



THE INFLUENCE OF FINANCIAL LITERACY, MATERIALISM, AND ALLOWANCE ON SAVING DECISION AND CONSUMPTIVE BEHAVIOR IN GENERATION Z

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ABSTRACT

The purpose of this study was to test and analyze how financial literacy, materialism, and Allowance influence the saving decisions of Generation Z and consumptive behavior of Generation Z. This study uses quantitative research methods and focuses on the population of Generation Z in the provinces of West Java and Central Java, which includes a total of 21,989,129 individuals. 104 people were used in the study sample aged between 17 and 25 years. The data collection method consisted of distributing questionnaires with a 5-point Likert scale which was then analyzed using SEM through the use of the SmartPLS 3.2.9 application. Research findings show that financial literacy can positively affect Generation Z's saving decisions, materialism can positively influence Generation Z's saving decisions, and Allowance can positively influence Generation Z's saving decisions. Conversely, financial literacy can negatively affect Generation Z's consumptive behavior, materialism can positively affect Generation Z's consumptive behavior, and Allowance does not affect the consumptive behavior of Generation Z.

Keywords: Financial Literacy; Materialism; Allowance; Saving Decision; Consumptive Behavior

1. Introduction

Indonesia is the fourth largest country in terms of population, with 277.7 million residents. Globally, Indonesia is currently included in the 20 largest economies based on GDP and is projected to become one of the top five economies by 2030. Indonesia has a large wealth gap, larger than most countries (Pangestu & Karnadi, 2020). According to the Central Statistics Agency (BPS), in 2020, the majority of Indonesia's population is Generation Z, with a total of 75.49 million people or 27.94 percent of Indonesia's population. Generation Z was born between 1995 and 2010 and has the characteristics of being wise towards technology, able to interact via social media, and can be said to be the multitasking generation (Laturette et al., 2021). This generation is known as the Internet Generation, namely people who live in the digital era (Negara et al., 2022).

The results of the Financial Fitness Index survey conducted by (NISP, 2022) show that Indonesia's young generation is among the groups with the lowest financial literacy. They are far behind Singapore, which is ranked 61st with an average financial health of only 37.72. Economic development cannot be separated from economic growth, which is very important for the success of a country. Gen Z is a large part of society, so it can influence the country's economy because Gen Z needs financial independence and the ability to manage their finances in the future. Currently, society needs to instill saving behavior. This is related to the tendency

of Indonesian people, especially Generation Z, to consume more. A person shows saving behavior when they are able to save a certain amount every day or month but spend less than their income.

Many researchers have examined saving behavior, a study conducted by (Oktafiani & Haryono, 2019) states that saving behavior is often associated with understanding future needs, saving decisions, and actions. Saving behavior can be said to be a decision taken by someone to decide on savings activities (Oktafiani et al., 2022). Financial knowledge is needed to make savings decisions by helping the individual's mindset to understand how important this is. This explanation shows that saving behavior needs to be instilled from an early age to minimize endless needs in the future.

The financial literacy level of Millennials and Gen Z in Indonesia is still not satisfactory. The SNLIK results conducted by the Ministry of Finance (OJK) show a financial literacy level of 38.03% and an investment level of 76.19% in 2019. Therefore, someone who has good financial awareness will usually not experience financial problems in the future because they know how to manage money carefully and how to save to improve welfare in the future. Research conducted by Sari & Anwar, (2021) and Cuandra & Desianti, (2022) showed a positive relationship between financial literacy and saving decisions. However, in other research, Sekarwati & Susanti, (2020) found a negative correlation between financial literacy and saving behavior.

People with high materialism tend to spend much money and worry about money because they have poor money management skills compared to people with low materialism. This is in line with Pangestu & Karnadi, (2020), who found that materialism has a negative impact on saving behavior. However, additional research by Wijanarko et al., (2022), states that materialism has a positive impact on saving behavior.

In terms of saving, allowance is quite an important factor because most of them think that saving is an activity that can be done when they have a leftover allowance (Zulaika & Listiadi, 2020). Krisdayanti, (2020) research results show that allowance influences saving behavior. This is in line with previous research findings by Raszad & Purwanto, (2021) which found that allowance influences savings decisions. However, research conducted by Zulaika & Listiadi, (2020) found a negative relationship between allowance and saving decisions.

Without realizing it, in this highly advanced modern era, it is very easy for humans to fulfill their needs and desires. Starting from the upper class to Generation Z, everyone has started to experience this convenience en masse, resulting in consumptive behavior. According to (Izazi et al., 2020), when someone purchases and consumes goods without considering reasonable reasons, it is called consumptive behavior. Generation Z is a social group that is sensitive to the influence of current trends, lifestyles and styles, which can create consumptive behavior. Findings from Katadata Insight Center (KIC) and Zig Research (Databoks) show that most of Gen Z's monthly routine expenditure, 72.9%, is spent on communications such as purchasing credit, internet, etc.

The current level of understanding of Generation Z's financial literacy is still very low, despite reducing consumptive behavior, namely increasing understanding of financial management with financial literacy. Therefore, individuals who do not understand financial literacy are sometimes vulnerable to consumptive behavior (Fungky et al., 2021). Financial literacy becomes negative with consumptive behavior (Sustiyo, 2020). Ignorance of financial knowledge has a negative impact on consumptive behavior. In contrast, research conducted by Prihatini & Irianto, (2021) states that financial literacy has a positive relationship with consumptive behavior.

Materialism is the tendency to pay more attention to material possessions and comfort, physical values (religiosity) or spirituality (Muttaqin & Ardianto, 2019). Materialism drives consumptive behavior, according to research by Pangestu & Karnadi, (2020). On the other

hand, (Muttaqin & Ardianto, 2019) shows that materialism has a negative impact on consumptive behavior.

A person's consumption level will be high if he earns enough allowance not only to buy everything he needs but also to fulfill his desires. If you have more allowance, you will be more consumptive. This is in accordance with the findings of Rismayanti & Oktapiani, (2019), who found that pocket money has a positive effect on consumptive behavior. However, Rozaini & Sitohang, (2020), found that allowance has a negative effect on consumptive behavior.

The explanation above shows that there are differences in the results of previous research (research gap). Therefore, this research aims to re-evaluate how financial literacy, materialism, and allowance impact the saving decisions and consumptive behavior of Generation Z in West Java and Central Java Provinces. This research proposes something new by adding allowance as an independent variable. This research will also provide a new perspective for materialism research because there is still little research on the influence of materialism on saving decisions and the influence of materialism on consumptive behavior.

2. Literature Review

2.1 Theory of Planned Behavior (TPB)

Theory of Planned Behavior is the intention of the individual to do something that is given the behavior. Intention can be assumed to capture the motivational factors that influence a behavior, this is an indication of how hard people are willing to try and how much effort they plan to make a decision. The stronger the intention to engage in behavior, the greater the likelihood of success (Ajzen, 1991). The *theory of planned behavior (TPB)* assumes that people tend behave rationally and systematically make use of the information available to them when deciding to act or not to act taking into account its implications before they make a decision (Fishbein & Ajzen, 1975).

2.2 Theory of Attitude and Behavior

According to Hengo et al., (2021) *Theory of Attitude and Behavior* (Attitude and Behavior theory) states that materialistic qualities are a powerful incentive for individuals to buy what they want. People with high materialism are the least satisfied with their standards compared to those with low materialism.

2.3 Keynes's Theory of Consumption

According to Keynes Suparmono, (2018), Current consumption is strongly influenced by disposable income. Keynes's theory of consumption states that "The higher a person's income, the more the level of consumption also increases, and the rate of savings also increases. Conversely, when a person's income level decreases, so does the measure of income used to consume so that the savings rate is zero." This means that this consumption is very dependent on their income.

2.4 Financial Literacy and Saving Decision

Financial literacy is a science of personal finance, a provision for successful personal financial management. The broader one's capacity to oversee financial matters, the healthier the decision-making process. According to Zulaika & Listiadi, (2020), financial literacy has a noteworthy positive impact on savings behavior. This research measures financial literacy variables using indicators developed in research by Rahmayanti et al., (2019), which include (1) general knowledge of financial management, (2) savings and loan management, (3) insurance management, and (4) investment management.

H1: Financial Literacy has a positive effect on saving decisions in Generation Z.

2.5 *Materialism and Saving Decisions*

A study conducted by Saffana et al., (2023) has determined that materialism has a negative relationship with saving behavior. As individuals' materialistic tendencies increase, their propensity to save decreases. In contrast, individuals with lower materialistic attitudes showed a high tendency towards saving.

H2 : Materialism negatively affects saving decisions in Generation Z

2.6 *Allowance and Saving Decision*

This finding is consistent with research conducted by Wulandari & Susanti, (2019), which confirmed that the provision of Allowance has a beneficial impact on the tendency to save. Therefore, it can be concluded that individuals with larger amounts of Allowance are more likely to show higher savings rates, and conversely, those with smaller amounts of Allowance are more likely to show lower savings rates. Indicators for the savings decision variable use indicators developed in research by Risnawati & Syaparuddin, (2021), including (1) saving to provide a sense of security and comfort, (2) saving to reduce expenses, (3) saving to prevent financial losses, (4) saving to gain profits, and (5) saving to prepare yourself for the future.

H3: Allowance has a positive effect on saving decisions in Generation Z.

2.7 *Financial Literacy and Consumptive Behavior*

Increasing the level of financial literacy has the potential to spur consumption (Ma et al., 2021). In a comprehensive investigation, Sustiyo, (2020) argued that inadequate financial literacy exerts a detrimental and noteworthy influence on consumerist tendencies exhibited by Generation Z.

This consumptive behaviour variable uses research indicators developed in the research of Rozaini & Sitohang, (2020). These include (1) buying a product because of the impression of a gift, (2) because the packaging is attractive, (3) because of appearance and prestige, (4) because of the price, not because of profits, (5) just because of the symbol or status, (6) just because it matches the advertised model, (7) believe that buying a product at a high price will create feelings self-confidence, and (8) desire to try more than two different similar products.

H4: Financial literacy negatively affects consumptive behavior in Generation Z.

2.8 *Materialism and Consumptive Behavior*

According to Richins & Dawson (1992), which was developed in research Wijanarko et al., (2022), including (1) the importance of assets in a person's life, (2) owner and ownership are a source of happiness, and (3) ownership is a measure of success and success in life. Materialism has a positive influence on individual consumption behavior. Materialism can arouse consumer desires and encourage motivational action (Fu & Liu, 2019).

H5: Materialism has a positive effect on consumptive behavior in Generation Z.

2.9 *Allowance and Consumptive Behavior*

The allowance indicator uses indicators developed in research by (Rozaini & Sitohang, 2020), including (1) financial literacy/utilization, (2) gifts from parents and (3) income/own income. Based on research by Kumalasari & Soesilo (2019), Allowance has been shown to influence students' consumption behavior. The higher an individual's Allowance, the higher his consumption behavior. A large allowance will result in a significant spending pattern that will meet his requirements and desires (Fauzziyah & Widayati, 2020).

H6: Allowance has a positive effect on consumptive behavior in Generation Z.

3. Research Methods

3.1 Type of study, Population, Sampel, and Sampling Technique

In this research, previously created hypotheses were tested using quantitative methods. The data in this study were obtained through the process of observing primary data. The primary data came from questionnaires disseminated to Generation Z populations living in West Java and Central Java. The examination focused on the demographics of Generation Z in West Java and Central Java, consisting of 21,989,129 individuals. This study used the Slovin method to calculate it ($n = \frac{N}{1+ ne^2}$) (with a result of 99.5). 104 respondents aged 17 to 25, belonging to Generation Z, lived in West Java and Central Java.

3.2 Types, Data Sources and Data Collection

The questionnaire used a Likert scale to measure financial literacy, materialism, allowance, saving decisions, and consumptive behaviour in Generation Z, distributed online through a Google form, to measure respondents' answers using a Likert scale of 1-5. In this research, the statements proposed include the topics of financial literacy, materialism, Allowance, savings decisions and consumptive behaviour. Making this research instrument (questionnaire) includes a series of steps, namely: (1) identifying variables, (2) identifying indicators, (3) determining the scale, and (4) composition of the questionnaire.

3.3 Data Analysis Methods

The application used for data processing is SmartPLS 3.2.9. The implementation of SmartPLS 3.2.9 consists of two steps. First, *the outer model* is assessed and checked to verify validity and reliability. Validity is evaluated based on the outer loading or cross-loading results for each indicator. Reliability can be determined by checking the Cronbach alpha and Composite Reliability values. Second, the *inner model* is tested to calculate the R-squared value, which measures the fit of the model. This process aims to determine the extent of the influence of the independent variable on the dependent variable. Analysis of hypothesis testing is performed to determine the significance of the influence of the independent variable on the dependent variable. The analysis used a t-test on the bootstrapping path coefficient algorithm.

4. Research Findings and Discussion

Respondent characteristics include respondent distribution information, and findings based on gender, age, monthly allowance, source of income, and correspondence address are characteristics of respondents. The following table shows the survei results on the characteristics of respondents.

Table 1.1 Respondent Demographic

Characteristics	Total	%
Gender		
Man	17	16,3
Women	87	83,7
Age		
17-19	13	12,5
20-22	70	67,3
23-25	21	20,2
Monthly Allowance		
<Rp. 500.000	26	25
IDR 5,00,000-IDR 1,000,000	42	40,4
IDR 1,500,000-IDR 2,000,000	28	
>Rp. 2.000.000	8	26,9

		7,7
Source of Income		
Parents	68	65,4
Scholarship	2	1,9
Work	16	15,4
Parents and Business	8	7,7
Parents and Work	10	9,6
Province		
West Java	63	60,6
Central Java	41	39,4

Source : Author date processing

Based on table 1.1 states that the majority of respondents are women and aged between 20 to 22 years. Most of the people who answered have an allowance of around Rp. 500.000,- to Rp. 1.000.000,- every month given by parents. The study involved people from two provinces: West Java (63 people) and Central Java (41 people).

Table 1.2 Descriptive Statistic

	N	Average	Median	Min	Max	Standard Deviation
X1.1	104	4.183	4	1	5	1.007
X1.2	104	4.269	5	1	5	0.943
X1.6	104	3.99	4	1	5	0.925
X1.8	104	4.029	4	1	5	0.925
X2.1	104	3.981	4	1	5	0.98
X2.2	104	3.394	4	1	5	1.188
X2.3	104	3.01	3	1	5	1.173
X2.4	104	3.529	4	1	5	0.99
X3.1	104	3.885	4	1	5	1.003
X3.2	104	4.173	4	1	5	0.849
X3.3	104	4.135	4	1	5	0.951
X3.5	104	4.106	4	1	5	0.919
X3.7	104	3.51	4	1	5	1.019
X3.8	104	3.663	4	1	5	1.034
Y1.1	104	4.077	4	1	5	0.987
Y1.2	104	4.202	4	1	5	0.903
Y1.3	104	4.106	4	1	5	0.919
Y1.4	104	4.221	5	1	5	0.99
Y1.5	104	4.106	4	1	5	0.98
Y2.1	104	2.971	3	1	5	1.252
Y2.2	104	2.692	3	1	5	1.177
Y2.3	104	2.394	2	1	5	1.212
Y2.5	104	3.163	3	1	5	1.169
Y2.6	104	2.644	2	1	5	1.293
Y2.8	104	2.721	3	1	5	1.18

Source: SmartPLS 3.2.9

Table 1.2 presents the results of financial literacy variables, revealing average grades ranging from 3.9 to 4.2. This signifies agreement. In the case of the materialism variable, an average value between 3.0 and 3.9 indicates a neutral attitude, leaning towards agreeing. The variable allowance shows a value of agree with an average ranging from 3.5 to 4.1. Similarly, an average score of 4.0 to 4.2 for the saving decision variable showed a sleigh of approval. In contrast, variables related to consumptive behavior had an average value of 2.6 to 3.1, indicating a tendency to disagree, close to neutral.

4.1 Outer Model

The outer model test (sample) is used to determine the relationship between the dependent variable and the indicator or it can be said to be an external indicator that can know the correlation of each indicator and variable (independent and dependent).

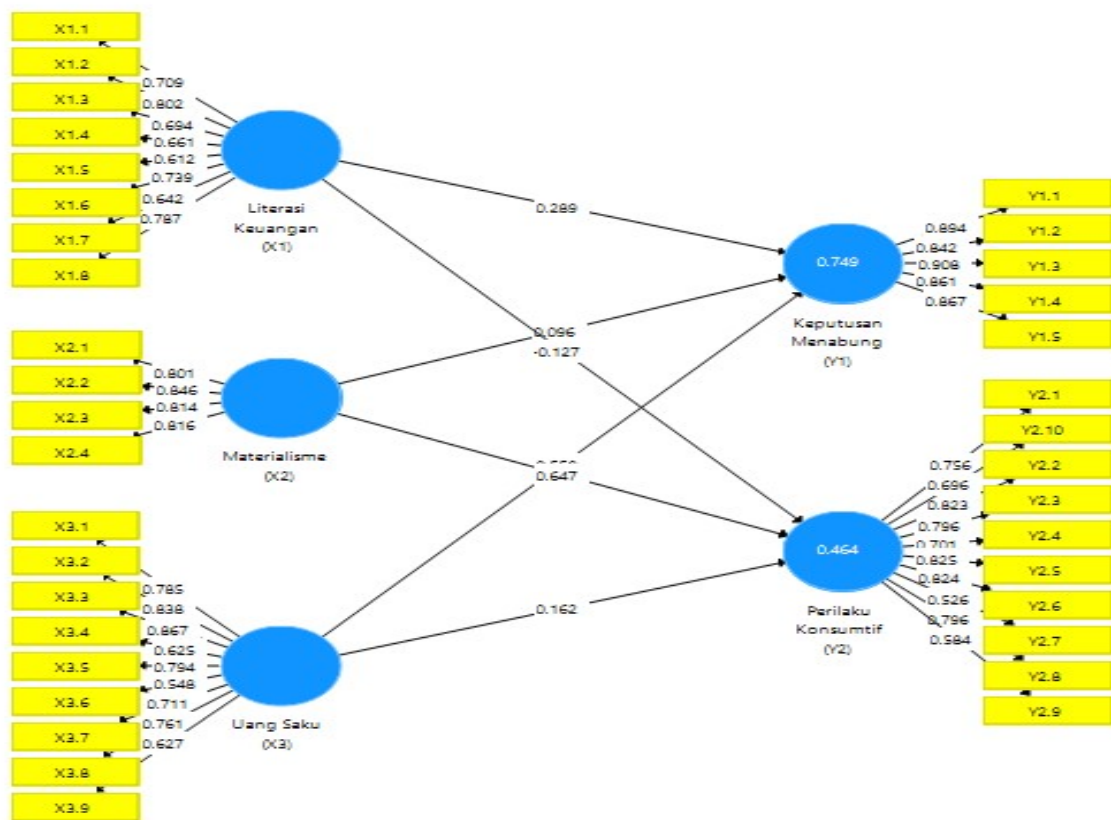


Figure 1.1 Model Path Coefficients (Before Construct)

Based on Figure 1.1, the outer loading test results show that some questionnaire items do not meet the loading factor standard, so they are void. The financial literacy construct (X1) lacks four items, namely in items X1.3 (0.694), X1.4 (0.661), X1.5 (0.612), and X1.7 (0.642). Furthermore, three items fall in the allowance construct (X3), namely items X3.4 (0.625), X3.6 (0.548), and X3.9 (0.627). However, of the ten items present, the construct of consumptive behavior (Y2) has only six left, the items omitted are Y2.4 (0.698), Y2.7 (0.526), Y2.9 (0.584), and Y2.10 (0.696). After that, retesting of validity is carried out, and all indicator values of each variable are above the standard loading factor value of more than 0.70, so they are considered valid.

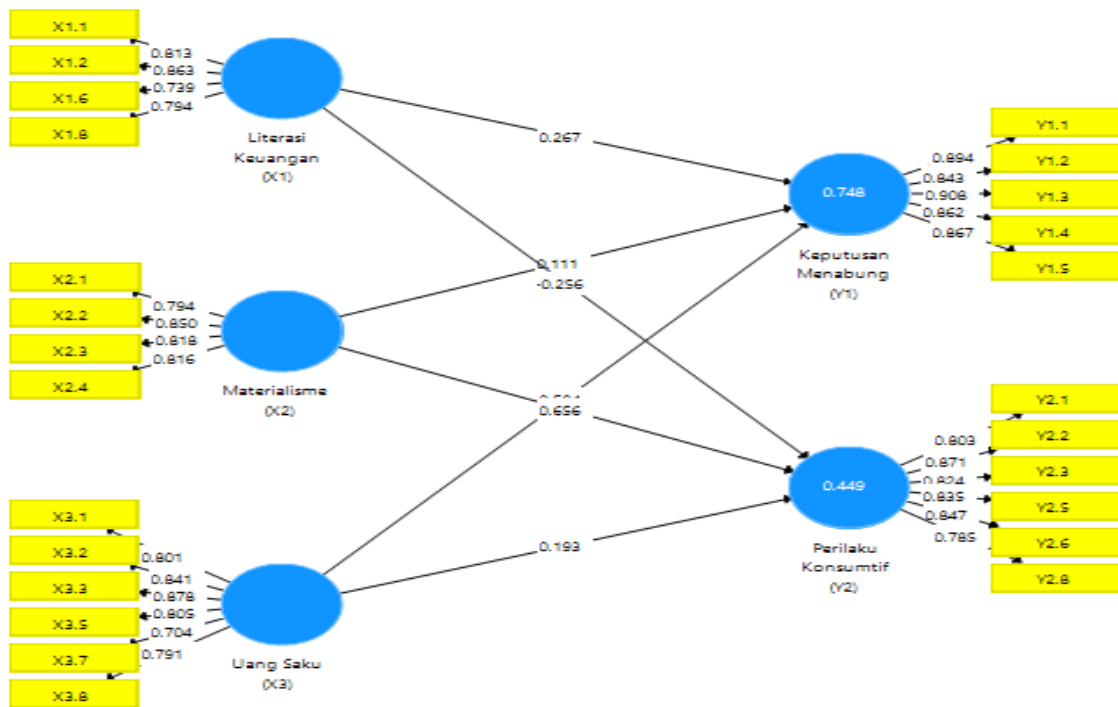


Figure 1.2 Model Path Coefficients (After Construct)

Figure 1.2 illustrates the results of information analysis performed with the help of SmartPLS 3.2.9 software. The findings show that all measurements used are considered valid and meet the validation criteria.

4.1.1 Convergent Validity Test

The Validity test of this study was shown by the relationship between independent and dependent variables, namely financial literacy (X1), materialism (X2), allowance (X3), decision security (Y1), and customer behavior (Y2) with indicators through the SmartPLS application. The loading factor value of each indicator is considered valid if its value is greater than 0.70. Conversely, a relationship can be considered invalid if the load factor value of each indicator is less than 0.70 (Chin W, 1998).

Table 1.3 Loading Factor Value

Variable	Indicator	Loading Factor	Note
Financial Literacy (X1)	X1.1	0.813	Valid
	X1.2	0.863	Valid
	X1.6	0.739	Valid
	X1.8	0.794	Valid
Materialism (X2)	X2.1	0.794	Valid
	X2.2	0.85	Valid
	X2.3	0.818	Valid
	X2.4	0.816	Valid
Allowance (X3)	X3.1	0.801	Valid
	X3.2	0.841	Valid
	X3.3	0.878	Valid
	X3.5	0.805	Valid
	X3.7	0.704	Valid
Saving Decision (Y1)	X3.8	0.791	Valid
	Y1.1	0.894	Valid
	Y1.2	0.843	Valid

	Y1.3	0.908	Valid
	Y1.4	0.862	Valid
	Y1.5	0.867	Valid
	Y2.1	0.803	Valid
	Y2.2	0.871	Valid
Consumptive Behavior (Y2)	Y2.3	0.824	Valid
	Y2.5	0.835	Valid
	Y2.6	0.847	Valid
	Y2.8	0.785	Valid

Source: SmartPLS 3.2.9

Based on table 1.3 3 shows that the relationship between the variable and its indicator has met the criteria and can be considered valid because the indicator of each variable has a loading factor value of > 0.70. Thus, this indicator has the ability to test all variables to be used.

4.1.2 Construct Reliability Test

Reliability is measured by questionnaires that show variables or constructs. If the person in question consistently answers a question or statement, the items in the statement are considered reliable. A construct or variable is considered reliable if Cronbach's alpha is more significant than 0.70 and the ave value is more significant than 0.5 (Chin W, 1998).

Table 1. 4 Construct Reliability and Validity

	Cronbach's Alpha	Reliabilitas Komposit	Alpha	AVE
Saving decisions (Y1)	0.923	0.942	0,70	0.765
Financial Literacy (X1)	0.817	0.879	0,70	0.646
Materialism (X2)	0.837	0.891	0,70	0.672
Consumptive Behavior (Y2)	0.908	0.929	0,70	0.686
Allowance (X3)	0.890	0.917	0,70	0.648

Source: SmartPLS 3.2.9

Table 1.4 states that the statements given for each variable are reliable. All variables have potential reliability given their structured nature, which describes the dimensions of each variable and is accompanied by a Cronbach Alpha value exceeding 0.70; moreover, the AVE value is more than 0.5.

4.1.3 Determine Coefficient (R^2)

The coefficient of determination is used to calculate the degree of impact exerted by the independent variable. (financial literacy, materialism, Allowance) to the dependent variables (saving decisions and consumptive behavior).

Table 1.5 Determinant Coefficient (R^2)

	R Square	Adjusted R Square
Saving Decision (Y1)	0.748	0.741
Consumptive Behavior (Y2)	0.449	0.432

Source: SmartPLS 3.2.9

Table 1.5 shows the R-squared value is determined to be 0.748, equivalent to 74.8 percent, for saving decisions. This shows that financial literacy, materialism, and Allowance affect 74.8 percent of saving decision variables. In contrast, variables outside the study affected 25.2 percent. The R-squared value of consumptive behavior was 0.449, or 44.9 percent. In other words, financial literacy, materialism, and Allowance each affected 44.9 percent, with outside variables studied at 51.5 percent.

4.1.4 Discriminant Validity Test

Table 1.6 Fornell-Larcker

	Y1	X1	X2	Y2	X3
Saving Decisions (Y1)	0.875				
Financial Literacy (X1)	0.746	0.804			
Materialism (X2)	0.531	0.428	0.820		
Consumptive Behavior (Y2)	0.202	0.167	0.647	0.828	
Allowance (X3)	0.839	0.738	0.523	0.347	0.805

Source: SmartPLS 3.2.9

Table 1.6 shows that the correlation value of the association construct is higher compared to other constructs, so it can be said that the model has good discriminant validity.

4.1.5 Cross Loading

Table 1.7 Cross Loading

	Keputusan Menabung (Y1)	Literasi Keuangan (X1)	Materialisme (X2)	Perilaku Konsumtif (Y2)	Uang Saku (X3)
X1.1	0.573	0.813	0.275	0.028	0.521
X1.2	0.591	0.863	0.291	0.084	0.560
X1.6	0.509	0.739	0.353	0.192	0.519
X1.8	0.693	0.794	0.435	0.217	0.733
X2.1	0.464	0.416	0.794	0.464	0.420
X2.2	0.392	0.309	0.850	0.639	0.429
X2.3	0.426	0.295	0.818	0.556	0.409
X2.4	0.468	0.396	0.816	0.448	0.461
X3.1	0.641	0.546	0.451	0.246	0.801
X3.2	0.743	0.670	0.408	0.109	0.841
X3.3	0.794	0.695	0.459	0.275	0.878
X3.5	0.661	0.574	0.457	0.240	0.805
X3.7	0.555	0.494	0.400	0.462	0.704
X3.8	0.636	0.567	0.351	0.354	0.791
Y1.1	0.894	0.697	0.465	0.193	0.823
Y1.2	0.843	0.595	0.457	0.114	0.724
Y1.3	0.908	0.674	0.487	0.205	0.739

Y1.4	0.862	0.640	0.461	0.174	0.643
Y1.5	0.867	0.650	0.454	0.196	0.726
Y2.1	0.247	0.156	0.561	0.803	0.283
Y2.2	0.089	0.049	0.530	0.871	0.218
Y2.3	0.143	0.097	0.529	0.824	0.250
Y2.5	0.276	0.245	0.661	0.835	0.404
Y2.6	0.107	0.148	0.439	0.847	0.285
Y2.8	0.097	0.112	0.437	0.785	0.256

Source: SmaertPLS 3.2.9

Based on Table 1.7, it can be concluded that using the cross-loading assumption, the discriminant variable is achieved so that the variable can be valid. Because each indicator can explain every variable the indicator explains or represents, the value must be higher.

4.2 Inner Model

Table 1.8 Hypothesis Test (Boostrapping Path Coefficients)

	Sampel Asli	T Statistik	P Values	Keterangan
Financial Literacy -> Saving Decisions	0.267	2.535	0.012	Accepted
Financial Literacy -> Perilaku Konsumtif	-0.256	2.338	0.020	Rejected
Materialism -> Saving Decisions	0.111	1.975	0.049	Accepted
Materialism -> Consumptive Behavior	0.656	8.496	0.000	Accepted
Allowance -> Consumptive Behavior	0.584	6.226	0.000	Accepted
Allowance -> Consumptive Behavior	0.193	1.377	0.169	Rejected

Source: SmartPLS 3.2.9

Based on the findings presented in Table 1.8, it is evident that financial literacy has a positive and statistically significant impact on savings decisions. These results validate the original sample coefficient of 0.267 and the statistically significant coefficient of 0.012, where the value is less than 0.05, thus indicating the acceptance of H1. Variables related to materialism also showed a positive and significant influence on savings decisions, as is evident from the original sample coefficient of 0.111 and a statistically significant coefficient of 0.049, with a value of less than 0.05, leading to the rejection of H2. Furthermore, Allowance showed a positive and significant influence on savings decisions, which was supported by the original sample coefficient of 0.584 and a statistically significant coefficient of 0.000, where the value was less than 0.05, thus confirming the acceptance of H3. In contrast, financial literacy showed a negative and significant influence on consumptive behavior, as shown by the original sample coefficient of -0.256 and a statistically significant coefficient of 0.020, with a value less than 0.05, thus supporting the acceptance of H4. The materialism variable exerts a positive and significant influence on consumptive behavior, supported by the original sample coefficient of 0.656 and a statistically significant coefficient of 0.000, with a value of less than 0.05, leading to the acceptance of H5. In contrast, the allowance variable showed no significant effect on consumptive behavior, as shown by the original sample coefficient of 0.193 and the statistically significant coefficient of 0.169, with values greater than 0.05, resulting in the rejection of H6.

4.3 The Effect of Financial Literacy on Saving Decisions

This study confirms that there is a positive and noteworthy correlation between financial literacy and saving decisions so **H1 is accepted**. It states that an individual's understanding of financial matters can indeed exert influence on their decisions regarding saving. A person who has a good understanding of financial concepts is likely to exhibit similar behavior. Sufficient knowledge of how to effectively manage personal finances, as well as relevant information, is known as financial literacy. Decisions made are better if financial knowledge and capabilities are expanded (Jennifer & Pamungkas, 2021). This shows that Generation Z in West Java and Central Java Provinces has high financial literacy, which can influence their saving behavior. Generation Z should be considered because they have good financial intelligence, which can help them make good saving habits and improve their well-being in the future.

According to research conducted by Rikayanti & Listiadi, (2020); Thohari & Hakim, (2021) and Zulaika & Listiadi, (2020), financial literacy has a positive impact on saving behavior. Another study Raszad & Purwanto, (2021), supports the results of this study by stating that saving is more likely when someone is more financially conscious. Therefore, understanding finances helps people become better at saving.

4.4 The Influence of Materialism on Saving Decisions

This study states that materialism has a positive and significant impact on saving decisions, so **H2 is rejected**. This is in accordance with research conducted by Wijanarko et al., (2022) and Dewi et al., (2021) stating that materialism affects saving behavior. The desire to live and spend materially drives people to save. Materialistic people often save up to buy something they want.

4.5 The Effect of Allowance on Saving Decisions

The results of the hypothesis test show that allowance has a positive impact on saving decisions, so **H3 is accepted**. If someone has a large allowance, they have an easier time controlling their money; Logically, they more easily meet their needs and the rest is collected and stored in available financial institutions. According to research conducted by Raszad & Purwanto, (2021), Allowance plays an important role in cultivating saving habits. The allocation of allowance has a significant impact on the spending patterns of Generation Z in the West Java and Central Java regions, thus influencing their saving habits. As a result, the use of Allowance is very important, especially in the context of savings.

4.6 The Effect of Financial Literacy on Consumptive Behavior

The findings suggest that the financial literacy hypothesis has a detrimental influence on consumptive behavior, thus leading to the **acceptance of H4**. This result is in line with previous studies conducted by Izazi et al., (2020); Kumalasari & Soesilo, (2019) and Sustiyo, (2020) which all concluded that financial literacy has a negative impact on consumptive behavior. Having good financial intensity allows individuals to make informed decisions when choosing products and services that suit their needs, and vice versa. study is in line with the findings of research conducted by Funky et al., (2021), which revealed that increased financial literacy leads to a decrease in consumption behavior. That is, Generation Z with high financial literacy tends not to engage in consumptive behavior, and vice versa, Generation Z with low financial literacy tends to consume more.

4.7 The Influence of Materialism on Consumptive Behavior

The results showed that the materialism hypothesis had a positive impact on consumptive behavior so **H5 was accepted**. The more materialistic a person is, the more consumptive they

are. However, research conducted by Damayanti & Assagaf, (2021), found that materialism has a negative impact on consumption levels.

4.8 The Effect of Allowance on Consumptive Behavior

The findings showed that allowance did not have a significant impact on consumptive behavior, thus leading to the **rejection of H6**. This result is consistent with previous research Dilasari et al., (2021), which found that the tendency to make purchases was not influenced by the availability of Allowance. Allowance management poses challenges to practicing frugality. This suggests that individuals belonging to Generation Z are unlikely to limit their consumption. Because individuals have wants and needs to be met, Generation Z tends to spend constantly, thus suggesting that allowance does not exert a significant influence on consumptive behavior.

5. Conclusion

The findings show that financial literacy has the potential to have a positive impact on saving decisions among individuals belonging to Generation Z. This means that the more Generation Z in West Java and Central Java know financial knowledge, the more encouraging it will be to save. Materialism can positively influence the decision to save Generation Z. That is, Generation Z in West Java and Central Java Provinces who have materialism will be diligent in saving, but the goal is to buy something they want. Allowance can positively influence saving decisions in Generation Z. That is, the greater the Allowance earned by Generation Z in West Java and Central Java Provinces, the better the saving behavior. Financial literacy can negatively affect consumptive behavior in Generation Z. That is, the more Generation Z in West Java and Central Java know about finance, the less consumptive behavior is. Materialism has a positive impact on the consumptive behavior of Generation Z. That is, Generation Z in the West Java and Central Java regions is very materialistic, and they are also very consumptive. Allowance does not affect the consumptive behavior of Generation Z. That is, the consumption behavior of Generation Z in West Java and Central Java will not be influenced by the amount of money they receive.

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