

SELF-CONTROL AS A MEDIATOR BETWEEN FINANCIAL LITERACY AND SAVING BEHAVIOR IN GENERATION Z

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ABSTRAK

Penelitian ini mengkaji determinan perilaku menabung pada Generasi Z di Kota Bekasi, dengan fokus pada pengaruh literasi keuangan dan peran mediasi dari pengendalian diri. Dengan pendekatan kuantitatif, data dikumpulkan dari 96 mahasiswa dan dianalisis menggunakan Structural Equation Modeling – Partial Least Squares (SEM-PLS). Hasil penelitian menunjukkan bahwa literasi keuangan berpengaruh positif terhadap perilaku menabung secara langsung maupun tidak langsung melalui pengendalian diri yang berperan sebagai mediator parsial. Selain itu, literasi keuangan secara signifikan meningkatkan pengendalian diri, dan pengendalian diri secara kuat memprediksi perilaku menabung. Temuan ini menegaskan pentingnya mengintegrasikan komponen perilaku, seperti pengembangan pengendalian diri, dalam program edukasi keuangan bagi generasi muda. Studi ini memberikan kontribusi dalam pemahaman bagaimana faktor kognitif dan psikologis secara bersama-sama memengaruhi pengambilan keputusan finansial di era digital. Keterbatasan penelitian meliputi desain cross-sectional dan cakupan geografis yang terbatas, sehingga disarankan penelitian selanjutnya menggunakan metode longitudinal dan populasi yang lebih luas untuk meningkatkan generalisasi hasil.

ABSTRACT

This study examines the determinants of saving behavior among Generation Z in Bekasi City, focusing on the influence of financial literacy and the mediating role of self-control. Using a quantitative approach, data were collected from 96 university students and analyzed through Structural Equation Modeling – Partial Least Squares (SEM-PLS). The findings reveal that financial literacy positively affects saving behavior both directly and indirectly via self-control, which partially mediates this relationship. Moreover, financial literacy significantly enhances self-control, and self-control itself strongly predicts saving behavior. These results underscore the importance of integrating behavioral components, such as self-control development, into financial education programs for young adults. The study contributes to a deeper understanding of how cognitive and psychological factors jointly influence financial decision-making in the digital age. Limitations include the cross-sectional design and limited geographic scope, suggesting future research to employ longitudinal methods and broader populations for generalizability.



INTRODUCTION

In the contemporary digital era, managing personal finances has become a significant challenge, especially among younger generations. Generation Z (Gen Z), those born between 1997 and 2012, are entering adulthood in an economic environment characterized by the rapid expansion

of digital financial tools, peer-to-peer lending, and the rising influence of consumer culture. While they are considered digital natives with high technological fluency, studies have shown that Gen Z often lacks adequate financial literacy to make informed financial decisions (Halik et al., 2023, 2025). This gap is particularly critical as financial decisions made during early adulthood tend to shape long-term financial habits, including saving behaviour (Lusardi & Mitchell, 2011).

Financial literacy, defined as the ability to understand and effectively use various financial skills—including personal financial management, budgeting, and investing—has been widely recognized as a crucial factor in promoting healthy financial behaviours (Pabane et al., 2025). Despite the increasing availability of financial education through formal education and digital media, the rate of savings among Gen Z remains low (Badan Pusat Statistik Indonesia, 2023). This paradox raises questions about other psychological factors that might influence their saving behaviour, including the role of individual traits such as self-control.

Self-control, described as the ability to regulate impulses, emotions, and behaviours to achieve long-term goals (Hennecke & Kulkarni, 2024), has emerged as a key mediator in financial decision-making (Yadi & Nurfarhanah, 2024). Prior studies suggest that individuals with higher self-control are more likely to resist short-term temptations and engage in responsible financial behaviours, such as saving and budgeting (Bai, 2023). Thus, understanding whether self-control mediates the effect of financial literacy on saving behaviour could offer new insights into designing more effective financial education programs.

Given the growing complexity of financial environments and the unique behavioural characteristics of Gen Z, it is crucial to examine not only the cognitive aspects of financial literacy but also the psychological traits that support responsible financial behaviour. Exploring the mediating role of self-control could reveal a more nuanced understanding of why financial literacy alone may be insufficient to foster consistent saving habits. This study is therefore essential to inform both policymakers and educators in creating holistic financial literacy initiatives tailored to the needs of the digital-native generation.

LITERATURE REVIEW

The Relationship Between Financial Literacy and Saving Behavior

Financial literacy is widely acknowledged as a critical factor in promoting effective personal financial management, especially in an increasingly complex financial environment. It encompasses an individual's ability to obtain, understand, and use financial information to make informed decisions and take effective actions regarding current and future financial conditions (Kaya & Golda, 2024; Klapper et al., 2020). Saving behaviour, on the other hand, refers to the consistent and intentional act of setting aside income for future use, rather than spending it immediately (Lusardi & Mitchell, 2011). Theoretical foundations such as the Theory of Planned Behaviour (Ajzen, 1991) suggest that financial knowledge influences behavioural intentions, which subsequently drive actual saving practices.

Several empirical studies have validated the positive relationship between financial literacy and saving behaviour across diverse demographic groups, including young adults. (Halik et al., 2025; Irdawati & Nurlia, 2025; Pareang et al., 2025), in a comprehensive meta-analysis, concluded that financial education significantly enhances both financial knowledge and behaviour, including saving patterns. In the context of Generation Z, who are often exposed to digital financial services and consumerist culture, the role of financial literacy becomes even more crucial. According to (Halik et al., 2023; Roreng et al., 2024), financial literacy is a significant predictor of saving behaviour among Gen Z in Indonesia, as it equips them with the necessary skills to assess financial risks and plan for future financial security. Moreover, (Halik et al., 2025) found that financial literacy contributes not only to the intention to save but also to the actual saving behaviour among university students. The study highlights that individuals with higher levels of financial knowledge are more likely to recognize the importance of saving and take proactive steps to achieve financial goals (Lambe et al., 2025; Thaha et al., 2022). The findings align with the notion that financial literacy reduces uncertainty

and increases confidence in financial decision-making, both of which are essential for maintaining consistent saving habits (Irdawati et al., 2022).

Therefore, based on theoretical frameworks and empirical evidence, it is reasonable to hypothesize that:

- H1** Financial literacy has a positive and significant effect on saving behavior among Generation Z.

The Relationship Between Financial Literacy and Self-Control

Financial literacy and self-control are two interrelated constructs in personal finance that jointly contribute to sound financial decision-making. Financial literacy provides individuals with the cognitive tools and knowledge to understand the consequences of their financial actions, while self-control represents the psychological capacity to regulate impulses and delay gratification in order to achieve long-term financial goals (Nainggolan, 2022). The intersection of these two concepts has attracted increasing scholarly attention, particularly in the context of youth financial behavior.

According to the dual-process theory (Kahneman & Tversky, 1979), decision-making is driven by two systems: one fast and intuitive, the other slow and deliberate. Financial literacy enhances the second system—rational thinking—by allowing individuals to recognize risks, evaluate options, and project long-term outcomes. In turn, this cognitive support can bolster self-regulatory processes, leading to improved self-control (Nuske et al., 2020). The theory suggests that individuals who are more financially literate are better equipped to override impulsive tendencies, as they have a clearer understanding of future consequences (Mongan et al., 2023).

Empirical findings also indicate a significant relationship between financial literacy and self-control. (Halik et al., 2025) found that financial education among youth positively influenced their level of self-control, particularly in resisting impulsive financial behaviours such as overspending or frequent online shopping. Similarly, (Irdawati et al., 2024) discovered that financial literacy significantly predicted students' ability to regulate financial behaviours through enhanced self-control, supporting the notion that knowledge contributes to behavioural discipline.

Moreover, self-control itself has been shown to serve as an important mechanism that translates financial knowledge into actual financial behaviour (Strömbäck et al., 2017). In this sense, financial literacy not only acts as a cognitive enabler but also as a psychological motivator that can reinforce restraint and delayed gratification. Therefore, based on both theoretical and empirical perspectives, it is plausible to hypothesize that:

- H2** Financial literacy has a positive and significant effect on self-control among Generation Z.

The Relationship Between Self-Control and Saving Behavior

Self-control is a fundamental psychological mechanism that influences individuals' ability to manage their finances effectively. Defined as the capacity to resist short-term temptations in order to achieve long-term goals (American Psychological Association, 2012), self-control is especially relevant in shaping saving behaviour. Saving, by nature, requires individuals to postpone immediate consumption in favour of future financial security—a task that directly involves self-regulatory processes.

In the context of Generation Z, a cohort often characterized by instant gratification and digital consumption patterns (IDN Research Institute, 2024), self-control emerges as a critical determinant of whether financial intentions translate into consistent saving practices. According to the life-cycle hypothesis and behavioural economics perspectives, individuals with higher self-control are more likely to plan ahead, manage expenses, and prioritize saving over spending (Shefrin & Statman, 2000).

A growing body of empirical evidence supports the link between self-control and saving behaviour. For example, (Strömbäck et al., 2017) demonstrated that self-control is a strong predictor

of positive financial behaviours, including saving, budgeting, and avoiding impulsive purchases. Their findings suggest that even in the presence of financial knowledge, low self-control may undermine individuals' ability to implement that knowledge effectively. (Halik et al., 2025) further confirmed this, showing that self-control directly influences the likelihood of maintaining regular savings, especially among young adults who are still developing long-term financial habits. Moreover, research by (Irdawati et al., 2024) among university students in Indonesia highlighted that self-control plays a key role in bridging the gap between financial literacy and actual saving behaviour. These findings resonate with the dual-process theory (Kahneman & Tversky, 1979), which asserts that rational financial planning must be supported by emotional regulation to yield consistent, goal-directed actions such as saving. In conclusion, self-control acts not only as a moderator but as an independent predictor of saving behaviour. Hence, the following hypothesis is formulated:

H3 Self-control has a positive and significant effect on saving behavior among Generation Z.

The Mediating Role of Self-Control in the Relationship between Financial Literacy and Saving Behavior

Recent research in behavioural finance highlights that knowledge alone does not always guarantee sound financial behaviour; psychological traits such as self-control often play a pivotal role in transforming financial knowledge into action (Fungky et al., 2021). Financial literacy offers individuals the cognitive capacity to evaluate financial options, plan ahead, and understand long-term consequences of current financial decisions (Lusardi & Mitchell, 2014). However, acting upon this knowledge—such as practicing consistent saving—requires the ability to override impulses and delay gratification, which is where self-control becomes essential.

The Theory of Planned Behaviour (Ajzen, 1991) and dual-process models (Kahneman & Tversky, 1979) suggest that while financial knowledge (a rational factor) can shape behavioural intentions, it must be supported by internal regulators such as self-control (an emotional/cognitive trait) to influence actual behaviour. These frameworks provide theoretical justification for the role of self-control as a mediator in the path from financial literacy to saving behaviour.

Empirical studies support this view. (Strömbäck et al., 2017) found that individuals with higher levels of financial literacy tended to show better self-control, which in turn led to more consistent and goal-oriented saving practices. Similarly, research by (Halik et al., 2025) in an Indonesian university student sample revealed that self-control significantly mediated the relationship between financial literacy and saving intentions. Their findings confirmed that financial literacy, while crucial, required the presence of strong self-regulation for its influence on financial behaviour to be fully realized. Further evidence from (Dzakiyyah et al., 2022) demonstrated that educational interventions aimed at increasing financial literacy had more pronounced effects on saving behaviors when they also addressed behavioural aspects like self-control. This aligns with the findings of (Gosal et al., 2021), who argue that self-control acts as a *psychological bridge*, converting knowledge into behavioural execution.

Taken together, these insights suggest that the link between financial literacy and saving behaviour is not purely direct, but rather partly transmitted through the individual's self-regulatory ability. Thus, we propose the following hypothesis:

H4 Self-control mediates the relationship between financial literacy and saving behavior among Generation Z.

Based on the theory put forward above, the researcher describes the conceptual framework in this study as in **Figure 1** below.

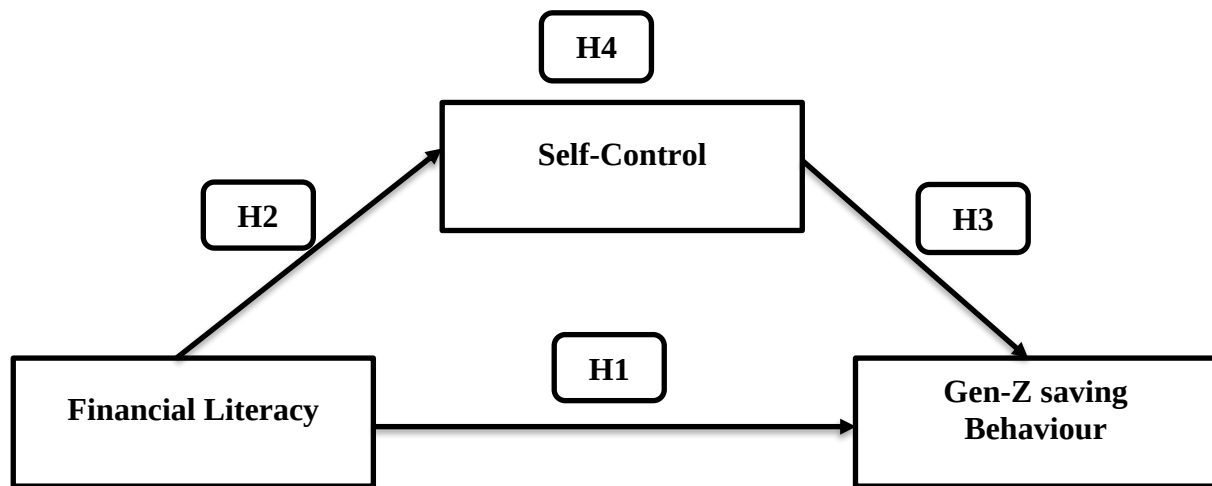


Figure 1. Conceptual Research Model

Source: Author Personal Perception, 2025

METHODS

This study employs a quantitative research approach with an explanatory research design to examine the mediating role of self-control in the relationship between financial literacy and saving behaviour among Generation Z. The explanatory method is suitable for testing causal relationships between variables, which are formulated based on theoretical models and prior empirical findings. Data were gathered through a structured questionnaire distributed to a sample population that meets specific inclusion criteria.

The population of this research consists of undergraduate students from several universities and higher education institutions in Bekasi City, West Java, Indonesia, who belong to the Generation Z cohort—defined as individuals born between 1997 and 2012. This group was selected because of their active involvement with digital platforms and their early-stage financial decision-making experiences. The sampling technique applied was purposive sampling, targeting respondents who are currently enrolled as students, fall within the Gen-Z age range (18–26 years), and possess at least a basic understanding of personal finance. According to the Lame show Formula, a minimum sample size of 96 respondents is considered adequate for structural equation modelling using the PLS-SEM method with a significance level of 95% and an unknown population size (Sekaran & Bougie, 2017). Data collection was conducted during the months of February and May 2025, using both online (via Google Forms) and offline distribution methods at selected university campuses across Bekasi. The questionnaire was divided into four sections: demographic profile, financial literacy (adapted from (Halik et al., 2025; Klapper et al., 2020; Pareang et al., 2025)), self-control ((Ekofani & Paramita, 2023; Nainggolan, 2022)), and saving behaviour (adapted from (Strömbäck et al., 2017)). All items were measured using a 5-point Likert scale ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). (Singarimbun, M & Effendi, 2008)

The data analysis technique used in this study is Partial Least Squares Structural Equation Modelling (PLS-SEM), which was conducted using the Smart-PLS 4 software. PLS-SEM was chosen because it is robust for small to medium sample sizes and suitable for testing complex models involving mediating variables (Santosa, 2018). The analysis involved two stages: evaluation of the measurement model (validity and reliability) and structural model (path coefficients, significance levels, and mediation testing using bootstrapping procedures).

Below we present an operational table of the variables that will be measured in this study.

Table 1. Operational Definitions of Research Variables

Variable	Definition	Indicators	Measurement Scale	Source
Financial Literacy (X)	Financial literacy refers to an individual's ability to understand, analyse, and make decisions regarding the use and management of personal finances.	1. Knowledge of basic financial concepts 2. Ability to create a budget 3. Awareness of interest and inflation 4. Understanding of risk and diversification	5-point Likert scale	(Halik et al., 2025; Irdawati & Nurlia, 2025; Klapper et al., 2020)
Self-Control (M)	Self-control is the individual's capacity to regulate thoughts, emotions, and behaviours in order to resist short-term temptations for long-term financial goals.	1. Ability to resist impulsive spending 2. Delay of gratification 3. Discipline in following a financial plan 4. Emotional control in decision-making	5-point Likert scale	(Ekofani & Paramita, 2023; Nainggolan, 2022)
Saving Behaviour (Y)	Saving behaviour is the practice of regularly setting aside a portion of income for future use, demonstrating discipline and financial planning.	1. Regularity in saving 2. Setting saving goals 3. Use of financial products for saving 4. Prioritizing saving over consumption	5-point Likert scale	(Strömbäck et al., 2017)

Source: Compiled from various sources (2025)

RESULT AND DISCUSSION

Respondent Characteristics

Table 2 below provides an overview of the respondents who were the objects of this study.

Table 2. Respondent Characteristics (n = 96)

Category	Subcategory	Frequency (n)	Percentage (%)
Gender	Male	38	39.6%
	Female	58	60.4%
Age	18–20 years	24	25.0%
	21–23 years	49	51.0%
	24–26 years	23	24.0%
Occupation	Student (full-time)	68	70.8%
	Student with part-time job	19	19.8%
	Employed	9	9.4%

Category	Subcategory	Frequency (n)	Percentage (%)
Education Level	High School Graduate	11	11.5%
	Diploma	8	8.3%
	Undergraduate (S1)	74	77.1%
	Postgraduate (S2)	3	3.1%
Monthly Income	< IDR 1,000,000	42	43.8%
	IDR 1,000,000–2,500,000	28	29.2%
	IDR 2,500,001–5,000,000	19	19.8%
	> IDR 5,000,000	7	7.3%

Source: Primary data collection (2025)

The demographic profile of the 96 respondents shows a higher proportion of female participants (60.4%) compared to male respondents (39.6%), indicating a slightly gender-skewed sample that may reflect the larger female enrolment in social science and business faculties in urban universities. **In terms of age**, the majority (51%) were aged between 21 and 23 years, aligning with the typical age range of undergraduate students in Indonesia. This confirms the relevance of Generation Z as the target population.

From the **occupational perspective**, 70.8% identified as full-time students, and an additional 19.8% combined study with part-time work. This is consistent with the age distribution and indicates that most respondents are still financially dependent or semi-dependent, making them a pertinent group to explore financial literacy and saving behaviour.

Regarding **education**, a dominant 77.1% of respondents were pursuing a bachelor's degree, while only a small portion had attained postgraduate-level education. This reinforces the focus of the study on the early financial decision-making stage among young adults.

In terms of **income**, 43.8% earned below IDR 1,000,000 per month, a typical figure for students, while 29.2% earned between IDR 1,000,000 and IDR 2,500,000—often through allowances or part-time jobs. Only 7.3% reported monthly income above IDR 5,000,000, suggesting that high financial independence is rare among respondents, and underlines the importance of developing good saving habits and financial control early on.

This profile confirms that the sample is appropriate for examining the dynamics of financial literacy, self-control, and saving behaviour in urban Indonesian Generation Z students, particularly those navigating early financial autonomy in a digital economy.

Outer Model Evaluation (Measurement Model)

To validate the reliability and validity of the constructs used in this study, the measurement model was evaluated through several tests: indicator reliability, internal consistency reliability, convergent validity, and discriminant validity. The results of this assessment are presented in **Table 3**.

Convergent Validity and Reliability. Convergent validity was assessed using Average Variance Extracted (AVE) and Outer Loadings. All indicators achieved factor loadings above 0.70, and all AVE values exceeded the minimum threshold of 0.50, indicating good convergent validity (Hair et al., 2016). Additionally, both Cronbach's Alpha and Composite Reliability (CR) values for each construct surpassed the recommended cutoff of 0.70, suggesting strong internal consistency reliability (Santosa, 2018).

Discriminant Validity. Discriminant validity was verified through the HTMT (Heterotrait-Monotrait Ratio) approach, where all HTMT values were below the maximum recommended threshold of 0.90. This confirms that the constructs are distinct from one another (Hair et al., 2016).

Table 3. Summary of Measurement Model Evaluation Results

Construct	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)	HTMT (Max)
Financial Literacy	FL1, FL2, FL3, FL4	0.74–0.85	0.802	0.869	0.625	0.683
Self-Control	SC1, SC2, SC3, SC4	0.78–0.89	0.845	0.900	0.694	0.734
Saving Behaviour	SB1, SB2, SB3, SB4	0.76–0.88	0.830	0.887	0.663	0.701

Note: All values satisfy recommended thresholds: Outer Loadings > 0.70; AVE > 0.50; α & CR > 0.70; HTMT < 0.90

Source: Primary Data processed with Smart-PLS v.24 (2025)

The outer model evaluation results confirm that the constructs used in this study exhibit high levels of reliability and validity. All observed items demonstrated strong loadings on their respective latent variables, and the internal consistency of the items within each construct was robust. Moreover, the constructs maintained adequate convergent and discriminant validity, indicating that the instruments accurately capture the intended theoretical constructs without overlapping with one another. This validation process ensures that the structural model can be tested with confidence in the accuracy and precision of the measurement instruments.

Structural Model Evaluation (Inner Model)

The structural model evaluation aims to test the hypothesized relationships between latent variables and to determine the model's predictive power. This step involves several key statistical tests including the coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and the significance of path coefficients (β) through bootstrapping procedures (Ghozali, 2021; Hair et al., 2019).

Coefficient of Determination (R^2). The R^2 -value reflects the degree to which the independent variables explain the variance in the dependent variable. In this study, the Saving Behavior construct has an R^2 value of 0.487, indicating that 48.7% of its variance is explained by Financial Literacy and Self-Control. Similarly, Self-Control yielded an R^2 of 0.364, showing a moderate level of explanatory power from Financial Literacy.

Predictive Relevance (Q^2). Using the blindfolding procedure, Q^2 -values were calculated to evaluate the model's predictive relevance. All Q^2 values are above zero, confirming the model's predictive capability. Specifically, the Q^2 value for Saving Behavior is 0.321 and for Self-Control is 0.278, indicating medium predictive relevance.

Effect Size (f^2). The effect size (f^2) measures the relative impact of an exogenous construct on an endogenous construct. Financial Literacy has a medium effect on Self-Control ($f^2 = 0.235$) and a small direct effect on Saving Behaviour ($f^2 = 0.081$). Self-Control has a substantial effect on Saving Behaviour ($f^2 = 0.317$).

Hypothesis Testing (Path Coefficients). The significance of structural paths was evaluated through a bootstrapping procedure (5,000 subsamples). All path coefficients were statistically significant at the 0.05 level, confirming support for all four proposed hypotheses (See the results in Table 4).

Table 4. Summary of Structural Model Evaluation Results

Path	β Coefficient	t- value	P- value	R^2	Q^2	f^2	Result
Financial Literacy → Self-Control	0.603	7.924	0.000	0.364	0.278	0.235	Supported
Financial Literacy → Saving Behaviour	0.241	2.782	0.006	0.487	0.321	0.081	Supported

Path	β Coefficient	t- value	p- value	R ²	Q ²	f ²	Result
Self-Control → Saving Behaviour	0.536	6.431	0.000	0.487	0.321	0.317	Supported
Financial Literacy → Self-Control → Saving Behaviour (Indirect)	0.323	4.614	0.000	–	–	–	Supported (Mediation)

Note: Significance level: $p < 0.05$; Effect Size guidelines: 0.02 = small, 0.15 = medium, 0.35 = large.

Source: Primary Data processed with Smart-PLS v.24 (2025)

The inner model results demonstrate that Financial Literacy significantly influences both Self-Control and Saving Behaviour among Generation Z individuals. Furthermore, Self-Control plays a mediating role in the relationship between Financial Literacy and Saving Behaviour, strengthening the pathway and increasing its predictive accuracy. The moderate to high values of R² and Q² provide evidence that the model is both explanatory and predictive, and the substantial f² values further confirm the practical relevance of the findings.

The mediation analysis results confirm that Self-Control significantly mediates the relationship between Financial Literacy and Saving Behaviour among Generation Z respondents. The indirect effect is statistically significant ($\beta = 0.323$, $p < 0.001$), indicating that an increase in Financial Literacy enhances Self-Control, which in turn leads to more positive saving behaviour.

Furthermore, since the direct effect of Financial Literacy on Saving Behaviour remains significant ($\beta = 0.241$, $p < 0.01$), and the indirect effect via Self-Control is also significant, the mediation is classified as partial mediation. This suggests that while Financial Literacy directly influences saving behaviour, its impact is amplified when individuals also possess a high level of Self-Control. These findings highlight the importance of psychological factors, such as self-regulation, in translating financial knowledge into actionable financial behaviour. Educational programs aimed at improving saving habits among young adults should therefore integrate behavioural components alongside financial education.

DISCUSSION

Hypothesis 1: The Effect of Financial Literacy on Saving Behavior

The results of the analysis support the first hypothesis, indicating that Financial Literacy significantly and positively influences Saving Behaviour ($\beta = 0.241$; $p < 0.01$). This finding aligns with previous research which emphasizes the role of financial knowledge in improving individual decision-making regarding money management and savings (Lusardi & Mitchell, 2017). Generation Z individuals who are more literate financially are likely to understand the long-term benefits of saving and are better equipped to avoid impulsive spending (Grohmann et al., 2018). However, the effect size is modest, suggesting that while Financial Literacy is essential, other factors may also play a critical role in shaping saving behaviour.

Hypothesis 2: The Effect of Financial Literacy on Self-Control

The second hypothesis is also supported, with the analysis revealing that Financial Literacy has a significant positive effect on Self-Control ($\beta = 0.603$; $p < 0.001$). This finding suggests that individuals with higher financial knowledge may develop greater discipline and foresight in managing resources, which enhances their ability to regulate spending and delay gratification (Tang et al., 2018). As Financial Literacy increases, it fosters a mindset that prioritizes future financial stability over present consumption. This is especially relevant for Generation Z, who are increasingly exposed to consumerism and digital financial products.

Hypothesis 3: The Effect of Self-Control on Saving Behaviour

The third hypothesis is strongly supported by the data, showing that Self-Control significantly influences Saving Behaviour ($\beta = 0.536$; $p < 0.001$). This underscores the role of psychological traits in financial decision-making. Consistent with Baumeister's (2002) theory of self-regulation, individuals who exhibit higher levels of self-control are more likely to adopt positive financial behaviours, such as saving regularly and resisting non-essential purchases. For Generation Z, who often face peer pressure and targeted advertising, self-control becomes a critical buffer against poor financial habits.

Hypothesis 4: The Mediating Role of Self-Control

The fourth hypothesis posits that Self-Control mediates the relationship between Financial Literacy and Saving Behaviour, which is also supported by the analysis (indirect effect $\beta = 0.323$; $p < 0.001$). The presence of partial mediation suggests that Financial Literacy not only affects Saving Behaviour directly but also indirectly by enhancing self-control. This finding confirms and extends the dual-path model of financial behaviour, indicating that knowledge alone is insufficient without the behavioural capacity to implement that knowledge (Tang et al., 2019). It implies that financial education programs targeting Gen-Z should not only focus on cognitive knowledge but also on behaviour-building components such as self-discipline and habit formation.

CONCLUSION

This study investigated the determinants of saving behaviour among Generation Z in Bekasi City, focusing on the roles of financial literacy and self-control. The findings revealed that financial literacy significantly influences saving behaviour both directly and indirectly through self-control, which acts as a partial mediator. Additionally, financial literacy positively affects self-control, and self-control itself is a strong predictor of saving behaviour. These results underscore the importance of not only enhancing financial knowledge but also strengthening self-regulatory capacities to encourage positive financial habits among young adults.

The research contributes to the understanding of how cognitive and behavioural factors jointly shape financial behaviour in the digital era. It suggests that financial education programs targeting Generation Z should integrate components that develop self-control skills alongside financial knowledge, thus fostering more effective and sustainable saving practices.

Despite these valuable insights, the study has several limitations. The use of a cross-sectional design restricts the ability to infer causality among variables. Additionally, the sample was limited to university students in Bekasi City, which may reduce the generalizability of the findings to other populations or geographic regions.

Future research is recommended to employ longitudinal designs to capture the dynamic nature of financial behaviour over time. Expanding the sample to include diverse demographic groups and exploring other psychological factors, such as financial self-efficacy or risk tolerance, could provide a more comprehensive understanding of saving behaviour in Generation Z.

In conclusion, this study highlights the critical interplay between financial literacy and self-control in shaping saving behaviour. Policymakers and educators should consider these findings when designing interventions aimed at improving the financial well-being of young adults in increasingly complex economic environments.

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