

The Impact of Lifestyle and Financial Literacy on the Financial Management of Young Workers (Gen Z) at the Ambon City Department of Tourism and Culture in the Digital Economy Era of 2025

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ABSTRACT

This study aims to determine whether lifestyle and financial literacy have a partial and simultaneous effect on the financial management of young employees (Gen Z) at the Ambon City Tourism and Culture Office in the 2025 Digital Economy Era. The research method used is descriptive-verify. The sampling technique employed is purposive sampling, which involves selecting a sample based on specific criteria relevant to the research objectives. The analysis technique used multiple regression, with validity and reliability tests conducted beforehand. The results show that lifestyle has a negative and significant effect on financial management, financial literacy has a positive and significant effect on financial management, lifestyle and financial literacy simultaneously have a significant effect on financial management, and the combined influence of lifestyle and financial literacy on financial management is sixty-four percent.

Keywords: Lifestyle and Financial Literacy on the Financial Management

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I. INTRODUCTION

The development of the digital economy has transformed the way people, particularly Generation Z, conduct their daily financial activities. The availability of services such as mobile banking, digital wallets, e-commerce, fintech, and digital credit facilities has made transactions faster and easier. However, this convenience also brings new risks, such as compulsive spending, impulsive purchases, a lack of financial planning, and the use of digital credit without a sufficient understanding of the risks involved. This phenomenon indicates that the ability to use financial technology does not necessarily align with the ability to manage finances wisely.

As digital natives, Generation Z exhibits characteristics closely tied to social media, digital trends, and an experience-driven lifestyle. Social media activity can drive increased spending due to the desire to follow trends, maintain one's self-image, and fulfill needs for entertainment, dining, and social activities. This situation poses a challenge for young employees who already have a steady income, as a sense of financial security can encourage uncontrolled consumption patterns if not balanced with sound financial management.

This phenomenon is relevant to young employees at the Ambon City Tourism and Culture Office. Young employees in this agency not only work within a government environment but are also involved in tourism and cultural activities that are increasingly digital-based, such as promotion through social media, event organization, and the use of digital platforms. Involvement in dynamic and creative activities can increase exposure to modern lifestyles, potentially influencing how they manage their income, expenses, savings, and personal financial obligations.

In addition to lifestyle, financial literacy is a key factor in determining the quality of financial management among young workers. Although access to financial products and services is becoming more widespread, there remains a gap between financial inclusion and financial literacy. This means that while many individuals are already using digital financial products, they do not yet fully understand risks, fees, interest rates, investments, or debt management. This situation is a significant concern because low financial literacy can lead to errors in making financial decisions, particularly among the younger generation who actively use digital financial services.

A research gap is evident due to differing results from previous studies on the influence of lifestyle and financial literacy on financial management. Some studies found a significant influence, while others showed no significant effect. Furthermore, most previous studies have primarily focused on college students or the general public and have concentrated on regions with more developed digital financial access. Therefore, this study is important because it examines a more specific context: the young Generation Z workforce within the local government sector, specifically the Ambon City Department of Tourism and Culture, in the era of the digital economy.

II. THEORY

Lifestyle reflects an individual's patterns of behavior, interests, and values that influence daily consumption decisions (Engel, Blackwell, & Miniard, 1995). Generation Z, as digital natives, exhibits a lifestyle heavily influenced by technology, social media, and modern consumer culture. Unplanned consumption patterns can increase spending on non-essential needs, such as entertainment, dining out, and online shopping, thereby affecting an individual's financial stability. The Theory of Planned Behavior states that financial behavior is shaped by intentions and attitudes grounded in values and lifestyle (Ajzen, 1991).

Financial literacy is an individual's ability to understand, analyze, and apply financial knowledge to make sound decisions and achieve economic well-being (OECD, 2018; Lusardi & Mitchell, 2014). Dimensions of financial literacy include understanding basic financial concepts, financial planning, debt management, asset management, and investing. Individuals with high financial literacy are able to plan their spending, save, and invest effectively, as well as avoid financial mistakes such as consumer debt and a lack of emergency funds.

Personal financial management is influenced by the interplay between lifestyle and financial literacy. A consumerist lifestyle can undermine the quality of financial management, whereas strong financial literacy helps individuals manage their income rationally. Studies show that a combination of a controlled lifestyle and adequate financial literacy contributes significantly to the financial management of young workers, particularly in government settings such as the Ambon City Department of Tourism and Culture (Okta Prihatma Bayu Putra et al., 2024; Yusril Said, 2024).

Young workers (Gen Z) at the Ambon City Tourism and Culture Office are under 30 years old, with jobs characterized by creativity and a digital focus. They are frequently involved in tourism promotion activities, cultural events, and the use of digital payment platforms. High exposure to a digital lifestyle and the ease of cashless transactions increase the risk of consumptive behavior, making financial literacy a key factor in wisely managing income, expenses, and savings.

Although previous research has shown the significant influence of lifestyle and financial literacy on financial management, most studies have focused on college students or the general public, rather than on young workers in the government sector. This gap creates a need to examine the specific context of Gen Z at the Ambon City Tourism and Culture Office, in order to provide a more relevant empirical understanding of how these two factors influence financial management in the digital economy era.

III. METHODOLOGY

This study employs a quantitative approach using a causal-associative research design. This approach was chosen to examine the causal relationship between lifestyle (X_1) and financial literacy (X_2) and their impact on financial management (Y) among young employees (Gen Z) at the Ambon City Department of Tourism and Culture in the digital economy era of 2025.

A quantitative method was chosen because this study uses numerical data obtained from a questionnaire survey, which is then analyzed using inferential statistical techniques via SPSS software. The sampling technique employed is purposive sampling, which involves selecting a sample based on specific criteria relevant to the research objectives.

Before the data is analyzed further, the questionnaire instrument must be tested to ensure it is valid and reliable. To determine the simultaneous and partial effects of lifestyle and financial literacy on financial management and financial well-being, the following regression equation was used:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where: Y (Financial Management), X_1 (Lifestyle), X_2 = Financial Literacy, β_0 = Constant, β_1 , β_2 = Regression coefficients, ε = Error term.

IV. RESULT

The collected data underwent a data quality test; the results are shown in the following table:

Table 1. Validity Test Results

Variable	Indicator	r-calculated	r-tablw	Notes
Lifestyle(X1)	X1.1	0,720	0,3550	Valid
	X1.2	0,853	0,3550	Valid
	X1.3	0,807	0,3550	Valid
	X1.4	0,918	0,3550	Valid
	X1.5	0,567	0,3550	Valid
Financial Literacy (X2)	X2.1	0,823	0,3550	Valid
	X2.2	0,787	0,3550	Valid
	X2.3	0,799	0,3550	Valid
	X2.4	0,808	0,3550	Valid
	X2.5	0,772	0,3550	Valid
Financial Management(Y)	Y1	0,708	0,3550	Valid
	Y2	0,670	0,3550	Valid
	Y3	0,486	0,3550	Valid
	Y4	0,724	0,3550	Valid
	Y5	0,756	0,3550	Valid

Source: Primary data analyzed using SPSS 31

Based on the results of data processing using SPSS, all indicators in the Lifestyle (X1), Financial Literacy (X2), and Financial Management (Y) variables have calculated r-values greater than the table r-values (calculated $r > 0.3550$). Thus, all statement items are deemed Valid and suitable for use in this study.

A reliability test was used to determine the consistency of the questionnaire instrument in measuring the research variables. In this study, the reliability test was conducted using Cronbach's Alpha. An instrument is considered reliable if the Cronbach's Alpha value is ≥ 0.60 , meaning the measurement results are trustworthy and consistent (Imam Ghazali, 2018).

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Role Of Thumb	Keterangan
Lifestyle (X1)	0,819	0,60	Reliabel
Financial Literacy (X2)	0,833	0,60	Reliabel
Financial Management (Y)	0,663	0,60	Reliabel

Source: Primary data processed using SPSS 31.

Based on the data analysis results, the Cronbach's Alpha values obtained were 0.819 for the Lifestyle variable (X1), 0.833 for Financial Literacy (X2), and 0.663 for Financial Management (Y). Thus, it can be concluded that all instruments used to measure the variables Lifestyle, Financial Literacy, and Financial Management are reliable, making them suitable for use in further research analysis.

Based on the results of data processing using SPSS in the Coefficients table, the following multiple linear regression equation was obtained:

$$Y = 10,338 - 0,169 X1 + 0,575 X2 - e$$

The t-test results indicate that Lifestyle has a negative and significant effect on Financial Management, with a significance value of 0.036 (< 0.05) and a regression coefficient of -0.169; thus, H1 is accepted. This means that the higher the lifestyle, the more likely financial management is to be disrupted.

The research results indicate that Lifestyle has a negative and significant effect on Financial Management. This implies that a consumptive lifestyle tends to encourage Gen Z to prioritize short-term gratification over long-term financial stability. Generation Z members who are not yet married tend to have different financial

management patterns compared to those who are married. This is due to the absence of long-term financial responsibilities, such as household needs, children's education, or family future planning. This situation allows individuals greater freedom to use their income to meet personal needs and maintain their lifestyle, without the pressure to practice strict financial management.

Additionally, the influence of social environments and social media plays a significant role in shaping Generation Z's lifestyle. Exposure to digital content showcasing modern lifestyles, consumption trends, and the "fear of missing out" (FOMO) culture encourages individuals to adopt similar consumption patterns. This results in spending being directed more toward non-essential needs such as entertainment, dining, and online shopping, which ultimately reduces the ability to allocate funds for savings or investments.

Another equally important factor is the ease of access to digital financial services. The availability of e-wallets, "pay later" features, and various promotions and discounts makes the transaction process extremely easy and fast. This convenience often reduces self-control when shopping, thereby encouraging consumptive behavior and impulsive purchases. Without proper planning, individuals tend to spend more money than they should. On the other hand, the lack of financial planning habits from an early age is also a major cause. Many members of Generation Z are not yet accustomed to creating budgets, tracking expenses, or setting financial priorities. As a result, their income is not managed optimally and is spent primarily on short-term consumption.

Thus, the combination of low financial responsibility, social influence, technological convenience, and a lack of financial planning leads to a lifestyle among Generation Z that tends to be consumptive. This results in a decline in the ability to manage finances effectively, meaning that lifestyle has a negative impact on financial management. In other words, lifestyle is a behavioral factor that can significantly undermine the quality of financial management. The results of this study align with research conducted by Lusardi and Mitchell (2014), which states that consumptive behavior and modern lifestyles can affect an individual's financial stability. Additionally, research by Putri and Rahyuda (2017) also found that lifestyle has a negative influence on personal financial management behavior. Furthermore, these findings support the research by Herdjiono and Damanik (2016), which states that consumption behavior factors influence personal financial management. Thus, the results of this study reinforce previous findings that lifestyle is a crucial factor in determining the quality of financial management.

The t-test results indicate that financial literacy has a positive and significant effect on financial management, with a significance level of < 0.001 and a regression coefficient of 0.575; thus, H2 is accepted. Financial literacy is an individual's ability to understand basic financial concepts and apply them in daily decision-making, such as managing income, controlling expenses, saving, and planning for long-term financial goals. In the context of Generation Z, financial literacy is particularly crucial because this generation lives amid the development of the digital economy, which offers easy access to various financial services but also entails more complex risks.

Research findings indicate that financial literacy has a positive and significant impact on financial management, meaning that the higher an individual's level of financial literacy, the better their ability to manage their personal finances. Individuals with strong financial literacy are more likely to understand the importance of financial planning, such as creating a budget, tracking income and expenses, and allocating funds appropriately according to priority needs. Additionally, financial literacy helps individuals distinguish between needs and wants. Generation Z members with strong financial understanding will make more rational consumption decisions and are less likely to be swayed by trends or social pressure. This is particularly important given the significant influence of social media and modern lifestyles, which can encourage excessive consumption.

In the digital economy era, financial literacy also plays a crucial role in the use of technology-based financial services, such as e-wallets, mobile banking, and pay-later services. Individuals with strong financial literacy not only take advantage of these conveniences but are also able to understand the risks that may arise, such as uncontrolled spending or debt burdens. As a result, they are better equipped to use digital financial services wisely and responsibly. On the other hand, financial literacy also fosters more disciplined and long-term-oriented financial behavior. Individuals with strong financial literacy tend to have habits of saving, setting aside emergency funds, and beginning to consider investments as part of their future financial planning. This demonstrates that financial literacy not only impacts current financial management but also contributes to financial stability and well-being in the future.

Thus, it can be concluded that financial literacy plays a crucial role in enhancing financial management skills, particularly among Generation Z. The higher the level of financial literacy, the better an individual's

ability to manage finances effectively, thereby generating a positive and significant impact on financial management.

The results of this study support previous research showing that financial literacy has a significant positive influence on financial management behavior among the younger generation. Previous research also indicates that individuals with high levels of financial literacy tend to have better financial planning and are able to avoid financial problems.

Based on the results of the F-test, a significance value less than alpha was obtained, indicating that the two independent variables together have a significant effect on financial management. Thus, the third hypothesis (the third hypothesis) is accepted. Simultaneously, Financial literacy was found to have a positive and significant effect on Financial Management. This means that these two variables together play a crucial role in enhancing an individual's ability to manage finances effectively. This positive effect indicates that sound financial management is not determined by a single factor but results from a combination of consumption behavior (lifestyle) and the level of financial understanding (financial literacy).

In this study, lifestyle reflects how individuals use their income in daily life. When lifestyle can be managed effectively—particularly by limiting non-essential spending—individuals will have better financial management skills. A moderate lifestyle allows individuals to allocate their income more proportionally, such as for essential needs, savings, and long-term financial planning. Thus, lifestyle control is a key factor in achieving financial stability.

On the other hand, financial literacy serves as the foundation for financial decision-making. Individuals with high financial literacy tend to have a strong understanding of income management, expenses, and the importance of financial planning. They are able to create budgets, control their spending, and use financial services wisely. In the digital economy era, financial literacy also helps individuals understand the risks and benefits of using technology-based financial services, such as e-wallets and paylater, so they do not get trapped in consumerist behavior..

The simultaneous influence of lifestyle and financial literacy indicates a complementary relationship. A disciplined lifestyle that is not supported by sound financial literacy may not be optimal for effective financial management. Conversely, high financial literacy that is not balanced by lifestyle discipline can also lead to an imbalance in income spending. Therefore, these two variables must work in tandem to achieve optimal financial management. In the context of Generation Z, this situation is particularly relevant because they live in an environment heavily influenced by technology and digital trends. Easy access to various financial services can present both opportunities and challenges. If Generation Z can control their lifestyle and possess strong financial literacy, they can utilize these conveniences productively. Conversely, without proper control, this ease of access may actually fuel excessive consumption. Thus, it can be concluded that effective financial management among Generation Z stems from a combination of the ability to control one's lifestyle and an adequate level of financial literacy. The better these two aspects are, the higher the quality of individual financial management becomes, thereby generating a positive and significant impact on financial management.

This finding supports the research by Herdjiono and Damanik (2016), which states that financial literacy and behavioral factors simultaneously influence personal financial management. Thus, the findings of this study confirm that the financial management of young workers in the digital economy era is heavily influenced by the balance between financial knowledge and consumption behavior. Therefore, efforts to improve financial literacy must be accompanied by an awareness of the need to control one's lifestyle in order to achieve more optimal financial management.

V. CONCLUSION

Based on the results and discussion presented in the previous chapter, it can be concluded that:

- 1). Lifestyle has a significant negative effect on financial management.
- 2). Financial literacy has a significant positive effect on financial management.
- 3). Lifestyle and financial literacy simultaneously have a significant effect on financial management.
- 4). The combined effect of lifestyle and financial literacy on financial management is 63.5%.

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