

## The Intention as a Mediating Variable On Financial Management Behavior

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### ABSTRACT

This study focuses on the variables of Islamic financial literacy, financial self-efficacy, and perceived ease of use that influence financial management behavior among Generation Z Paylater users in Tulungagung Regency, mediated by intention. This study presents an innovation to discuss financial literacy, juxtaposed with Islamic principles in the implementation of Paylater, and this idea is based on the Theory of Planned Behavior as its core theoretical foundation. In this study, there were 125 Generation Z respondents who were Paylater users residing in Tulungagung Regency. SmartPLS 4 software was used to generate questionnaire results using the Structural Equation Modeling–Partial Least Squares (SEM-PLS) method. The results showed that Islamic financial literacy had no effect on financial management behavior. However, financial self-efficacy was interrelated, having a positive impact on financial management behavior and intentions through an intermediary process. Conversely, perceived ease of use shows no meaningful mediating effect and is associated with a negative relationship toward intention and financial management behavior.



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### INTRODUCTION

Technological developments in Indonesia have entered a highly sophisticated era, where all information is readily available and accessible. The ease of technology today is welcomed by Generation Z as digital natives whose lifestyles are based on advertising, influencer promotions, fashion, and lifestyle content that lead to a culture of consumerism. This culture of consumerism is based on the desire to buy not only out of necessity and desire, but also to satisfy social and aesthetic (Al hidayat & Fikhri, 2025) The rise of consumer culture, supported by technological advances and convenience, has been exploited by businesses to provide digital transaction

services such as PayLater. Paylater (buy now, pay later) services, which allow customers to buy now and pay later, are an innovation that facilitates instant purchases with a very easy process, without physical collateral, and with flexible and conditional terms (Kamil et al., 2024). Data from 2024 shows that Paylater users reached 13.4 million users, with a percentage in the first semester, according to Fintech Trends (2024) 33% are Generation Z, motivated by ease of access, positive transaction experiences, efficiency, and flexibility (Nurfitri et al., 2025).

Individuals' decisions to use Paylater are influenced by habits or behaviors commonly referred to as financial management behavior. Financial management behavior includes the activities that people undertake to arrange their financial resources, monitor expenditures, accumulate savings, avoid excessive debt, and manage personal assets to ensure lasting financial security (Wijaya et al., 2024). Actions taken to oversee financial assets for the purpose of ensuring financial health are known as financial management behavior. Ideally, financial management behavior can be minimized when individuals have Paylater debt that does not exceed the recommended Debt-to-Income (DSTI) ratio. Therefore, it is recommended that monthly debt obligations remain below approximately one-third or 30% of an individual's income (Du Caju, 2022).

Furthermore, financial management behaviors cannot be implemented by individuals if they are not based on intention, the initial step that ensures their actions are carried out thoughtfully. Intention is evidence that everything an individual does begins with an intention, which is then analyzed by the individual to apply in real life or simply ignored. Therefore, this study incorporates intention as a mediating variable. When it comes to managing finances, people who are determined to attain financial well-being will be disciplined in their budgeting and money management. According to research Wahyuni et al. (2023), Denytasari et al. (2023) & Rangkuti et al. (2023) Financial management behavior is influenced by the intention to perform positively. Financial management behavior is composed of many interrelated supporting factors. Based on the selection results, Islamic financial literacy is the primary variable, interpreted as knowledge, expertise, and confidence in managing finances based on Islamic principles that do not involve usury, gharar, or maysir Dina et al. (2023) & Firdausi (2022). A deep understanding of financial concepts provides people with the opportunity to manage their finances in a more organized manner, learning to make informed decisions regarding savings, spending, and investment (Siva Kumar, 2025). Research by Wijaya et al. (2024), Prasetyo (2024) & Nadziroh et al. (2025) demonstrates a positive, unidirectional, and statistically significant effect. However, this differs from other studies Waty (2021) this claims that knowledge of Islamic finance does not change how individuals manage their finances.

Aside from understanding Islamic financial literacy, confidence in one's financial abilities significantly influences how individuals manage their finances. This sense of Financial self-efficacy denotes a person's belief in their capability to plan effectively, manage, and deliberately make informed monetary choices and successfully reach their financial objectives (Wardani, 2022). In this study, Generation Z must have high self-confidence to manage their finances, as this can increase their motivation and It is crucial to demonstrate wisdom in handling one's financial matters. Studies conducted by Lukesi et al. (2021) & Rangkuti et al. (2023) Financial self-efficacy

is said to have a statistically significant positive influence on financial management behavior. Meanwhile, research Pratama (2024) & Harianto (2021) Research indicates that financial self-efficacy does not significantly influence behaviors associated with financial management.

The next factor is the perceived ease of use, which pertains to an individual's conviction that a technological advancement is easy to operate, thereby motivating them to embrace and make use of it (Davis, 1989) & (Maisela & Hayati, 2025). According to research Damayanti & Canggih (2021) perceived ease of use shapes individuals' perspectives on Paylater services by making them more inclined to satisfy their wants immediately, even when they do not have the funds on hand or wish to avoid waiting. Belief in the ease of use of digital financial services will increase financial planning, management, recording, control, and evaluation activities. According to research by Ramadhan & Dasra Viana (2023) the notion that perceived ease of use positively influences financial management practices is frequently proposed. However, earlier research findings call this assumption into question. Paramita & Hidayat (2023) stated that there was no correlation found between the two variables.

The variables that have been described indicate that this research is closely related to the concept proposed by Ajzen (1991), because the Theory of Planned Behavior (TPB) is a theory used to provide an understanding of individual actions by identifying various beliefs held by individuals in controlling possible outcomes. In TPB theory, individual behavior is not solely influenced by personal beliefs and norms, but also by their views on their own ability to regulate behavior based on their beliefs about the control they have (Chau, 2001). TPB theory emphasizes that human actions are rational and based on optimism that individual actions are under their control (Griffin, 2012). TPB includes three components that determine individual intentions, understanding, beliefs, abilities, and behavior, namely subjective norms, attitudes, and perceptions.

The selection of Generation Z in Tulungagung Regency as the research subject is motivated by the establishment of several universities, which are the destinations for Generation Z to study and settle in Tulungagung Regency. This phenomenon has led to an increase in the proportion of Generation Z in Tulungagung Regency, which has triggered the emergence of various shopping centers, culinary centers, and cafes. This has led to the increasing popularity of paylater services, driven by the desire to stay trendy, live a hedonistic lifestyle, and consumerism without considering financial constraints (Prihatini & Irianto, 2021). The inclusion of Islamic teachings in financial literacy, which has not been thoroughly examined as a single variable in this study, and intention as a mediating variable combined with other variables in a single unit are the novelty aspects of this study that demonstrate the inconsistency of previous research. Thus, using the intention variable as a mediating variable, the study intends to investigate the impact of Islamic financial literacy, financial self-efficacy, and perceived ease of use variables on financial management behavior in Generation Z Paylater users in Tulungagung Regency.

## METHODOLOGY

This study uses a quantitative descriptive methodology that aims to assess, describe, and analyze relationships between variables, test hypotheses, and make generalizations that can be

broadly implied and have predictive value. Information was collected through a Google Form questionnaire distributed via WhatsApp to selected respondents according to the criteria set by the researcher. The questionnaire distribution process was carried out with direct assistance to respondents while filling out the questionnaire. Each variable in this tool has items that are measured on a Likert scale of 1 to 5, representing levels from strongly disagree (STS), disagree (TS), somewhat agree (KS), agree (S), and strongly agree (SS). The study population consisted of Generation Z paylater users domiciled in Tulungagung Regency, but the exact number is unknown. Therefore, the sample was obtained using the Malhotra formula, which resulted in the smallest sample of 115 respondents.

The primary data obtained from the questionnaires were examined utilizing the SmartPLS application, which employs the Partial Least Squares method within Structural Equation Modeling (SEM-PLS). The evaluation occurred in two primary phases. The initial phase focused on analyzing the outer model, what type of measurement model was utilized to evaluate the validity and reliability of the research instruments. The following phase examined the inner model, focusing on the structural relationships to analyze and test the causal links among the latent variables (Hair et al., 2021)

**RESULT AND DISCUSSION**

This study involved 125 respondents, with 69.6% or 87 respondents being female and 30.4% or 38 respondents being male. The percentage based on age includes 28% or 35 respondents aged 18-20 years, 47.2% or 59 respondents aged 21-25 years, and 24.8% or 31 respondents aged 26-28 years. After that, data processing was carried out using information obtained from distributing questionnaires containing research variables, namely financial management behavior (FMB), Islamic financial literacy (IFL), financial self-efficacy (FSE), perceived ease of use (PEoU), and Intention (Int) along with the question indicators, so that the results of data processing are as follows:

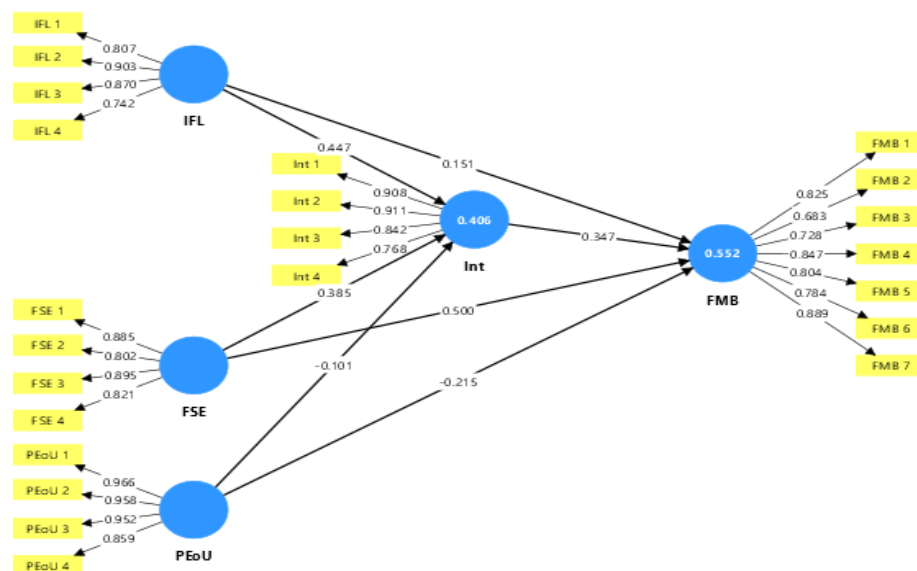


Figure 1. Outcomes of the comprehensive model evaluations

Source: Data processed by researchers (2025)

**Measurement Model (Outer Model)**

Table 1. Convergent Validity Test Results with Average Variance Extracted (AVE)

	Average variance extracted (AVE)	Result
<b>FMB</b>	0.672	Valid
<b>IFL</b>	0.693	Valid
<b>FSE</b>	0.725	Valid
<b>PEoU</b>	0.873	Valid
<b>Int</b>	0.738	Valid

Source: Data processed by researchers (2025)

As displayed in Table 1, the Average Variance Extracted (AVE) values as suggested by the results of the validity evaluation are 0.672 for financial management behavior, 0.693 for Islamic financial literacy, 0.725 for financial self-efficacy, 0.873 for perceived ease of use, and 0.738 for intention. Each construct meets the requirements for convergent validity since all AVE values are higher than the permissible minimum threshold of 0.50.

Table 2. Discriminant Validity Test Result with Fornell-Larcker

	FMB	IFL	FSE	PEoU	Int	Result
<b>FMB</b>	<b>0.820</b>					Valid
<b>IFL</b>	0.438	<b>0.833</b>				Valid
<b>FSE</b>	0.600	0.331	<b>0.852</b>			Valid
<b>PEoU</b>	0.152	0.292	0.507	<b>0.934</b>		Valid
<b>Int</b>	0.630	0.546	0.482	0.225	<b>0.859</b>	Valid

Source: Data processed by researchers (2025)

Referring to Table 2, the evaluation of discriminant validity the Fornell-Larcker criterion was applied in a study. This method demonstrates discriminant validity when a construct's square root of the Average Variance Extracted (AVE) is greater than its correlations with other variables. For instance, the average value for financial management behavior is 0.820, while its correlation values with other factors are 0.438 for Islamic financial literacy, 0.600 for financial self-efficacy, perceived ease of use has a value of 0.152, while the intention is measured at 0.630. Because the square root of the Average Variance Extracted (AVE) for the financial management behavior construct is higher than its correlations with the other variables, the results demonstrate that the construct meets the requirements for discriminant validity. Similarly, all other variables have  $\sqrt{AVE} >$  than the other variables, indicating that they are all discriminantly valid.

Table 3. Composite Reliability Test Result and Cronbach's Alpha

	Cronbach's alpha	Composite reliability (rho_c)	Result
<b>FMB</b>	0.901	0.925	Reliable
<b>IFL</b>	0.851	0.900	Reliable
<b>FSE</b>	0.875	0.913	Reliable
<b>PEoU</b>	0.956	0.965	Reliable
<b>Int</b>	0.881	0.918	Reliable

Source: Information analyzed by researchers (2025)

According to the information acquired from the test results in Table 3, the composite reliability and Cronbach's alpha are acceptable when each measure exceeds the reference value of 0.70. The composite reliability results show that all of the study's constructs have good reliability, with scores of 0.925 for financial management behavior, 0.900 for Islamic financial literacy, 0.913 for financial self-efficacy, 0.965 for perceived ease of use, and 0.918 for intention. Additionally, when tested for reliability Cronbach's alpha calculations of financial management behavior is 0.901, Islamic financial literacy is 0.851, financial self-efficacy is 0.875, perceived ease of use is 0.956, and intention is 0.881. All are proven to meet the 0.70 criterion. Therefore, the indicators are said to be reliable for measuring the research topic

### Structural Model (Inner Model)

Table 4. R-Square (R<sup>2</sup>) Result

	R-Square	R-square adjusted
<b>FMB</b>	0.553	0.538
<b>Int</b>	0.407	0.392

Source: Data processed by researchers (2025)

The test findings in Table 4 show that an R-squared (R<sup>2</sup>) value of 0.75 or above indicates a significant level of explanatory power, while a value between 0.50 and 0.75 indicates a moderate level. A low degree of explanatory power is indicated by a number between 0.25 and 0.50. The research reveals that the financial management behavior construct's adjusted R-squared value is 0.538, indicating a moderate explanatory relationship, with factors outside the model explained by the remaining variables. Meanwhile, the intention variable (0.392) shows a relationship in the weak category, then the rest is explained by other variables.

Table 5. Goodness of fit (GOF) Result

	Average variance extracted (AVE)	R-square adjusted
<b>FMB</b>	0.672	0.538
<b>IFL</b>	0.693	
<b>FSE</b>	0.725	

PEoU	0.873	
Int	0.738	0.392
<b>Average</b>	<b>0.740</b>	<b>0.465</b>
<b>SQRT</b>	<b>0.587</b>	

Source: Data processed by researchers (2025)

In Table 5, the model's overall performance is evaluated using the goodness-of-fit (GoF) index, which is computed by integrating the R<sup>2</sup> value with the mean of the outer loadings. A GoF score above 0.36 is categorized as strong, a score exceeding 0.25 is considered moderate, and a value greater than 0.10 indicates a low level of model fit. The test result shows a value of 0.587, which is greater than 0.36, signifying a good fit.

Table 6. Path Coefficient Direct Effect Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Results
IFL -> FMB	0.139	0.144	0.084	1.648	0.099	Not Significant
FSE -> FMB	0.488	0.485	0.086	5.701	0.000	Significant
PEoU -> FMB	-0.219	-0.215	0.092	2.390	0.017	Significant
Int -> FMB	0.368	0.347	0.102	3.608	0.000	Significant
IFL -> Int	0.448	0.451	0.09	4.959	0.000	Significant
FSE -> Int	0.385	0.362	0.117	3.300	0.001	Significant
PEoU -> Int	-0.101	-0.082	0.084	1.200	0.230	Not Significant

Source: Data analyzed by researchers (2025)

With reference to Table 6's data, the first hypothesis produces a T-statistic of 1.648, which is below the 1.96 cut-off. Additionally, its p-value of 0.099 and coefficient of 0.139 are above the 0.05 cut-off. This suggests that financial management behavior is not greatly impacted by Islamic financial literacy. The second hypothesis shows a T-statistic of 5.701, which is higher than the 1.96 criterion, with a coefficient is 0.488, and the p-values are below 0.05. Demonstrates that financial self-efficacy has a considerable impact on financial management behavior. The third and fourth hypotheses demonstrate a significant influence between perceived ease of use and intention on financial management behavior, with T-statistics of 2.390 and 3.608, respectively, exceeding the critical threshold of 1.96. The p-values are 0.017 and 0.000, respectively, while the coefficients are -0.219 and 0.368. The fifth and sixth hypotheses then demonstrate a significant relationship between Islamic financial literacy and financial self-efficacy on intention, with T-statistic values of 4.959 & 3.300, exceeding the critical value of 1.96, as well as coefficients of 0.448 & 0.385 and p-values of 0.000 & 0.001. Additionally, the seventh hypothesis has a p-value of 0.230, a coefficient of -0.101, and a T-statistic of 1.200, which is less than the critical value of 1.96. The test results indicate that intention is not influenced by perceived ease of usage.

## Mediation Test

Table 7. Path Coefficient Indirect Effect Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Results
IFL -> Int -> FMB	0.165	0.157	0.057	2.908	0.002	Significant
FSE -> Int -> FMB	0.142	0.126	0.056	2.532	0.006	Significant
PEoU -> Int -> FMB	-0.037	-0.029	0.032	1.159	0.123	Not Significant

Source: Data processed by researchers (2025)

According to the findings from the mediation hypothesis analysis outlined in Table 7, when intention serves as the mediator, the observed effect of Islamic financial literacy on financial management behavior shows a coefficient of 0.165, a p-value of 0.002, and a T-statistic of 2.098, which exceeds the critical limit of 1.96. This indicates a moderately significant influence. In the presence of intention as a mediator, financial self-efficacy also reveals a significant effect on financial management behavior, with a T-statistic of 2.532 that exceeds the important threshold of 1.96, a coefficient of 0.142, and a p-value of 0.006. Conversely, the perceived ease of use demonstrates a minor influence on financial management behavior when intention is considered as a mediator, with a coefficient of -0.037, a T-statistic of 1.159 that does not meet the important threshold of 1.96, and a p-value of 0.123.

## DISCUSSION

### The Effect of Islamic Financial Literacy On Financial Management Behavior

The findings from the first hypothesis test indicated a T-statistic of 1.648, which was below the critical value of 1.96, along with a coefficient of 0.139 and a p-value of 0.099 > 0.05. As a result, knowledge of Islamic financial literacy does not have an impact on financial management behavior. While an individual's understanding of Islamic financial principles, including the avoidance of riba (usury), gharar (uncertainty), and maysir (gambling), may increase with their knowledge, this does not guarantee that they will apply this knowledge in practical situations. Therefore, financial management behavior appears to be unaffected by the individual's comprehension of Islamic finance. Elevated Islamic financial literacy does not automatically lead to effective financial management behavior, nor does it imply the opposite.

The results reveal that a majority of Generation Z individuals in Tulungagung Regency acknowledge the significance of Islamic financial literacy, which each person demonstrates by having the essential knowledge and skills to handle their finances effectively, allowing them to make informed financial decisions. Despite their considerable financial awareness, this awareness had minimal effect on their financial management behaviors, such as failing to budget their spending, saving only when they have surplus funds, and resorting to Paylater services

when they are low on cash. The influence of financial literacy is consistent with the Theory of Planned Behavior (TPB), which serves as the foundational theory for this research. TPB theory states that individual actions are shaped by their perceived sense of control, which includes their understanding and awareness of Islamic financial literacy, so that what they do aligns with what they are controlled by.

These findings are consistent with previous research Rangkuti et al. (2023), Rahmatang et al. (2024) & Rifdani & Cerya (2022) research indicates that a grasp of Islamic finance does not notably influence personal financial management. While financial management is not universally effective, it's not exclusively employed to fulfill consumer wants. The results of this study suggest that students' financial management behavior does not completely demonstrate their awareness and comprehension of Islamic financial literacy, as their behaviors are not motivated by a deliberate intention to implement this knowledge in practice, but rather seem to be confined to theoretical understanding alone.

### **The Effect of Financial Self-Efficacy On Financial Management Behavior**

The findings from the second hypothesis test suggest that those with increased financial self-efficacy frequently showcase improved efficiency in their financial management behavior. The shared test from this study produced a value of 5.701, surpassing the critical threshold of 1.96, with a coefficient of 0.488 and a p-value lower than 0.05. The outcomes demonstrate that financial self-efficacy significantly positively affects financial management behavior. A majority of scholars concur that individuals with greater financial self-efficacy are likely to engage in more effective and proactive financial management.

Descriptively, Generation Z in Tulungagung generally believes they can manage their finances wisely, as posed by the questionnaire. The questionnaire concluded that most respondents agreed or strongly agreed that they prioritized more important things, had an emergency fund, and recorded every expense, ultimately resulting in sound financial management within their financial capabilities. Although some respondents had financial resources from their parents, it is possible that they did not have full control over their finances through their own decisions. However, this is the beginning of learning to exercise good self-control over their budget, so that they will eventually become accustomed to managing structured and well-managed finances. This aligns with the Theory of Planned Behavior (TPB), which states that people behave as rational beings who assess the potential consequences of their actions before developing intentions or making choices.

This corresponds with the outcomes of the research Lukesi et al. (2021) Several scholars agree that individuals with greater financial self-efficacy generally demonstrate improved effectiveness in managing their finances and more favorable financial management practices. From the results of his research millennials, although they tend to be consumptive, are more concerned with managing their finances in different proportions according to their income, because good financial management will be a safeguard when needed.

### **The Effect of Perceived Ease of Use On Financial Management Behavior**

The third hypothesis test, with a t-statistic of 2.390, exceeded the critical threshold of 1.96. The coefficient was -0.219, and the p-value was 0.017, indicating that ease of use significantly

influenced financial management behavior, with a negative direction. Individuals' perceptions of user-friendliness in digital financial services influence their approach to managing money, features, services, and transactions. For example, PayLater does not prove to improve individual financial management behavior. Instead, it leads to individuals losing control over their finances. Because digital services like PayLater are easy to use but not tailored to an individual's financial capabilities, the use of PayLater, driven by need, continually satisfies desires, giving rise to a culture of excessive consumption and hedonism that relies on debt without careful planning. Similarly, Generation Z in Tulungagung is attracted by the convenience of paylater services without any self-control, which disrupts financial management.

In line with research by Paramita & Hidayat (2023) these findings suggest the apparent ease of use has a significantly negative effect on how people handle their financial matters. In practice, many people still struggle to navigate or fully understand online financial platforms, and this difficulty appears to hinder their ability to engage in effective financial management. This has both positive and negative aspects. For those who don't yet understand and implement financial management effectively, the difficulty of using digital services can be a lifesaver. Nevertheless, for individuals who possess a strong understanding of financial management's significance, the challenges associated with utilizing digital financial services may hinder the successful execution of their financial management strategies.

#### **The Effect of Intention On Financial Management Behavior**

The findings from the fourth hypothesis test indicated a T-statistic of 3.608, surpassing the critical value of 1.96. Additionally, the analysis uncovered a coefficient of 0.368 and a p-value of 0.000, which signifies a noteworthy positive effect. In other words, individuals with stronger intentions to manage their finances tend to demonstrate more effective financial management behavior, accompanied by awareness and willingness, which ultimately lead to concrete actions to manage their personal finances. This is because intention is a key factor in shaping healthy, disciplined, and planned financial behavior.

According to the research findings, Generation Z's concrete behavior stems from both internal intentions and external factors, such as observing the well-thought-out actions of others. This is reflected in their financial decision-making behavior, such as saving, investing, and budgeting, all stemming from a well-developed desire or intention to achieve healthy and sound financial management. Based on the Theory of Planned Behavior, this suggests that people's behavior is influenced by their intentions as they strive to achieve their goals, as well as by complementary external factors.

This aligns with the findings of studies by Rangkuti et al. (2023), Denytasari et al. (2023) & Wahyuni et al. (2023) This indicates that intention has a positive and significant influence on financial management behavior. Individuals who consciously strive to maintain healthy finances generally exhibit more responsible financial habits, such as exercising self-discipline to avoid unnecessary spending, consistently saving and investing, and fulfilling payment obligations on time. Individuals who implement structured financial management will be better prepared to respond to current trends that prioritize a consumer culture.

### **The Effect of Islamic Financial Literacy On Intention**

The findings from the fifth hypothesis test indicated a T-statistic value of 4.959, surpassing the critical threshold of 1.96, along with a coefficient of 0.448 and a p-value of 0.000, demonstrating significant relevance. These findings lead to the conclusion that Islamic financial literacy positively influences individual intentions. If knowledge and understanding of Sharia-based finance are high, then individuals will also have a strong intention to implement financial management behaviors based on Islamic principles, such as avoiding financial services involving usury, gharar, and maysir. Managing finances by adhering to Islamic principles is believed to be a blessing and a moral responsibility that is highly desired by individuals with high levels of Islamic values. Data from the questionnaire showed that intention significantly influences Generation Z's awareness of the importance of understanding Islamic finance in handling personal financial matters. This is in accordance with the theory of planned behavior, which states that intention acts as the main driving force behind actions. With strong intentions, individuals will be more confident in implementing or applying their knowledge. However, this is hampered by the lack of digital financial services offering Sharia-compliant loans that can be used for urgent needs while still adhering to Islamic principles, according to existing knowledge.

According to research Wahyuni et al. (2023) & Prasetyo (2024) this shows that understanding Islamic finance has a positive and significant impact on customers' willingness to participate in Islamic banking. Various online and offline promotional efforts appear to increase public knowledge and understanding of Islamic financial principles, which ultimately serves as a buffer against public doubts about switching to Islamic banking. These promotional efforts and increased public understanding ultimately strengthen individuals' intention to utilize Islamic financial services.

### **The Effect of Financial Self-Efficacy On Intention**

The outcomes of the sixth hypothesis test revealed a T-statistic value of 3.300, surpassing the critical threshold of 1.96, with a coefficient of 0.385 and a p-value of 0.001. These results suggest that financial self-efficacy has a significant and positive influence on an individual's intention. Financial self-efficacy is closely linked to intention, which serves as the foundation for any actions taken by a person, bolstered by confidence in their own capabilities. The more confident a person feels in managing their finances, the stronger their intention to succeed, leading to healthier and more structured financial management, as self-assurance can drive the formation of intentions to apply financial principles effectively. This study's findings indicate that Generation Z possesses confidence in their ability to manage finances effectively, a conviction that arises from their underlying intentions and personal motivation to do so.

This aligns with existing research Rangkuti et al. (2023) This indicates that Financial self-efficacy positively influences individuals' intentions and is significant. This is because, in this study, people need the intention to convince themselves that they can handle their financial matters effectively.

### **The Effect of Perceived Ease of Use On Intention**

The findings from the seventh hypothesis test indicated a T-statistic of 1.200, which falls short of the critical value of 1.96, accompanied by a p-value of 0.230 and a coefficient of -0.101.

These outcomes suggest that perceived ease of use does not influence intention. Although the ease of use of digital financial services does not influence Generation Z to use digital services, it may even reduce their intention to use them. This is because more and more Generation Z are aware and have sufficient knowledge and understanding of how to manage their finances well, healthily, and structured according to their respective financial capabilities. Consequently, perceived ease of use does not appear to influence a person's motivation to behave in a certain way, as their intentions are largely shaped by underlying influences that also take into account other considerations.

This aligns with the findings of research Pambudi et al. (2023) Research shows that perceived ease of use has an insignificant and negative impact on intention, as several other factors also influence individuals' choice of alternatives. This may be due to previous research showing that users' intention to use investment apps is largely driven by features that provide clear value, meaning that ease of use alone is not sufficient to strengthen their intention to use the platform.

### **The Influence of Islamic Financial Literacy On Financial Management Behavior Through Intention**

The findings from the eighth hypothesis test indicate a coefficient value of 0.165, a p-value of 0.002, and a T-statistic of 2.098, which is greater than the critical value of 1.96. These results suggest that Islamic financial literacy positively and significantly affects financial management behavior, mediated by intention. Consequently, Generation Z with a strong understanding of Islamic finance is more likely to integrate it into their daily practices, such as conducting transactions with financial services that avoid *riba* (usury), *gharar* (gharar), and *maysir* (risk). Healthy financial management based on Islamic principles is mediated by intention, a mediating variable that serves to motivate and foster a strong determination in individuals to implement healthy financial management practices. In this study, intention as a mediating variable was found to be acceptable and has an influence on other variables.

This is in line with research Prasetyo (2024) Based on this study, understanding of Islamic finance and money management practices is positively and significantly related, mediated by intention. This suggests that a strong understanding and knowledge of Islamic finance promotes better financial behavior management, with intention serving as the primary driver that translates this understanding into actual practice. This intention as a supporter has an important position in maintaining the behavior to remain active in the long term.

### **The Influence of Financial Self-Efficacy On Financial Management Behavior Through Intention**

The ninth hypothesis test results yielded a T-statistic of 2.532, surpassing the critical value of 1.96, with a coefficient of 0.142 and a p-value of 0.006. This evidence suggests that personal confidence in financial management capabilities positively and significantly impacts financial management behavior via the mediation of intention as one of the contributing factors. This implies that Generation Z in Tulungagung district who have high confidence and ability in managing finances have self-control in consumptive and hedonistic behavior, and have mature considerations in preparing budgets, accompanied by strong intentions as a bridge between financial self-efficacy and financial management behavior.

This is in accordance with research Rangkuti et al. (2023) this indicates that intention acts as a moderating factor, positively impacting financial self-efficacy and its effect on financial management behaviors. This implies that individuals with higher levels of confidence and skills are more likely to exhibit improved financial management practices, with intention serving as a motivating element that empowers them to pursue their goals in reality.

### **The Influence of Perceived Ease of Use On Financial Management Behavior Through Intention**

The outcome of the tenth hypothesis test produced a coefficient of -0.037 and a T-statistic of 1.159, which fell short of the critical value of 1.96, along with a p-value of 0.123. These findings suggest that intention does not serve as a mediator between the ease of use of technology and behaviors related to financial management. Thus, the ease of financial services actually reduces individuals' intention to utilize paylater services to create good management behavior. According to Generation Z in Tulungagung Regency, convenience alone is not enough to increase their recognition of the importance of effective financial management. When associated with the use of paylater services, when paylater use increases, it will cause financial management behavior to decrease, because Generation Z loses self-control in using paylater, which is detrimental to their financial management, and the influence of intention as an intermediary variable seems less significant regarding how perceived ease of use affects financial management behavior. The results of the mediation test indicate that the impact of Islamic financial literacy on financial management practices is minimal or non-existent.

## **CONCLUSION**

Employing intention as a mediating variable and Generation Z in Tulungagung Regency as the target, this research sought to investigate if factors such as understanding Islamic finance and having confidence in managing one's finances and the perceived simplicity of usage contribute to shaping financial management practices. By analyzing the collected data, the researchers reached the following conclusions:

1. The findings indicate that knowledge of Islamic financial literacy significantly influences intention, but not financial management behavior. This is due to the lack of digital financial services offering loans based on Islamic principles, which leads Generation Z to prefer existing services, even if they are not Sharia-compliant. Consequently, there was no impact during the survey, despite a high level of Islamic financial literacy. The higher the understanding and knowledge of Islamic financial literacy, the stronger the desire to achieve it.
2. The results of the test show a significant relationship between financial self-efficacy to financial management behavior and intention. This implies that those who are more confident in their capacity to handle financial resources typically exhibit better financial management techniques and stronger intentions. By acting as an indirect magnet, intention increases the impact of self-efficacy on real money management.
3. The assessment shows that perceived ease of use has a negative effect on financial management behavior, but does not affect intention.

4. The results of the intention variable test on financial management behavior showed positive and significant results. Therefore, the stronger Generation Z's intention to be financially conscious by reducing consumerism, hedonism, and minimizing waste, the greater the opportunity to develop efficient financial management strategies.
5. The results of the mediation test indicate that Islamic financial literacy positively and significantly impacts financial management practices when intention acts as a mediating factor.
6. Financial management behavior is positively and significantly impacted by financial self-efficacy, with intention as a mediating mechanism, according to the mediation test results.
7. The results from the mediation test indicate that perceived ease of use negatively impacts financial management behavior, with intention serving as a mediating variable. This means that intention does not mediate the connection between ease of use and financial management behavior.

Generation Z, especially PayLater financial service users, should use the findings of this study as a guide for self-reflection by better assessing their financial capabilities and understanding how prudent financial management is beneficial in the long run. This study can also be a useful reference or reference for academics who want to explore financial management behavior in more depth from the perspective of Generation Z. In conducting this study, several limitations have been identified, including the limited number of Generation Z participants in Tulungagung Regency and the absence of Sharia-based PayLater options, which may be a safe choice. Future research is expected to expand the variables from mediation to moderation, and research on Sharia-based PayLater services, if they become available.

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