incoming and outgoing money.
c. Saving and investment: Setting aside income or finances can give a person an emergency fund to pay for unexpected events that can arise in the future.

d. Debt management is where a person can utilize existing debt so that it does not become bankrupt but can be utilized as an increase in individual welfare.

2.1. The Effect of Financial Education in the Family on Financial Behavior

Financial education in the family is a process of parents' role in providing education on how a child responds to financial management and makes financial decisions that can be accounted for (Widyakto et al., 2023). Financial education in the family can be a means for a child first to recognize how to manage their finances. There are several indicators in financial education in the family, namely the role of parents regarding children's financial decision-making, discussions between children and parents regarding financial matters, habits in saving, parents' trust in the child's own financial decisions, and establishing communication to understand finance better (Jorgensen, 2007).

Financial education in the family has aspects related to socialization, namely parenting and communication about finance that exists in the family (Zunairoh et al., 2023). The role of parents in educating their children through communication is vital to enable children to have financial literacy. The role of parents in providing education or education about finance can improve a child's financial literacy. Financial behavior is positively influenced by financial education in the family (Widyakto et al., 2023; Zunairoh et al., 2023). Education on managing finances provided by parents can cause children's financial behavior to become more regular. Financial behavior can be better because someone can manage finances regularly.

H1: It is suspected that financial education in the family positively affects financial behavior.

2.2. The Effect of Financial Literacy on Financial Behavior

Financial literacy is a person's understanding of their financial condition based on effective financial decision-making (Puspita & Isnalita, 2019). Financial literacy is also defined as an individual's ability to assess relevant information to make informed decisions (Carolynne & Richard, 2000). Financial literacy is a person's ability to assess the information they have as a basis for making decisions that affect how they address the use and management of their finances (Bhushan & Medury, 2013; Murhadi et al., 2024b).

The Financial Services Authority (OJK) divides financial knowledge or literacy into four levels, namely (1) being well literate, where a person is considered to have insight and understanding related to financial services institutions and financial products and services; In addition, at this level, a person can manage products at financial institutions to achieve stable finances. (2) sufficient literate, where a person has sufficient knowledge of finance and understands the benefits and risks offered. (3) Less literate people are considered to have low financial knowledge, where they only know financial institutions but do not understand the features, benefits, risks, and skills needed to manage financial services and products. (4) not literate, someone with absolutely no knowledge of financial institutions and what is contained in them and their services. There are two approaches to financial literacy (Potrich et al., 2016), namely:

a. Basic financial literacy, which refers to understanding basic financial concepts such as inflation and the value of money,
b. Advanced financial literacy refers to understanding financial instruments, the function of capital markets, interest rates, risks, and decision-making related to investment in specific instruments.

Someone who has less financial literacy can affect the timing of making the right decisions to carry out their financial management and influence in making investments. Conversely, someone with sufficient financial literacy can be wiser in making decisions. Some indicators that can measure financial literacy are (1) how a person manages credit, (2) understanding the importance of insurance in dealing with risk, (3) understanding of investment and utilization of financial expenses used to compare products in obtaining supporting information, (4) planning retirement funds, and (5) understanding of assessing an item with a priority scale. Chen and Volpe (1998) say that financial literacy has four perspectives, namely (1) understanding and basic knowledge of personal finance, (2) understanding of savings and loans, (3) knowledge of insurance and its products, and (4) understanding of investment and recognizing mutual funds, market interest rates, and the risks of investment.

Financial literacy positively influences financial behavior (Widyakto et al., 2023). The existence of the ability and skills to make decisions based on the information possessed can improve one's financial behavior for the better. In addition, an understanding of regular finance can be used to improve financial behavior and financial management (Ritakumalasari & Susanti, 2021; Wahyuni et al., 2023).

H2: It is suspected that financial literacy has a positive effect on financial behavior.

2.3. The Effect of Lifestyle on Financial Behavior

Lifestyle is how individual behavior changes in following the trend of the times and making this lifestyle a primary need (Listiyani et al., 2021). Lifestyle describes a person's lifestyle regarding activities, interests, and opinions in managing their finances. A person with a simple lifestyle can influence how they deal with and manage their finances. Lifestyle is affected by internal and external factors. Internal factors include how to respond to circumstances and thoughts, observations and experiences, self-concept, personality, a person's behavior formed by motivation in fulfilling needs, and perceptions in managing and interpreting the information they have. External factors include groups that know that a person's behavior can be influenced by these groups, family, social class, and culture that play a role in forming a person's lifestyle. Financial behavior is positively influenced by lifestyle (Ritakumalasari & Susanti, 2021). The development of lifestyle trends can affect how a person manages their finances, especially in Generation Z. Individuals who live a simple lifestyle and do not always follow existing trends will have regular and good financial behavior, especially in managing existing finances.

H3: It is suspected that lifestyle has a positive effect on financial behavior

2.4. The Effect of Locus of Control on Financial Behavior

Locus of control is a belief that is owned or a reflection of an individual regarding the control of circumstances or conditions within oneself or from external sources (Munir & Sajid, 2010). Locus of control has four aspects, namely, (1) behavior that refers to the possibility of behavior in certain situations, (2) expectations refer to a person's expectation that the behavior performed can strengthen the possibility that it occurs, (3) reinforcement value with reinforcement based on experiences from the past with the present to develop expectations in the future, and (4) a psychological situation where a person often reacts to his environment both internal and external (Rotter, 1982). Locus of control is divided into internal and external. According to Rotter (1982), the internal locus of control believes that the control exercised by a person is influenced by his abilities, namely skill, ability, and effort. A person also believes that whatever results occur are caused by himself. External locus of control believes that the results that occur, both success and failure, are caused by external factors such as fate, chance, luck, and opportunity. Someone who believes this feels no need to spend maximum effort because it is not guaranteed that the effort will succeed as expected.

Locus of control is influenced by several factors, namely family and training. The family is where a person grows up and has a more significant influence. The family plays a role in habits, how to do financial management, lifestyle, and how decisions are made. Families who often control their children's behavior will affect their children's locus of control, where they tend not to have confidence in their abilities, especially in decision-making; on the other hand, if the family provides support, the child will grow up to be confident and be able to make responsible decisions. Training can affect the locus of control because of the increased ability of individuals to participate.

Locus of control positively affects financial behavior (Muhidia, 2019; Ritakumalasari & Susanti, 2021; Listiani & Kurniawati, 2017). Individuals with an exemplary locus of control will improve their financial behavior. Someone who can control themselves will be able to control their spending, manage their finances well, and overcome financial problems (Ritakumalasari & Susanti, 2021). On the other hand, someone who can control himself and not be influenced by his environment, especially in decision-making and managing his finances, will improve his financial behavior.

H4: It is suspected that locus of control positively affects financial behavior.

Based on the explanation of the hypothesis above, the research model can be described in Figure 1.

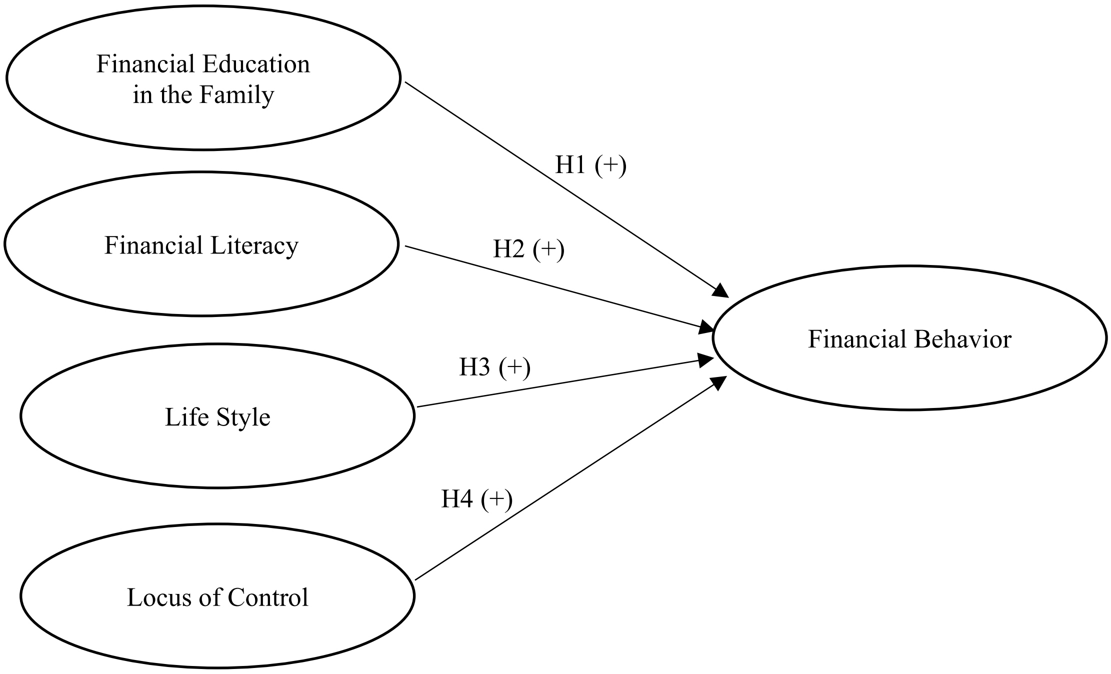

Figure 1. Research Model

3. RESEARCH METHODS

This study uses structural equation modeling with exogenous variables such as financial education in the family, financial literacy, lifestyle, and locus of control, while the endogenous variable is financial behavior. This study uses interval measurement with a scale of 1 to 5, which states if scale 1 (strongly disagree) and scale 5 (strongly agree).

The sample of this research is people who invest and belong to Generation Z or were born between 1997 and 2012. Respondents using the Slovin formula were found to be a minimum of 100 people. This study's sample criteria are investors in the Generation Z category (born in 1997-2012) and investors who must have invested in stocks during the past year.

Financial behavior variables (FB) are measured using questions: I record and make a budget related to financial expenses every month, I set aside some funds for unexpected needs in the future, I set aside some of my income to save for future use, and I set aside some of my income to make investments. Meanwhile, the financial education variable (FE) in the family is measured through the following indicators: My parents teach me not to be wasteful when using money, I have my savings, my parents teach me to save regularly and regularly, my parents teach me always to think carefully when making purchases, my parents teach me how to make the right investments, and my parents teach me to make regular financial plans.

The financial literacy variable (FL) is measured through the following indicators: I understand finance in general; I compare prices when making purchases; I know how to manage finances wisely and adequately; I have long-term, medium, and short-term investments; I choose banks as my savings because they are safer, I have knowledge related to personal finance so that I can avoid fraud, I realize that finances need to be planned adequately and appropriately, and Financial literacy helps me to be able to make investments in the future.

Lifestyle variables (LS) are measured through the following indicators: I spend my money on important needs only (for example, buying college books, printing, buying quota, etc.), I always look at prices when making purchases, and I think that having a simple lifestyle and not being carried away by trends will make individual finances more organized. The locus of control (LC) variable is measured as follows: I can control myself when facing financial problems in my life, I have high confidence in my attitude towards my financial problems and those around me, I can find solutions to personal problems and also personal financial problems, and I have high initiative to solve solutions to financial problems to personal problems.

4. RESULTS AND DISCUSSION

After conducting validity and reliability tests and measuring the model, there are nine items whose results are <0.5, which are declared invalid and discarded. After conducting the measurement model test, the next stage is to conduct a structural model test. The structural model test uses one dependent variable, namely financial behavior, which is associated with four independent variables, including financial education in the family, financial literacy, lifestyle, and locus of control, to determine the influence between research variables. The following are the results of the structural model tested:

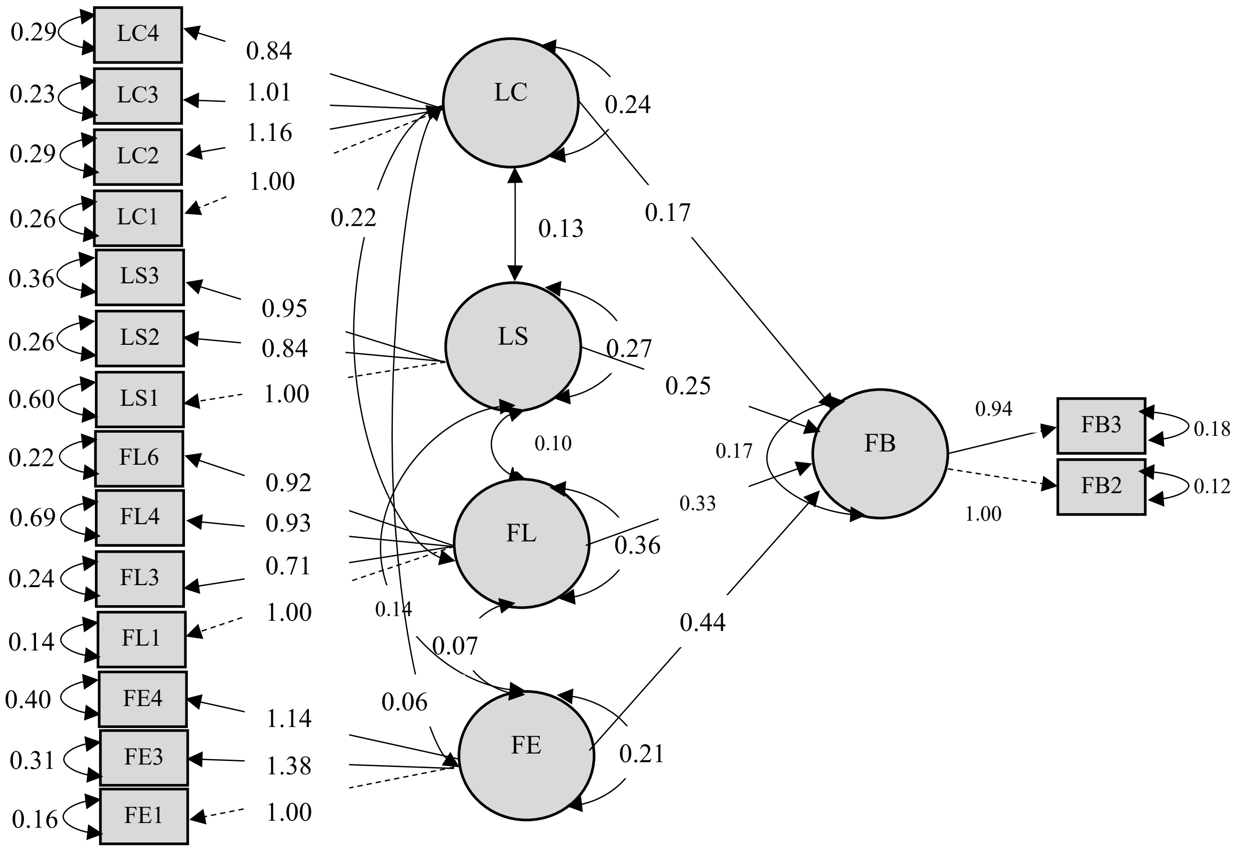

Figure 2. Structural Model Chart

Figure 2 shows four hypotheses between variables, namely, financial education in the family, financial literacy, lifestyle, and locus of control with financial behavior. The results of hypothesis testing are presented in Table 1.

Table 1. Hypothesis Testing Results

	Hypothesis	CR	Estimate	p
H1	Financial Education in the Family → Financial Behavior	2.408	0.444	0.016**
H2	Financial Literacy → Financial Behavior	1.851	0.329	0.064*
H3	Life Style → Financial Behavior	1.200	0.254	0.230
H4	Locus of Control → Financial Behavior	-0.659	-0.172	0.510

Note: ***sig at α = 1%, **sig at α = 5%, *sig at α = 10%

Table 1 shows four hypotheses, with two hypotheses having a significant favorable influence, namely hypotheses H1 and H2, and two hypotheses rejected, namely H3 and H4. Based on the testing results, hypothesis 1 shows a significant favorable influence between financial education in the family and financial behavior. The existence of parental education in guiding to be responsible in using their money can affect an individual's financial behavior and make the individual understand the importance of regular financial management. This result is in line with research by Zunairoh et al. (2023), which states that education and behavior in managing finances provided by parents can be an example for children in managing their finances. The existence of appropriate financial education in the family will have an impact on individual financial behavior to be better. However, if financial education in the family is not appropriate, it will impact poor financial behavior (Sari & Listiadi, 2021). In the current conditions, it is explained that female and male investors in Indonesia who are categorized as Generation Z have and receive financial education in their families, thus influencing the financial behavior of Generation Z investors, which is also improving. This condition is because the family's high level of financial education can prevent investors in Indonesia from spending their money on momentary desires so that investors in Indonesia can manage their finances well. This argument can also be seen in the question item "My parents taught me not to be wasteful when using money," which has the highest average.

Financial education in the family setting has been found to affect financial behavior through several mechanisms positively. This connection is well established in the academic literature and can be explained through several key direct and indirect pathways. Family financial socialization theory is the major theory employed to explain how family financial education affects financial behavior. This theory suggests that parents are the primary social influences in developing one's financial thoughts, behavior, and overall health. The process occurs through explicit (conscious) and implicit (learning by observation) learning processes within the family setting. Gudmunson and Danes (2011) developed a four-stage model of financial socialization: (1) parental financial norms and direct instruction socialization, (2) learning outcomes such as financial knowledge and parental financial behavior imitation, (3) psychological changes in terms of financial attitudes and self-regulation, and (4) positive behavioral outcomes. This model illustrates how family financial education is translated into actual financial behaviors. Economic education among family members strongly positively impacts financial behavior in numerous ways and through numerous interactions. Integrating explicit education with observational learning helps families acquire financial know-how, and such attendant attitudes, self-regulation, and customary conduct constitute competent money handling. The evidence indicates that families are most effectively taught financial education when it starts early, is sustained, and consists of both explicit teaching and implicit role modeling.

The results of the hypothesis 2 test that has been processed state that there is a significant favorable influence between financial literacy and financial behavior. Female and male investors in Indonesia who are included in the Generation Z category have a high level of financial literacy because they understand how to manage their finances well and wisely. Financial literacy provides investors with knowledge in managing financial funds and savings (Murhadi et al., 2023). High financial literacy can also help investors in Indonesia when investing in the future. Therefore, investors' financial literacy level in Indonesia has a significant positive effect on financial behavior. Financial literacy integrates financial knowledge, skills, and attitudes, allowing individuals to make sound financial decisions and engage in economic activities (Lusardi, 2019; Lusardi & Messi, 2023). The OECD has defined it as "the awareness and understanding of financial concepts and risks, accompanied by the skills, motivation, and confidence to apply this knowledge.". This all-encompassing definition emphasizes that genuine financial literacy involves having knowledge of it and the ability to apply that knowledge within real-world, everyday situations. Several theoretical frameworks substantiate the link between positive financial behavior and financial literacy: In Human Capital Theory, we consider financial knowledge as an investment that brings return through improved financial outcomes. The theory of Planned Behavior posits that financial literacy impacts attitudes and intentions, which results in better financial behavior. The behavioral life-cycle hypothesis states that financially literate people are in better control of their lifetime consumption and savings. The Family Resource Management Theory postulates that the knowledge base only decides individual behavior. Financial behaviorally, this means that those who are highly financially literate can make wise and prudent financial decisions. Mireku et al. (2023) research validates this hypothesis since it indicates that those who are financially literate have better financial behaviors than those who are not. Those who are financially literate have a greater capacity to analyze sophisticated financial information and assess multiple options. Experiments with the "Big Three" questions of financial literacy (interest rates, inflation, risk diversification) revealed that just 30% of adults worldwide can correctly answer all three, and this low standard of literacy is associated with ill-behavior financially. Financial literacy makes individuals stronger at: Formulating and sticking to budgets better, Having superior self-control in spending choices, Being stronger at assessing risks, and Exhibiting lower vulnerability to cognitive biases such as present bias. OECD research across 20 countries found that financial literacy consistently predicts positive financial behaviors, with completion of higher education being a decisive contributing factor (Nogueira et al., 2025). However, inequality in access to education and high household debt levels negatively impact this relationship.

The results of the hypothesis 3 test show no significant influence between lifestyle and financial behavior. These results indicate that respondents understand that having a high lifestyle can make financial behavior less good, so they try to manage their finances well and plan their finances with their lifestyle (Sada, 2022; Putri et al., 2023). The lifestyle of female and male investors in Indonesia who are included in the Generation Z category does not affect financial behavior in managing their finances. Generation Z respondents live in an era of sophisticated technology, and the cost of living and lifestyle is relatively high, so with the high lifestyle that has been owned since long ago, investors understand that even though their lifestyle is high, if they can manage and plan their finances well, it will not affect their finances. The connection between lifestyle and financial behavior has been researched thoroughly, with various study results showing that lifestyle does not necessarily have a direct, substantial impact on financial behavior. The result may be due to several factors, such as the intervening influence of other psychological and behavioral variables. Rufaidah and Setiyono (2023) discovered that lifestyle does not directly affect financial management behavior but has a significant impact on it indirectly through the mediating role of financial self-efficacy. This result implies that people's belief in managing their finances is vital in converting lifestyle decisions into financial behaviors. Based on research carried out by Sabrina et al. (2023), lifestyle contributes minimally to student financial behavior. The research identifies that self-discipline and financial knowledge contribute significantly to financial behavior; thus, lifestyle cannot be used as a strong predictor. The "value-action gap" refers to the disparity between what individuals believe or hold as values and how they behave in their day-to-day lives. Although people may attempt to attain a given lifestyle, this may not automatically translate into aligned financial behavior based on different limits or without proper self-efficacy. The lack of a substantial direct impact of lifestyle on financial behavior can be explained through the intervening functions by variables like self-efficacy and self-control. Knowing these mediators is necessary to effectively create sound financial education programs that respond to lifestyle decisions and improve individuals' confidence and skill at handling money. Lifestyle describes durable and long-lasting ways of living, whereas financial behavior generally points to certain decisions based on a particular circumstance. This timing difference suggests that worldwide lifestyle does not forecast particular financial behaviors (Pulk & Post, 2025). Money-aware individuals can exhibit good money habits despite their lifestyle through mindful self-restraint. That is why, for example, financial literacy-controlled studies report diminishing lifestyle impacts (Choowan et al., 2025). Lifestyle tends to be operationalized constricted (e.g., materialism) in finance studies, maybe excluding more comprehensive dimensions of lifestyle potentially linked with financial behavior. The shared emphasis on a consumption-driven lifestyle might overlook fundamental elements of financial choice-making (Setiawan et al., 2024).

The results of the hypothesis 4 testing that was carried out show that there is no significant influence between locus of control and financial behavior. Locus of control is the belief that a person has to control existing conditions internally and externally (Munir & Sajid, 2010) so that a person's locus of control does not necessarily affect how they behave in managing their finances. The locus of control possessed by female and male investors in Indonesia, categorized as generation Z, does not affect their financial behavior in dealing with their financial situations. Wijaya & Zunairoh (2021) stated that if an investor has a high locus of control, they will believe that the desired results will occur due to their abilities. The question item "I have high self-confidence in behaving towards my financial problems and those around me" has the lowest average value. Based on these data, respondents lack confidence in their ability to control their financial problems. Therefore, investors' financial behavior is not influenced by their locus of control because each investor's level of locus of control in dealing with financial problems is undoubtedly different. Research shows that the influence of locus of control on financial behavior works through mediators and not directly. A study involving 654 participants established that although LOC did not work directly, its influence was mediated entirely by financial literacy and income circumstances (Prayuda & Purwanto, 2024). Also, another research exposed financial literacy as a complete mediator between locus of control and financial conduct, where the effect of locus of control relies on other variables (Mutlu & Ozer, 2022). The conceptual vagueness concerning the locus of control measures yields contrasting results. Economists and psychologists measure locus of control in distinct ways, and economists tend to use less than comprehensive scales, which may or may not capture the construct fully (Cobb-Clark, 2015). The intricate interaction of multiple psychological and behavioral variables can explain the locus of control's inability to affect financial behavior directly. Although locus of control would not directly influence financial decisions, it can be employed to mediate the relationship between financial attitudes and knowledge and behavior. It is instrumental in learning how to create effective financial education programs to appreciate the complexity of financial decision-making.

5. CONCLUSION

Based on the study's results, the dependent variable (financial behavior) is influenced by two independent variables, namely financial education in the family and financial literacy. The financial education variable in the family has a significant positive effect on financial behavior. Furthermore, the financial literacy variable also has a significant positive effect on financial behavior. However, the lifestyle variable does not affect financial behavior, and the locus of control variable does not.

The theoretical implications of this study are related to two influential variables, namely financial education in the family and financial literacy, which affect the financial behavior of investors in Indonesia who are categorized as Generation Z. The study results for financial education in the family. Financial behavior shows a significant favorable influence between financial education and financial behavior. The results of this study strengthen the discussion of the importance of financial education in the family, which states that the role of parents in teaching attitudes towards financial management will influence someone in making the right financial decisions related to their finances. At the same time, the theoretical implications of financial literacy will form prudent financial behavior. This study supports the issue of strengthening financial literacy for the younger generation so that they can be careful when managing their financial funds. A robust positive association between financial literacy and financial behavior has been established across age and socioeconomic levels. Financial literacy gives individuals the tools to handle increasingly sophisticated financial environments, avoid traps, and make choices contributing to financial health. The ultimate importance of this knowledge in support of sound financial behavior remains beyond dispute despite uncertainty regarding optimal means of increasing financial literacy.

The practical implications of the research results show that financial education in the family has a significant positive effect on financial behavior. For investors, a good and high level of financial education in the family will help them behave towards their financial management and make financial decisions appropriately to manage their finances properly and wisely. The study's results also show that financial literacy has a significant positive effect on financial behavior. A high level of financial literacy can help investors manage their finances appropriately and wisely. In light of these findings, policymakers and educators can think about supporting and strengthening family financial socialization processes as part of comprehensive strategies for developing financial capability in the population. These can involve parent education programs, family financial literacy programs, and school curricula that promote parent-child financial communication. The causal relationship between financial literacy and financial behavior highlights the significance of introducing financial education at the initial levels of education. Policymakers and educationalists should prioritize financial education programs to empower people with the necessary skills for efficient management of finances. The programs can result in improved saving, debt handling, and overall financial well-being.

The research has a limitation in that the meaning of the questionnaire statement items is not understood and that distribution was conducted online; therefore, it could not provide detailed instructions to respondents. Future research should eliminate the unknown meaning of the questionnaire statement, which can affect the result of the insignificant hypothesis. In addition, future studies can distribute questionnaires in person so that clear explanations and instructions can be provided face-to-face if the participants struggle to comprehend the statements presented in the questionnaire. It is future research to develop improved means of providing financial education and addressing the specific needs of at-risk groups. Moreover, researchers should examine more nuanced operationalizations of lifestyle that could be linked to financial behavior beyond consumption. Researchers must apply domain-specific locus of control scales when studying financial behavior rather than employing general scales.

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