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Measuring Financial Behavior Millennial and Generation Z in Indonesia: Analysis Approached that Ensure Financial Resilience in The Face of Potential Crisis

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ABSTRACT: This study explores financial literacy, behavior and preparedness of Millennials and Generation Z in Indonesia, focus on understanding how those three factors interact with job status income usage, debt management and digital engagement. The increasing dependency on digital financial tools is also underlined, this research purposes to assess the extending younger generation are prepared to manage their finance for future financial security. A quantitative research design was working, involving a sample of 219 respondents drawn from a population of 222 individuals aged 20 to 60 years old. Data were collected using a structured questionnaire and analysed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The several findings in this study demonstrated that financial literacy is a critical determinant of financial behavior and preparedness, particulary among Millenials and Generation Z. However, both generations have demonstrated a strong understanding of financial concepts, but this knowledge does not always translate into effective financial preparedness, especially in managing debt and planning for long-term security. The study also highlights the perceived importance of job status in influencing income usage, though this relationship varies among individuals. Moreover, income usage significantly impacts digital engagement, with high levels of digital tool usage presenting both opportunities and challenges in managing finances. The study concludes that tailored financial literacy programs are essential to address the unique needs of Millennials and Generation Z, particularly in the context of their digital engagement. Recommendations include enhancing financial education at all levels, developing youth-centric financial products, and promoting responsible digital financial behavior. These strategies are crucial for ensuring that younger generations are better prepared for financial stability in an increasingly digital world.

KEYWORDS: Digital Engagement, Financial Literacy, Financial Preparedness, Gen Z, Income Usage, Millennials.

INTRODUCTION

Financial literacy encompasses a combination of knowledge, skills, confidence, attitudes, and behaviors that empower individuals to enhance their ability to manage their financial activities effectively before they make financial decision financial literacy encompasses a combination of knowledge, skills, confidence, attitudes, and behaviors that empower individuals to enhance their ability to manage their financial activities effectively before they make financial decision. The decisions are critical for achieving personal financial stability and contributing to broader economic growth. Any financial decision made by individuals require useful and affordable access to financial product and services that meet their need, such as banking transactions, payment, savings, credit, insurance and investment. The access to financial products called financial inclusion. The achievement of financial literacy and inclusion or "inclusion literacy" depend on knowledge, skill, understanding and ensuring individuals easy access to financial products. Access to financial product either thru branches or digitally, is the first step to help and manage their financial activities

The Financial Services Authority of Indonesia (OJK) conducted a survey on financial literacy and financial inclusion in 34 provinces, covering 76 cities/districts, with responses from 14,634 participant (SNLIK OJK, Nov 2022) [1]. The results of the survey in Indonesia indicate that the financial literacy index increased to 49.68% in 2022 from 38.03% in 2019. Additionally, the financial inclusion index in 2022 reached 85.10%, up from 76.19% in 2019. In terms of gender, data shows that the financial literacy index for females was approximately 49.05%, while for males it was about 50.33% in 2022. However, the financial inclusion index for males was higher at around 86.28%, compared to females at 83.88% in 2022. Financial Services Authority of Indonesia was conducted a survey informed pandemic in 2020 – 2022 served as a driver raising the digital transformation of financial education and carried out

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on a broader and more extensive scale. The combination between both offline and online educational delivery as key driver acceleration the improvement financial literation and inclusion.

Indonesian population profile based on the 2020 population census was published by the Indonesian Central Statistics Agency (BPS) in June 2023 [2]. The population of Indonesia was 272,7 million, with 69.3% being of the productive age range of 15 to 64 years old. Based on the same data produced by BPS informed Indonesia is in experiencing a demographic bonus. [3], where Millennials are the largest generation in the workforce right now and Generation Z is gaining traction as they graduate college and their first jobs. The quality of productive age is a determining factor in the successful utilization of the demographic bonus opportunity. However, the empowerment of Indonesia's productive age potential faces challenges in improving quality and competitiveness. Both high-quality and competitive human resources of productive age will be able to actively participate in economic activities today or future, whether as workers, entrepreneurs, or investors.

In order to accelerate productive age demography bonus versus quality and competitiveness in Indonesia, based on the Indonesian Central Statistics Agency which published Statistical Yearbook of Indonesia 2022 (BPS, Feb 2022) [2] as indicate Figure 1. that out of 272,6 million, Indonesian population 69.3 % are age between 15 to 64 years where some authors have defined as productive age. Furthermore, 32.7% (89,1 million) being of age 15 to 34 years representing Generation Z, while 21.8% (59,5 million) are representing Millennials aged 35 to 49 years, the rest of productive age are between 50 to 64 years about 14.8% (40,3 million) [4].

Jumlah Penduduk Menurut Kelompok Umur dan Jenis Kelamin (ribu), 2021
Population by Age Groups and Sex (thousand), 2021

Kelompok Umur *Age Groups*	Jenis Kelamin *Sex*		
	Laki-Laki/*Male*	Perempuan/*Female*	Jumlah/*Total*
(1)	(2)	(3)	(4)
0–4	11 280,3	10 765,0	22 045,3
5–9	11 249,9	10 775,2	22 025,1
10–14	11 392,7	10 723,2	22 115,9
15–19	11 445,2	10 755,1	22 200,3
20–24	11 588,1	10 989,2	22 577,3
25–29	11 434,4	10 947,0	22 381,4
30–34	11 155,9	10 818,8	21 974,7
35–39	10 633,6	10 412,6	21 046,2
40–44	10 109,8	10 009,3	20 119,1
45–49	9 191,9	9 163,7	18 355,6
50–54	8 050,2	8 061,0	16 111,2
55–59	6 740,0	6 791,7	13 531,7
60–64	5 280,8	5 337,0	10 617,8
65–69	3 860,6	3 968,0	7 828,5
70–74	2 345,9	2 546,5	4 892,4
75+	2 112,0	2 748,1	4 860,1
Indonesia	**137 871,1**	**134 811,5**	**272 682,5**

Catatan/*Note*: Hasil Proyeksi Penduduk Interim 2020–2023 (Pertengahan tahun/Juni)/*The result of Interim Population Projection 2020–2023 (mid year/ June)*
Sumber/*Source*: Badan Pusat Statistik/*BPS-Statistics Indonesia*

Figure 1. Population by age Groups and Sex

As we focus on addressing the fundamental needs of Millennials and Generation Z, who are Indonesia's future leaders, it is crucial for the government and educational institutions to ensure their financial resilience in the face of potential crises. Building a strong and well-developed generation requires fostering these generations' inclination toward innovative thinking, adept problem-solving skills, resilience in the face of challenges, and a commitment to creating sustainable solutions across all areas, including the environment. Additionally, it is important to explore who Millennials and Generation Z are, their interests in the digital realm, financial matters, job seeking, independence, decision-making, and their perspectives on the future to provide effective support [5].

In facing future financial challenges, Indonesia needs to create more "middle-class jobs" for its growing Millennial and Generation Z labor force, as highlighted in the World Bank report [6]. From 2009 to 2019, Indonesia created an average of 2.4 million new jobs each year. In 2019, the unemployment rate reached its lowest level in two decades, dropping to 5.2%, significant job creation has contributed to the country's economic growth, lifting many Indonesians out of poverty and reducing their vulnerability. The proportion of the population classified as poor or vulnerable decreased from 40% in 1990 to 30% in 2018. However, the covid-19 pandemic is likely to reverse some of the gains that Indonesia has achieved through job creation over the past couple of decades, as mentioned in the World Bank report. The achievement of financial literacy and inclusion or "inclusion literacy" depend on knowledge, skill, understanding and ensuring individuals easy access to financial products.

Indonesia should improve its human resources and create more middle-class jobs to develop a competitive generation of future leaders. The demographic bonus could be a real advantage instead of a curse. Figure 2. indicates that the surveyed workforce consists of approximately 206.7 million economically active individuals aged 15 to 60^{+}. These individuals were either working full-time, had a job but were temporarily absent from work, or were unemployed in the previous week (BPS Feb 2022) as indicate Figure 2. However, when comparing the economically active population to the Indonesian population within the productive age band, as indicated in table 67.80% or 140.15 million of the 15 to 60^{+} age group are working, while 4.4% or 9,1 million are unemployed.

Jumlah Penduduk Berumur 15 Tahun ke Atas Menurut Jenis Kegiatan Selama Seminggu yang Lalu dan Jenis Kelamin, 2021
Population 15 Years of Age and Over by Type of Activity During the Previous Week and Sex, 2021

Jenis Kegiatan *Type of Activity*	Jenis Kelamin/*Sex*		
	Laki-Laki/*Male*	Perempuan/*Female*	Laki-Laki+ Perempuan/ *Male+Female*
(1)	(2)	(3)	(4)
I. Angkatan Kerja/*Economically Active*	**84 994 772**	**55 157 803**	**140 152 575**
1. Bekerja/*Working*	79 263 314	51 787 209	131 050 523
2. Pengangguran/*Unemployment*	5 731 458	3 370 594	9 102 052
II. Bukan Angkatan Kerja/*Not Economically Active*	**18 313 469**	**48 242 255**	**66 555 724**
1. Sekolah/*Attending School*	7 122 720	7 521 722	14 644 442
2. Mengurus Rumah Tangga/*Housekeeping*	3 850 999	36 726 944	40 577 943
3. Lainnya/*Others*	7 339 750	3 993 589	11 333 339
Jumlah/*Total*	**103 308 241**	**103 400 058**	**206 708 299**

Sumber/*Source*: Badan Pusat Statistik, Survei Angkatan Kerja Nasional (Sakernas) Agustus/*BPS-Statistics Indonesia, August National Labor Force Survey*

Figure 2. Population 15 years of Age and Over by type Activity

In comparison to the World Bank report from June 2021, which indicated Indonesia's un-employment rate is approximately 30% of the population, it shows that the World Bank report combines non-economically active and economically active unemployment into a single category labeled "un-employment." According to Figure 2, this category comprises 75,6 million people, which accounts for 36.6% of the total working-age population of 206,7 million.

Apart from the single category of unemployment identified by the World Bank, there is a concern about creating more jobs to lift many Indonesians out of poverty and contribute to the country's economic growth, especially for Millennials and Generation Z. Many opinions in the media have emerged stating that the Millennial and Generation Z, as the current productive age group, face significant challenges in managing their finances. The media has popularized the lavish lifestyle of these generations, highlighting

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their struggles to save and their tendency to prioritize desires over needs. Undoubtedly, these circumstances can lead to financial risks in the future due to unhealthy financial management [9].

This paper adds to the current research by exploring these following key questions where research questions will help to gain a clearer understanding of the current knowledge, behaviors, and preparedness Millennials and Generation Z in Indonesia to face future conditions: (1) To what extent do Millennials and Generation Z possess a comprehensive understanding of financial literacy, behavior and preparedness, (2) What Millennial and Gen Z believe between Job status and Income usage or utilization influence behavior of Millennials and Generation Z?, (3) How far changes income usage compare to high digital engagement, including the accessibility of digital banking, e-commerce? (4) Both opportunities and challenges for Millennials and Generation Z in manage income with high attraction of digital use to manage their preparedness.

The conceptual framework purposes to provide a structured representation of key concepts, variables, and their interrelationships, as illustrated in Figure 3.

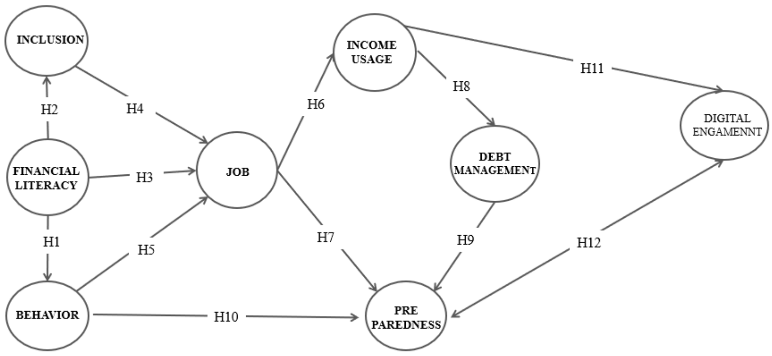

Figure 3. Conceptual Framework

Hypothesis for the researches is: (H1) Financial Literacy leads to improve Behavior, (H2) Financial Literacy leads to improve Inclusion, (H3) Financial Literacy leads to improve Job Status, (H4) Inclusion influence Job status, (H5) Behavior influence Job status, (H6) Job Status influences Income usage affected by Inclusion & Financial Literacy, (H7) Job Status influences Preparedness affected by Inclusion & Financial Literacy, (H8) Income usage influence Debt Management enhance by Job status, (H9) Debt Management influence Preparedness, (H10) Behavior influences Preparedness, (H11)Income usage influences Debt Management enhance by Job status, (H12) Digital Engagement influence Preparedness

RESEARCH METHOD

Research Design

This research utilizes a quantitative approach, gathering primary data through questionnaires. The primary purpose is to analyse financial literacy, behavior and preparedness especially focus on understanding three factors interact with job status income usage, debt management and digital engagement. To focus on development measurement scales the questionnaire uses Dichotomous and category response to constructing reliable and valid surveys. [7]

Table I. Dichotomous and category scale

Variable	Items	Scale
Financial Literacy	Financial Literacy	Dichotomous & Category
Financial Inclusion	Financial Inclusion Digital Inclusion	Dichotomous & Category

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Behavior	Financial Behavior Advance Behavior	Dichotomous & Category
Income usage	Income utilization	Dichotomous & Category
Digital Engagement	Digital user	Dichotomous
Debt Management	Payment Priority	Category
Preparedness	Attitude Preparedness	Dichotomous & Category

This study adopts a quantitative research design, which is well-suited for the objectives of assessing financial literacy, behavior, and preparedness among a specific population. A quantitative approach enables the collection of numerical data that can be statistically analyzed to identify patterns, correlations, and relationships between variables using SmartPLS 4.20. Given the complexity of the relationships being studied, a structured, data-driven approach is essential to provide robust and generalizable findings.

The research design is illustrated in the diagram below:

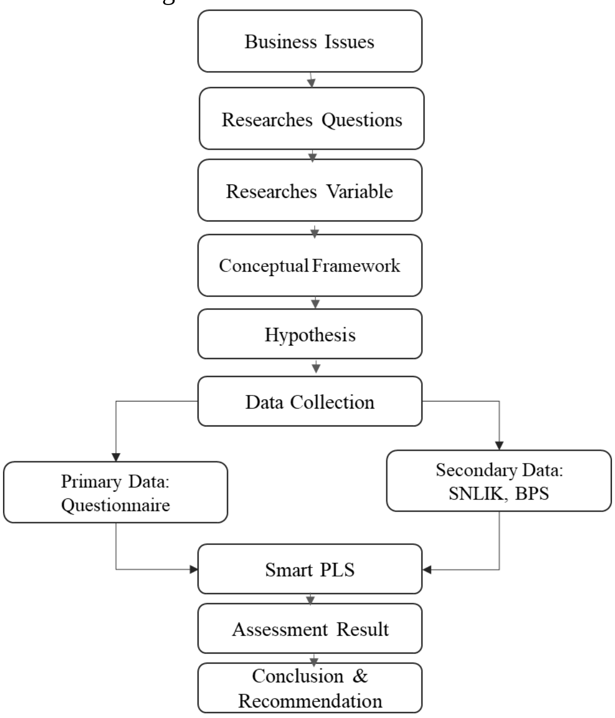

Figure 4. Research Design

Data Collection Methods

The research is cross-sectional in nature, capturing data from respondents at a single point in time. This design is appropriate for assessing the current state of financial literacy related to behaviors among Millennials and Generation Z, providing a snapshot that can inform both academic understanding and practical interventions to participate in collecting data as illustrated Table I.

Table II. Demographic

Information	N	%
Gender		
Man	119	53,6%
Women	103	46,4%
Age		
20y – 25y	31	14,0%
25y – 29y	45	20,3%
30y – 34y	39	17,6%
35y – 39y	39	17,6%
40y – 44y	18	8,1%
45y – 49y	32	14,4%
50y – 54y	11	5,0%
55y – 59y	2	0,9%
>= 60y	5	2,3%
Last Education		
High School (SMA)	13	5.9%
Diploma (D3)	18	8,1%
Under graduate (S1)	173	77,9%
Graduate (S2)	13	5,9%
Post Graduate (S3)	4	2,3%
Profession		
Banker	22	13,3%
SOE (BUMN)	116	69,9%
Self-employee	8	4,8%
Student	8	4,8%
Civil	2	1,2%
Professional	5	3,0%
Entrepreneur	5	3,0%
Resident		
Sumatera	11	5,0%
DKI Jakarta & Banten	110	49,5%
Jabar/Jateng/Jatim	84	37,8%
Madura/Bali/NTT	1	0,5%
Kalimantan	8	3,6%
Sulawesi	5	2,3%
Papua	3	1,4%

Data Analysis Methods

The selection of a quantitative research design, coupled with the use of PLS-SEM for data analysis, is driven by the study's objectives, which require a detailed exploration of the relationships between financial literacy, job status, income usage, digital engagement, debt management and preparedness. The graded random sampling technique ensures that the sample is representative of the broader population, enhancing the generalizability of the findings. The use of a structured questionnaire facilitates the collection of reliable and valid data, while PLS-SEM allows for the nuanced analysis of complex variable interactions [8].

Table II shows the gender profile of the respondents. According to the interview results, about 53,0% of respondents were men, while 47,0% were women. The age range of respondents ranges from 20 to 60 years, with age dominance ranging from 25 to

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29 years and 20 to 34 years. The educational profile of the respondents. Overall, the majority of respondents have a Under graduate (S1) level of education, reaching a percentage of 77,7% and for the research focuses in Millennials and Generation Z, this percentage approximately 77,60%. Based on the data, it can be seen any generation that the most dominant job background is work in the private sector and BUMN approximate 69,9% of respondents. The majority of respondents are from the island of Java about 87,3%, especially the DKI Jakarta and Banten areas approximately 51,2% of respondents.

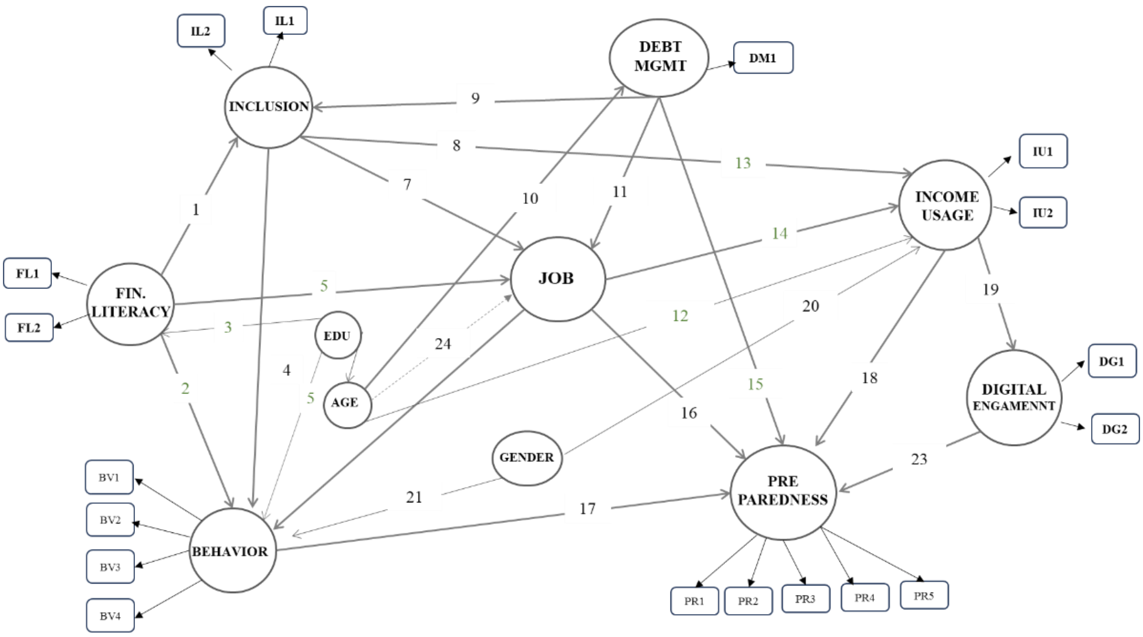

Figure 5. Final Model

RESULT AND DISCUSSION

Result

The results of the analysis showed that the majority of respondents for all ages between 20 - 60 years old consisting of Millennials and Generation Z, where various variables across all ages with specific to Millennials and Generation Z demostrated several patterns and differences emerge. Below is the findings and their significance:

- Literacy on Behavior for all age respondents shows a very strong effect (0.962) with high significance (p = 0.000), while Millennials and Generation Z even stronger relationship (0.977) is observed with high significance (p = 0.000). Literacy is a powerful predictor of behavior across all age groups, particularly among Millennials and Generation Z, highlighting the importance of literacy in shaping behaviors in younger cohorts.
- Literacy on Inclusion for all ages respondents shows a very strong effect (0.717) with high significance (p = 0.000), while Millennials and Generation Z weaker relationship (0.040) is observed with high significance (p = 0.627). Literacy is a powerful predictor of Inclusion across all age groups, particularly among Millennials and Generation Z, highlighting the importance of literacy in shaping Inclusion in younger cohorts is not significant impact.
- Debt on Preparedness for all ages demonstarated a very strong positive effect (0.930) that is highly significant (p = 0.000). Millennials and Generation Z even stronger effect (0.973) that is also highly significant (p = 0.000).
- Debt significantly influences preparedness. Debt management and its impact on preparedness are critical issues, particularly for younger generations.

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Table IIII. Total Effect All Ages population and Millennial Generation Z

Relationship	All Ages - Effect Size	All Ages - (*p*-value)	Millennials & Gen Z - Effect Size	Millennials & Gen Z - (*p*-value)
Literacy on Behavior	0.962	0.000	0.977	0.000
Literacy on Inclusion	0.717	0.000	0.040	0.627
Debt on Preparedness	0.930	0.000	0.973	0.000
Job on Income Usage	0.825	0.000	0.729	0.003
Income Usage on Digital User	0.720	0.003	0.140	0.078
Job Status on Preparedness	0.810	0.000	0.089	0.220
Inclusion on Behavior	0.566	0.000	0.050	0.065
Inclusion on Income Usage	0.549	0.000	0.206	0.023
Inclusion on Job Status	0.716	0.000	0.241	0.389
Education on Literacy	0.439	0.003	0.192	0.008
Education on Behavior	0.038	0.562	0.118	0.007
Income Usage on Preparedness	0.705	0.008	0.019	0.538
Behavior on Preparedness	0.761	0.024	0.028	0.000

- Job on income usage for all ages demonstarated a strong positive relationship exists (0.825) with significance (p=0.000) while Millennials and Generation Z the effect is moderate (0.729) and nearly significant (p = 0.003). The data indicates that job status significantly predicts income usage across all ages, including among Millennials and Generaion Z.
  This relationship is likely due to the fact that having a job directly influences how individuals manage and use their income. Since employment is a primary source of income for most people, it naturally follows that job status would have a significant impact on income usage. The effect appears to be strong and consistent across different age groups, reflecting the fundamental role that employment plays in financial management.
- Income usage on Digital user for all ages demonstarated a strong positive relationship (0.720) with significance (p=0.003) while Millennials and Gen Z the effect is moderate (0.140) and nearly significant (p = 0.078). While income usage significantly predicts digital engagement for all ages, this effect is weaker among Millennials and Generation Z, likely due to their inherent digital fluency regardless of income management.
- Job status has a very strong positive effect on Preparedness (0.810) significant (p = 0.000) for all ages. Millennials and Gen Z effect of job status on preparedness is much weaker (0.089). The relationship is not statistically significant (p=0.220), for this younger demographic, Job status does not strongly predict financial preparedness. This indicates that Job interventions are in-effective in enhancing Prepraredness for Millenials and Gen Z.
- Inclusion has positive effect on Behavior (0.566) significant (p = 0.000) for all ages. Millennials and Gen Z effect of Inclusion on Behavior is much weaker (0.050). The relationship is not statistically significant (p = 0.065), for this younger demographic, Inclusion does not strongly predict Behavior. This indicates that Inclusion interventions are in-effective in enhancing Behavior for Millenials and Gen Z.
- Inclusion has positive effect on Income usage (0.549) significant (p = 0.000) for all ages. Millennials and Gen Z effect of Inclusion on Behavior is weaker (0.206). The relationship is not statistically significant (p = 0.023), for this younger demographic, Inclusion does not strongly predict Income Usage. This indicates that Inclusion interventions are less effective in enhancing Income usage for Millenials and Gen Z.
- Inclusion has a positive and significant effect on Job status (0.716, p = 0.000) across all ages. However, this effect is not evident among Millennials and Gen Z.
- Education has a strong positive effect on Literacy (0.439) with significance (p = 0.003). Millennials and Gen Z medium effect (0.192) is observed with statistical significance (p = 0.008).

- Education consistently impacts Literacy positively across all age groups, though the effect is more clear when considering all ages. This indicates that educational interventions are effective in enhancing literacy, but may require tailored approaches for younger generations.
- Education has a weaker p effect on Behavior (0.038) with significance (p = 0.562). Millennials and Gen Z medium effect (0.118) is observed with statistical significance (*p* = 0.007).
  Education is not significant impacts Behavior positively across all age groups, though the effect is more pronounced when considering Millennials and Gen Z. This indicates that educational interventions are effective in enhancing Behavior for Millenials and Gen Z.
- Income usage has a very strong positive effect on preparedness (0.705) significant (p=0.008) for all ages. Millennials and Gen Z effect of Income usage on Preparedness weaker (0.019). The relationship is not statistically significant is observed (*p* = 0.538).
- Behavior has a very strong positive effect on preparedness (0.761) significant (*p* = 0.024) for all ages. Millennials and Gen Z effect of Behavior on Preparedness weaker (0.028). The relationship is not statistically significant.

The results lean-to light on how financial literacy, job status, debt management, and inclusion influence financial behavior and preparedness, with significant differences between older and younger cohorts. The analysis underlines the critical need for financial literacy strategies that are customized to meet the distinct needs and characteristics of different age cohorts, with a particular emphasis on Millennials and Generation Z. While foundational elements like literacy and job status play crucial roles across all demographic groups, their influence is notably different among younger generations, signaling the necessity for targeted interventions. Financial literacy initiatives must prioritize improving debt management, income utilization, and digital financial engagement for Millennials and Generation Z. Furthermore, these programs should be designed to address the specific challenges that these younger demographics encounter in attaining financial preparedness, ensuring that they are equipped to navigate the complexities of the modern financial landscape.

The Table III shows result from the PLS-SEM and bootstrapping techniques reveals significant and robust relationships between key constructs such as behavior, preparedness, and Inclusion. High R-square values construct behavior (0.957) and preparedness (0.940) indicating that the model have a significant portion of the variance in these constructs, while low R Square Debt (0.104) and digital user (0.119) have low R Square, which the model may not fully explain the variance in these constructs. The study confirms that several indicators are strong and significant measures of their respective constructs, demonstrating robust reliability and validity in the measurement model. However, a few indicators exhibit weaker loadings and non-significant results, areas for further refinement and investigation to enhance the overall model fit and explanatory power.

R-square	Original (O)	T statistics (|O/STDEV|)	*P* values
Behavior	0,957	36,143	0,000
Debt	0,104	0,217	0,047
Digital user	0,119	0,850	0,041
Inclusion	0,136	1,013	0,020
Income_usage	0,167	3,461	0,001
Job	0,121	0,791	0,022
Literacy	0,138	1,325	0,016
Prepareness	0,198	4,212	0,000

Proposed Solutions and Implementation Plans

A comprehensive solution and implementation plan is necessary to address the gaps in financial literacy and preparedness among Millennials and Generation Z in Indonesia should involve coordinated efforts from the government, financial institutions, educational systems, families, and the media. Below is a proposed solution and implementation plan:

- Standardize and expand financial literacy & inclusion education as mandate, financial literacy as a core component of the national education curriculum across all levels of schooling, from primary to secondary education especially for saving and investment literation in rural and underserved areas to ensure that all young Indonesians have access to financial services.

- Strengthen regulatory frameworks by enforce stricter regulations on financial institutions to ensure transparency and consumer protection, particularly for saving and investment products aimed at younger demographics.
- Launch nationwide financial literacy campaigns to implement sustained, nationwide campaigns to raise awareness about financial literacy and preparedness, tailored specifically to different age groups, such design youth-centric financial products by develop financial products and services specifically tailored to the needs of Millennials and Generation Z, such as low-cost savings accounts, micro-investments, and financial planning tools. Collaborative financial literacy Programs where partner with schools and universities to offer financial literacy workshops, seminars, and mentorship programs.
- Enhance digital financial platforms by invest in digital platforms that include educational resources, interactive tools, and gamified learning experiences to engage younger users. Offer personalized financial guidance by provide personalized advisory services targeted at young adults, helping them navigate significant financial decisions.
- Foster partnerships with financial institutions by collaborate with banks and financial institutions to bring industry expertise into the classroom through guest lectures, internships, and workshops.
- Encourage positive financial role modelling by educate parents on the importance of modeling good financial behavior, such as budgeting, saving, and responsible spending. Facilitate family financial discussions by provide resources and tools that help families discuss financial topics and involve children in financial decision-making processes.Launch targeted financial literacy campaigns by use television, radio, social media, and other platforms to run targeted financial literacy campaigns focused on Millennials and Generation Z.
- Create engaging financial content by develop a wide range of educational content, including articles, videos, podcasts, and social media posts, that covers essential financial topics in a way that resonates with younger audiences.
- Expose Financial Myths, by using media platforms to address and correct common financial misconceptions, providing clear, factual information to help young people make informed decisions.

By implementing the tailored solutions outlined above through collaboration between the government, financial institutions, and media, the gaps in financial literacy and preparedness among Millennials and Generation Z in Indonesia can be effectively addressed.

CONCLUSION

The findings provide valuable insights into the relationships between financial literacy, job status, income usage, digital engagement, and financial preparedness among younger generations.

1) **Assess the Financial Literacy, Behavior, and Preparedness of Millennials and Generation Z.**
   The research demonstrates that Financial Literacy, Behavior, and Preparedness of Millennials and Gen Z possess varying levels of financial literacy, which significantly influences their financial behavior and preparedness for future financial security. Financial literacy emerges as a crucial factor that shapes how these younger generations manage their finances, make informed decisions, and plan for the future. However, the study also highlights that while financial literacy is generally high, there are gaps in translating this knowledge into effective financial preparedness, particularly in the context of managing debt and building long-term financial security.
2) **Analyze the Perceived Relationship Between Job Status and Income Usage Among Millennials and Generation Z.**
   The seeming relationship between job status and income usage is significant among Millennials and Gen Z. The findings suggest that these younger generations view stable employment as a critical determinant of how they manage and utilize their income. However, the impact of job status on overall financial behavior varies, indicating that while job stability is important, it is not the sole factor influencing financial decisions. This complexity suggests that Millennials and Generation Z may also rely on other factors, such as financial literacy and digital tools, to guide their financial behavior.
3) **Examine the Impact of Income Usage on Digital Engagement.**
   The study exposes a strong connection between income usage and digital engagement, particularly in the use of digital banking, e-commerce, and consumer loans like pay-later options. Millennials and Generation Z, being

digital natives, are highly engaged with digital financial tools, which influences how they manage their income. However, this digital engagement also introduces challenges, such as the risk of overspending and accumulating debt through easily accessible credit options. The research underscores the need for these generations to balance their digital engagement with prudent financial management practices.

4) **Identify Opportunities and Challenges in Income Management Amidst High Digital Usage.**
Millennials and Gen Z face both opportunities and challenges in managing their income in the context of high digital engagement. On the one hand, digital tools provide greater accessibility to financial services, convenience in transactions, and opportunities for financial growth. On the other hand, these same tools can lead to financial instability if not managed carefully. The study highlights the importance of financial literacy in helping younger generations navigate these challenges, emphasizing the need for education that focuses on the responsible use of digital financial tools and the importance of long-term financial planning.

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