The Impact of Financial Literacy, Financial Technology, and Financial Behavior on Generation Z Financial Inclusion

MUHAMMAD NUR FIETROH

Management, Universitas Teknologi Sumbawa

Abstract— Communities are required to find solutions and solve existing economic problems, in order to meet their needs. There are more and more institutions, products and services offered in the market today. In facing this crisis, the industry has updated its system to compete in order to get customers so as to obtain maximum profits. Researcher must formulate research hypotheses and determine research variables. The next step is to select a research instrument. The next step is to determine the sampling technique and collect research data from the field. Data processing and analysis is carried out with the tabulation of data, data classification, descriptive analyzes, hypothesis testing and conclusion of the analysis results. Financial literacy helps increase Generation Z''s awareness of the importance of managing personal finances. Financial technology has significant potential to increase financial inclusion for Generation Z. Generation Z often lacks adequate financial education and knowledge during their school years. This can hinder their ability to manage personal finances well and take advantage of available financial products and services. Over all, the findings from the field show that financial literacy has an important role to play in increasing the financial inclusion of Generation Z. With a good understanding of finance and the skills acquired through financial literacy, Generation Z has a better chance to achieve financial stability, take advantage of investment opportunities, and manage their personal finances wisely.

Indexed Terms—Financial Literacy, Financial Technology, Financial Behavior, Financial Inclusion, Generation Z.

I. INTRODUCTION

In the current era of globalization, economic problems are becoming increasingly complex. Communities are required to find solutions and solve existing economic problems, in order to meet their needs. There are more and more institutions, products and services offered in the market today. This makes people who are positioned as consumers tend to be consumptive and buy without adhering to financial principles. According to Sovi (2022) Consumptive behavior is the behavior or lifestyle of individuals who like to spend their money without careful consideration. Many people behave financially only based on what they want, not based on what is needed. According to Widayati (2014) Financial intelligence is something that needs attention in modern life as it is today.

Moreover, According to Hidayat (2015) Financial problems and high consumption patterns of society, and various problems related to the inability to manage finances, increasingly make people aware of the importance of financial knowledge or literacy. Financial literacy is needed by the community to manage the assets they own, so that they can be used as best as possible. Implementation of education in the context of increasing public finances is urgently needed because based on a survey conducted by the OJK in 2013, the level of financial literacy of the Indonesian population is divided into four parts, namely Well literate, Sufficient literate, Less literate, Not literate. According to Dilasari et al (2020) Good financial literacy is characterized by a high understanding of financial literacy. That financial literacy can be interpreted as a series of processes to increase knowledge, skills, and confidence in order to be able to manage personal finances better.

In 2008 there was a global crisis which had a major impact on individuals and industries, especially in the financial sector. In facing this crisis, the industry has updated its system to compete in order to get customers so as to obtain maximum profits. The latest systems owned by the industry are not necessarily in demand by customers, where there are different consumer behaviors in response to increasingly sophisticated technology, with the development of the times and technology, individual knowledge about technology must also be more advanced. Because not all the sophisticated technology provided by the industry to consumers can provide convenience for individuals. One of the industries following technological advances is the industry in the financial sector. The technology used in the financial sector is better known as financial technology (fintech).

According to the Financial Services Authority (2016) In order for the progress of financial literacy, financial technology and financial behavior to be in line, financial inclusion is needed. Based on the Financial Services Authority regulation Number 76 / POJK.07 / 2016 concerning Increasing Financial Inclusion in the Financial Services Sector for Consumers or the Public, Article 1 paragraph (7) states that financial inclusion is the availability of access to various institutions, products and financial services according to needs. and the ability of the community in order to improve the welfare of the community.

According to the Ministry of Home Affairs (2022) In June 2022, Semester I 2022, Indonesia's population was recorded at 275,361,267 people. Based on the population pyramid, currently Indonesia is dominated by productive population (aged 15-64 years) of 190,827,224 people or 69.30 percent. For residents of the young age category (0-14 years) fill as many as 67,155,629 people or 24.39 percent. The remaining population is in the old age category (65 years and over) of 17,374,414 people or 6.31 percent. Furthermore, in the generation theory (Generation Theory) put forward by Graeme Codrington & Sue Grant-Marshall, Penguin, (2004) distinguished 5 human generations based on the year of birth, namely: (1) Baby Boomer Generation, born 1946-1964; (2) Generation X, born 1965-1980; (3) Generation Y, born 1981-1994, often called the millennial generation; (4) Generation Z, born 1995-2010 (also called iGeneration, GenerasiNet, Generation Internet); and (5) Generation Alpha, born 2011-2025. The five generations have differences in personality development.

Margaretha (2015) explains the problem that occurs for most students who are in the college phase is a time when they manage their finances independently without full supervision from their parents. Students are required to be able to independently manage their finances and be responsible for the consequences or risks of the financial decisions they make. There are many financial problems that are often faced by students, one of which is that they do not have a source of income from their own business or are still dependent on their parents. Most students are also often faced with a consumptive lifestyle so they have difficulty managing finances and have to borrow from friends. College students are also generation Z who have not yet earned an income. The lifestyle of generation Z who already have an income is different from that of students who have not earned an income.

II. RESEARCH METHODE

The earliest step in research is problem identification which is intended as a confirmation of the boundaries of the problem so that the scope of the research does not deviate from its purpose. Followed by a description of the background of the problem which is intended to convey and explain the probing background and phenomena in the field. If the background of the problem has been carefully described, then the main problem to be studied is formulated in the form of a question sentence and the answer is to be sought in the research. According to Saifuddin (2013) In the form of inferential research, researchers must formulate research hypotheses and determine research variables and then carry out operationalization of each variable used. The next step is to select a research instrument, a research variable measuring instrument plays an important role in obtaining accurate and reliable information. In fact, the validity of research results largely depends on the quality of the data collection instruments. The next step is to determine the sampling technique used in the research and collect research data from the field. Research data was collected either through data collection instruments, observation or through

documentation data. After the data is obtained, data processing and analysis is carried out. The data processing process begins with the tabulation of data in a master table, data classification, descriptive analyzes, hypothesis testing and conclusion of the analysis results. The final step in any research process is writing a research report.

The type of research used in this research is associative research. Where the relationship between the variables in the study will be analyzed using statistical measures that are relevant to the data to test the hypothesis. In associative research there are at least two variables that are connected, where researchers use a form of causality (causality). In this research is to look for the effect of financial literacy, financial technology and financial behavior on the financial inclusion of the millennial generation in students of the Sumbawa University of Technology.

In general, according to Sekaran and Bogie (2016) primary data is data collected from first-party sources who have information, namely respondents. It is also said that primary data is original research data, which is obtained directly without interpretation or filtering from a second party (Cooper and Schindler, 2014).

In this study, the population taken was 3,851 students from the University of Technology, Sumbawa. By using the formula from Slovin because the population size is known so that a sample size of 96 students is obtained and rounding is carried out for a sample of 100 Sumbawa University of Technology students with the reason that the remaining 4 students are used if there is incomplete data and invalid and reliable questionnaires.

Sampling was carried out using non probability sampling, namely sampling that does not provide equal opportunities to the existing population. The technique of determining the sample using purposive sampling, which is a sampling method based on certain criteria so that the sample can represent the characteristics of the population desired by the study. The criteria are as follows: 1. Active students at the Sumbawa University of Technology class of 2019-2022 2. Students who have taken financial planning courses. 3. Students who have made online payment

transactions such as mobile banking, e-wallet using QRIS/Dana/OVO/Shopeepay.

In carrying out the instrument test, this study conducted a pilot test which distributed questionnaires to 30 research respondents whose results later revealed that the results of the questionnaire had passed the validity and reliability tests. More specifically, data collection was carried out using the survey method, which is a method that is carried out through a questionnaire with an open and closed question structure.

The type of data used in this study is primary data in the form of self reports. Self-report taking uses the self-administered survey method, namely a self-managed survey by distributing questionnaires directly to respondents and filled in by the relevant respondents themselves (Cooper and Schindler, 2014). The distribution of questionnaires carried out in this study was to collect data through a list of questions that had been carefully arranged using a Likert scale research measurement.

After carrying out the instrument test and being declared to have met the criteria for the validity test and reliability test, proceed to the classical assumption test stage which starts with the normality test, then continues with the heteroscedasticity test, and finally the multicollinearity test.

After completing the classical assumption test, the researcher then conducted a multiple linear regression analysis. This analysis is used to determine the influence of the independent variables studied, namely the independent variable X1, namely Financial Literacy, X2, namely Financial Technology, X3, namely Financial Behavior on the dependent variable (Y), namely Financial Inclusion Generation Z.

$$Y = \alpha + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + e$$

Information:
Y = Generation Z Financial Inclusion; X1 = Financial Literacy; X2 = Financial Technology; X3 = Financial Behavior; β1 = Coefficient of Financial Literacy; β2 = Coefficient of Financial Technology; β3 = Coefficient of Financial Behavior; α = Constant; e = Standard error.

Then do the coefficient of determination test. the test of the coefficient of determination is expressed in the form of a percentage, which shows the magnitude of the influence of the independent variables on the dependent variable. The coefficient of determination (R^2) is used to measure the correctness of the relationship of the model used, namely the number that indicates the magnitude of the ability of the variance/dispersion of the independent variables that explain the dependent variable. The magnitude of the value of R^2 is $0 \leq R^2 \leq 1$, where the closer to 1 means the model can be said to be good because the closer the relationship between the independent variables and the dependent variable, and vice versa.

III. RESULT AND DISCUSSION

From the research results it can be seen that a sample of 100 people obtained data about the sex of each respondent who was male as many as 21 people or in the form of a percentage of 21%. While the number of female respondents was 79 people or in the form of a percentage of 79%. Based on the profile data of respondents belonging to the age group above, the number of respondents aged ≤ 20 years was 30 people or in the form of a percentage of 30%, the number of respondents aged 21-23 years was 54 people or in the form of a percentage of 54%, the number of respondents aged ≥ 24 years as many as 16 people or in the form of a percentage of 16%.

In this study, 100 questionnaire results were used to test the validity and found an r table value of 0.195. The validity test in this study was carried out with the help of SPSS (Statistical Package for Social Sciences). The validity test criteria are: If $r_{value} > r_{table}$, then the questionnaire is valid.

Table of the results of the X_1 variable validity test

Correlations

		Literasi Keuangan 1	Literasi Keuangan 2	Literasi Keuangan 3	Literasi Keuangan 4	TOTAL
Literasi Keuangan 1	Pearson Correlation	1	.347**	.392**	.347**	.676**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
Literasi Keuangan 2	Pearson Correlation	.347**	1	.442**	.435**	.777**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	100	100	100	100	100
Literasi Keuangan 3	Pearson Correlation	.392**	.442**	1	.459**	.734**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	100	100	100	100	100
Literasi Keuangan 4	Pearson Correlation	.347**	.435**	.459**	1	.779**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
TOTAL	Pearson Correlation	.676**	.777**	.734**	.779**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Table of the results of the X_2 variable validity test

Correlations

		Financial Technology 1	Financial Technology 2	Financial Technology 3	Financial Technology 4	TOTAL
Financial Technology 1	Pearson Correlation	1	.331**	.365**	.348**	.659**
	Sig. (2-tailed)		.001	.000	.000	.000
	N	100	100	100	100	100
Financial Technology 2	Pearson Correlation	.331**	1	.444**	.448**	.781**
	Sig. (2-tailed)	.001		.000	.000	.000
	N	100	100	100	100	100
Financial Technology 3	Pearson Correlation	.365**	.444**	1	.460**	.728**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	100	100	100	100	100
Financial Technology 4	Pearson Correlation	.348**	.448**	.460**	1	.787**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
TOTAL	Pearson Correlation	.659**	.781**	.728**	.787**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Table of the results of the X_3 variable validity test

Correlations

		Perilaku Keuangan 1	Perilaku Keuangan 2	Perilaku Keuangan 3	Perilaku Keuangan 4	Perilaku Keuangan 5	TOTAL
Perilaku Keuangan 1	Pearson Correlation	1	.347**	.079	.392**	.348**	.669**
	Sig. (2-tailed)		.000	.433	.000	.000	.000
	N	100	100	100	100	100	100
Perilaku Keuangan 2	Pearson Correlation	.347**	1	.006	.444**	.448**	.753**
	Sig. (2-tailed)	.000		.950	.000	.000	.000
	N	100	100	100	100	100	100
Perilaku Keuangan 3	Pearson Correlation	.079	.006	1	-.087	-.027	.278**
	Sig. (2-tailed)	.433	.950		.389	.786	.005
	N	100	100	100	100	100	100
Perilaku Keuangan 4	Pearson Correlation	.392**	.444**	-.087	1	.460**	.678**
	Sig. (2-tailed)	.000	.000	.389		.000	.000
	N	100	100	100	100	100	100
Perilaku Keuangan 5	Pearson Correlation	.348**	.448**	-.027	.460**	1	.744**
	Sig. (2-tailed)	.000	.000	.786	.000		.000
	N	100	100	100	100	100	100
TOTAL	Pearson Correlation	.669**	.753**	.278**	.678**	.744**	1
	Sig. (2-tailed)	.000	.000	.005	.000	.000	
	N	100	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Correlations

		Inklusi Keuangan Generasi Z 1	Inklusi Keuangan Generasi Z 2	Inklusi Keuangan Generasi Z 3	Inklusi Keuangan Generasi Z 4	TOTAL
Inklusi Keuangan Generasi Z 1	Pearson Correlation	1	.360**	.473**	.369**	.712**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
Inklusi Keuangan Generasi Z 2	Pearson Correlation	.360**	1	.438**	.387**	.738**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	100	100	100	100	100
Inklusi Keuangan Generasi Z 3	Pearson Correlation	.473**	.438**	1	.455**	.783**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	100	100	100	100	100
Inklusi Keuangan Generasi Z 4	Pearson Correlation	.369**	.387**	.455**	1	.759**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
TOTAL	Pearson Correlation	.712**	.738**	.783**	.759**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

The r_{table} value is 0.195 and the results obtained from the 17 statement items at X1, X2, X3 and Y which are given to 100 respondents, have a calculated r value on the results of Corrected item-total correlation which is $\geq r_{table}$ ($r_{count} \geq r_{table}$), which means that all statement items declared valid.

Reliability test Results
Based on the results of the overall reliability test, the Cronbach's Alpha value was obtained where each variable $X_1 = 0.721$; Variable $X_2 = 0.718$; Variable $X_3 = 0.620$; Variable $Y = 0.735$ so that the Cronbach's Alpha value for each variable is greater than 0.60, which means that the statement items in the research questionnaire are considered reliable or feasible.

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	Unstandardized Residual	Unstandardized Residual
N		100	100	100
Normal Parameters[a,b]	Mean	.0000000	.0000000	.0000000
	Std. Deviation	2.00867921	1.98988912	2.01903755
Most Extreme Differences	Absolute	.068	.068	.079
	Positive	.068	.068	.079
	Negative	-.053	-.055	-.057
Test Statistic		.068	.068	.079
Asymp. Sig. (2-tailed)		.200[c,d]	.200[c,d]	.125[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Based on the results of the normality test, it is known that the significance value of X_1 is $0.200 \geq 0.05$, the significance value of X_2 is $0.200 \geq 0.05$, and the significance value of X_3 is $0.125 \geq 0.05$ so that it can be concluded that the residual values are normally distributed.

Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	.591	.662		.893	.374		
	Literasi Keuangan	.048	.102	.045	.474	.636	.163	6.139
	Financial Technology	-.017	.073	-.015	-.226	.821	.314	3.180
	Perilaku Keuangan	.747	.062	.901	12.033	.000	.257	3.891

a. Dependent Variable: Inklusi Keuangan Generasi Z

From the table above, the VIF X_1 value is 6.139, the VIF X_2 value is 3.180 and the VIF X_3 value is 3.891. These three variables all have a VIF value of less than 10. Thus H0 is accepted and H_1 is rejected. So it can be concluded that the regression equation model does not have multicollinearity problems and can be used in this study.

Heteroscedasticity Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.146	1.120		.131	.896
	Literasi Keuangan	.128	.590	.219	.217	.828
	Financial Technology	-.451	.587	-.771	-.768	.444
	Perilaku Keuangan	.332	.195	.595	1.698	.093

a. Dependent Variable: Abs_Res

Based on the results of the table above, the three independent variables obtained a significance value of ≥ 0.05, so there is no heteroscedasticity and the test results can be continued.

Multiple Linear Regression Analysis Test Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	.591	.662		.893	.374		
	Literasi Keuangan	.048	.102	.045	.474	.636	.163	6.139
	Financial Technology	-.017	.073	-.015	-.226	.821	.314	3.180
	Perilaku Keuangan	.747	.062	.901	12.033	.000	.257	3.891

a. Dependent Variable: Inklusi Keuangan Generasi Z

Based on the results of the table above, it can be seen that the constant value (α value) is 0.591 and for X_1 (β_1 value) is 0.048, for X_2 (β_2 value) is -0.017, while X_3 (β_3 value) is 0.747. So that the multiple linear regression equation can be obtained as follows:

$$Y = 0.591 + 0.048\,X1 + -0.017\,X2 + 0.747\,X3 + e$$

Hypothesis Test t (t-test) X_1 Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.943	.981		1.981	.050
	Literasi Keuangan	.876	.064	.808	13.584	.000

a. Dependent Variable: Inklusi Keuangan Generasi Z

Variable X_1 to Y. Based on the results of the table above, the t value is 13.584 with a significance value of 0.000. This shows that the value of t count $\geq$ t table (13.584 $\geq$ 1.98498), while the value of t table at the degree of freedom level df = 100 − 3 - 1 = 96 at a significance rate = 0.05. If the significance value of t count is 0.000 compared to the significance value of t table is 0.05, then the value of t count $\leq$ t table (0.000 $\leq$ 0.05). So it can be concluded that the variable X_1 has a significant influence on Y.

Hypothesis Test t (t-test) X_2 Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	4.439	1.239		3.581	.001
	Financial Technology	.715	.082	.661	8.716	.000

a. Dependent Variable: Inklusi Keuangan Generasi Z

Based on the results of the table above, the t value is 8.716 with a significance value of 0.000. This shows that the value of t count $\geq$ t table (8.716 $\geq$ 1.98498), while the value of t table at the degree of freedom level df = 100 - 3 - 1 = 96 at the significance level = 0.05. If the significance value of t count is 0.000 compared to the significance value of t_{table} is 0.05, then the value of $t_{count} \leq t_{table}$ (0.000 $\leq$ 0.05). So it can be concluded that the variable (X2) has a significant influence on (Y).

Hypothesis Test t (t-test) X_3 Results

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.641	.594		1.079	.283
	Perilaku Keuangan	.769	.031	.928	24.686	.000

a. Dependent Variable: Inklusi Keuangan Generasi Z

Based on the results of the table above, the t_{value} is 24.686 with a significance value of 0.000. This shows that the value of $t_{count} \geq t_{table}$ (24.686 ≥ 1.98498), while the value of t_{table} at the degree of freedom level df = 100 - 3 - 1 = 96 at a significance rate = 0.05. If the significance value of t_{count} is 0.000 compared to the significance value of t_{table} is 0.05, then the value of $t_{count} \leq t_{table}$ (0.000 ≤ 0.05). So it can be concluded that the variable X_3 has a significant influence on Y.

Test results for the Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.928ª	.862	.857	.89089

a. Predictors: (Constant), Perilaku Keuangan , Financial Technology, Literasi Keuangan

Based on the results of the table above, the value of R^2 (R Square) is 0.862 or (86.2%), this indicates that there is a simultaneous influence between variables X_1, X_2 and X_3 on variable Y of 0.862 or (86.2%).

Discussion
Financial literacy
Financial literacy helps increase Generation Z's awareness of the importance of managing personal finances and existing financial policies. They become more aware of the importance of saving, investing and financial protection. Generation Z who have good financial literacy tend to make wiser financial decisions. They can understand the risks and benefits of various financial products, create effective budgets, and better manage debt. Generation Z who have good financial literacy are better able to utilize financial technology such as digital banking, e-wallets, and online investments. They can understand the workings and benefits of these financial applications, thereby increasing their accessibility and use. Financial literacy helps Generation Z plan their future better. They can understand and plan short-term and long-term financial goals, such as buying a house, investing, or preparing for retirement. Financial literacy gives generation Z the ability to participate actively in the economy. They can be savvy consumers, successful entrepreneurs or influential investors. Knowledge of finance provides them with the necessary skills to face challenges and opportunities in the world of finance.
Financial Technology

Financial technology has significant potential to increase financial inclusion for Generation Z. Generation Z are those born between the mid-1990s and early 2000s, who grew up in the digital age and are technology-accustomed. Following are some of the findings that have been identified regarding the influence of financial technology on financial inclusion of generation Z. Financial technology has removed geographical and time barriers in accessing financial services. Generation Z can easily access financial services through their mobile devices, including banking applications, digital wallets and investment platforms. They can carry out financial transactions, pay bills, and manage their finances without having to come to a physical branch. Generation Z has a preference for using digital platforms in conducting financial transactions. They tend to choose digital payments, such as digital wallets or other online payment methods, over cash transactions. Financial technology provides access to these digital financial services, which helps increase Gen Z financial inclusion by providing access to secure and efficient means of payment. Financial technology also plays an important role in providing financial education to generation Z. There are many financial education apps and platforms available that help generation Z understand financial concepts, budget management, investments, and so on. With financial knowledge gained through technology, generation Z can make smarter financial decisions and manage their finances well. Generation Z can also use financial technology to invest easily. Online investment platforms, such as stock apps, peer-to-peer lending, and crowdfunding, provide access to investment markets that were previously difficult to reach. Generation Z can start investing small, learn how to invest, and build their portfolio gradually. Financial technology has facilitated Generation Z's entrepreneurial growth. Generation Z can use crowdfunding platforms and digital payment services to support their small businesses. They can also take advantage of technology to sell products or services online and reach a wider market. However, it should be noted that Generation Z's financial inclusion is not only influenced by financial technology.

Financial Behavior
Generation Z often lacks adequate financial education and knowledge during their school years. This can

hinder their ability to manage personal finances well and take advantage of available financial products and services. Generation Z grew up in the digital era with broad access to technology and the internet. They tend to use financial technologies such as mobile banking applications, digital wallets, and online investment platforms more actively than previous generations. This can make it easier for them to access financial products and services. Generation Z tends to have higher levels of debt, especially when it comes to tertiary education. The high cost of education and lack of adequate financial literacy can lead to an increase in debt burden among this generation. In addition, several studies have also shown that Generation Z tends to spend more money on daily necessities and consumer goods than on long-term investments or savings. Several studies have shown that Generation Z tends to be less interested in long-term financial planning. They may focus more on living in the present than on thinking about their future, such as retirement or long-term investments. Lack of good financial planning can hinder their financial inclusion. Generation Z has high social awareness and tends to choose financial products and services that are in line with their values. They often prefer to invest in companies that focus on social and environmental responsibility. In terms of financial inclusion, Generation Z is more likely to engage with social or fintech initiatives that offer underserved communities access to finance.

CONCLUSION

Financial literacy has an important role to play in increasing the financial inclusion of Generation Z. With a good understanding of finance and the skills acquired through financial literacy, Generation Z has a better chance of achieving financial stability, taking advantage of investment opportunities, and managing their personal finances wisely.

Generation Z is a group consisting of individuals born between 1997 and 2012. They grew up in the digital era, with broad access to technology. Therefore, they tend to be more familiar and skilled in using digital devices and the internet. Financial technology, or fintech as it is often called, has changed the way people interact with financial services. Although there are significant benefits of financial technology for

financial inclusion of Generation Z, it is important to remember that there are still some Generation Z who do not have adequate access to technology or an internet connection. In addition, cyber security challenges also need to be considered to protect generation Z financial information.

Financial behavior has a major role in increasing financial inclusion in generation Z. Several factors influence financial behavior, including: financial ignorance, use of financial technology, debt ratios and consumption spending, financial planning, social awareness and concern.

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