

Financial Wellness Gen Z: The Influence of Financial Literacy, Behavior, Stress, Religiosity, Locus of Control, and FOMO

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Abstract

This study aims to determine the effect of financial literacy, financial behavior, financial stress, religiosity, locus of control, and fear of missing out (FOMO) on the financial wellness of Generation Z in Riau Province. Generation Z is a productive age group facing a transition from education to work, marked by consumerist patterns, social media influence, and financial management challenges. This study uses a quantitative approach, employing an online survey, to reach Generation Z in 10 districts and 2 cities in Riau Province. The sample used in this study was 402 respondents selected through purposive sampling. The respondents were Generation Z individuals born in 1997-2007, domiciled in Riau Province, and data analysis was conducted using SPSS and SmartPLS software version 4. The research findings show that *financial literacy*, *behavior*, and *locus of control* have a significant positive effect on *financial wellness*. *Financial stress* and *religiosity* have a positive but insignificant impact on *financial wellness*. Meanwhile, *fear of missing out* (FOMO) negatively impacts the *financial wellness* of Gen Z in Riau Province.

Keywords: Financial Literacy, Financial Behavior, Financial Stress, Religiosity, Locus of Control, Fear of Missing Out, Financial Wellness.

1. Introduction

Financial wellness is a concept that describes the extent to which a person feels financially secure, both in the short and long term. This concept is multi-dimensional and complex because it encompasses various aspects, including satisfaction with financial conditions, objective financial status, financial behavior, and attitudes toward managing one's financial life (Joo, 2008). Malkowska et al. (2022) also stated that financial wellness is not limited to financial matters alone, but also intersects with social, sociological, health, legal, and economic dimensions. Thus, financial wellness becomes an integral part of general well-being because it is closely related to a person's happiness, mental health, and productivity (Wang, 2017).

However, the financial situation of the Indonesian people remains concerning. Survey results from OCBC NISP 2023 show that the financial health of the Indonesian people reaches only 41.16%, which is still far from the ideal level compared to Singapore, which reaches 61%. A person is said to have high financial wellness if they are satisfied with their financial situation, have a positive attitude towards money, manage their finances effectively, and have a clear financial plan for the future (Joo, 2008). Conversely, the inability to manage finances, consumptive behavior, and lack of financial literacy can cause financial instability which has a negative impact on the overall quality of life (Rubinstein, 2017).

Various previous studies have identified a number of factors that influence financial wellness, including

financial literacy, financial behavior, financial stress, religiosity, locus of control, and psychological phenomena such as FOMO (Oton Parcia, 2017; Ismail & Amiruddin Zaki, 2019; Delafrooz & Paim, 2013; Muat & Henry, 2023; Diki Yulianto et al., 2024; Zain et al., 2019). Low financial literacy has been proven to be the leading cause of many financial problems people experience. A lack of understanding of money management, risk, and long-term financial planning can lead to increased debt, failure to save, and unwise financial decisions (Narges & Laily, 2011; Budyastuti et al., 2021).

In addition, experts generally agree that financial literacy is directly correlated with financial behavior (Oton Parcia, 2017), which is a major contributor to a person's financial satisfaction. Good financial behavior is associated with better financial health and lower financial stress (Shim et al., 2009; Xiao et al., 2006). The existence of phenomena such as *you only live once* (YOLO), *fear of other people's opinions* (FOPO), and *doom spending* encourages a consumptive lifestyle that ignores future savings. This behavior risks reducing the ability to achieve financial stability (Budiyono, 2024; Fikriansyah, 2024).

In addition to rational and behavioral factors, psychological and spiritual aspects, such as financial stress and religiosity, also play a role. The higher the financial stress experienced, the greater the likelihood of someone experiencing depression, anxiety, and life dissatisfaction (Joo & Grable, 2004). On the other hand, religiosity can be a protective factor that encourages people to manage their finances more wisely and avoid

speculative financial decisions (Abbas et al., 2020; Hilary & Hui, 2009). Recent research from Muat and Henry (2023) shows that religiosity has a significant positive relationship with financial wellness.

Locus of control, or a person's belief in their ability to control their life, also plays an important role. Someone with an internal locus of control tends to have full responsibility for managing their finances and is better able to face financial challenges independently (Kholilah & Iramani, 2013). However, in the context of Generation Z growing up in the digital era, external influences such as FOMO cannot be ignored. The psychological urge to always follow trends and avoid being left behind can drive consumer behavior and impulsive financial decisions, especially among Generation Z, who have limited experience managing finances (Said Mazruk et al., 2023).

This condition is particularly relevant when applied to Generation Z in Indonesia. According to BPS (2021), Gen Z accounts for 27,94% of Indonesia's total population, and in Riau Province, it reaches 30,79% or around 1.94 million people. Unfortunately, the level of financial literacy among Gen Z in Indonesia is still at 44,04%, lower than that of the millennial generation and far from the national ideal figure of 60% (Prihastomo, 2024). This shows the urgency to further research the factors that influence financial wellness in this generation.

Given the importance of Gen Z's role in future development and the many financial challenges they face, this study examined the influence of financial literacy, financial behavior, financial stress, religiosity, locus of control, and fear of missing out on financial wellness among Gen Z in Riau Province. The results of this study are expected to contribute to the development of relevant and effective financial education programs and to provide policymakers with input for designing strategies to improve the financial well-being of the younger generation.

2. Literature Review

2.1. Financial Wellness Diagram Theory

Joo (2008) proposed a financial wellness diagram to illustrate that financial wellness is an active, desired state of financial health encompassing four sub-constructs. The four sub-constructs include objective status, which refers to objective aspects of a person's economic status, such as income, debt, and net worth. The most crucial sub-construct of personal financial health is financial satisfaction, which can be measured using various global indicators. To be financially healthy, a person needs to demonstrate multiple behaviors related to the desired personal financial topics. Finally,

subjective perception is the driving force of smart financial behavior and is part of the fourth construct in the diagram.

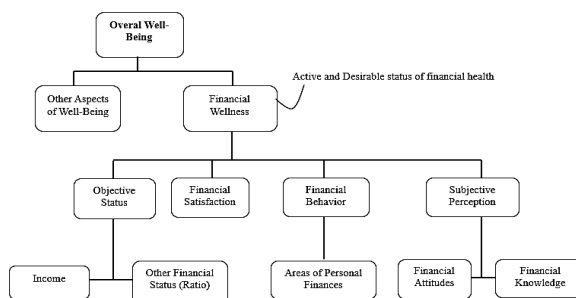


Figure 1. Financial wellness diagram

Source: Joo (2008)

2.2. Financial Wellness

Financial wellness is defined as a state in which someone feels financially healthy, happy, and free from worry about their financial situation. It involves the physical, emotional, and mental aspects of their financial condition (Joo, 2008). Reflects the fulfillment of household financial needs, improved economic status, better living conditions, cost-effective financial practice packages, and perceptions of satisfaction (Purohit et al., 2022).

2.3. Financial Literacy

Financial literacy is a basic need for effectively using financial concepts and avoiding financial problems arising from poor financial management. Someone with good financial literacy tends to have higher financial wellness because they can plan their financial future, avoid costly financial mistakes, and face financial challenges with confidence (Yushita, 2017).

The results of previous studies by Ismail and Amiruddin Zaki (2019) show that financial literacy positively influences financial wellness. Adiputra (2021) also indicates that financial literacy positively influences a person's financial satisfaction, which is a sub-construct in the financial wellness diagram.

Thus, the study proposed:

H₁: It is suspected that financial literacy and financial wellness have a positive influence on Gen Z in Riau Province.

2.4. Financial Behavior

Financial behavior is a form of economic management that a person uses to achieve personal goals, including planning, searching for, managing, and saving their finances (Ramadani et al., 2022).

Good financial behavior, such as saving regularly, creating a clear budget, and avoiding impulsive purchases, can improve a person's ability to cope with financial stress and achieve long-term financial goals (Xiao et al., 2006).

In previous research, Raveendran et al. (2021) found that financial behavior positively influences a person's financial wellness. Supported by research findings, Panjaitan et al. (2022) state that financial behavior is positively related to financial satisfaction and financial well-being (Younas et al., 2019). Thus, the study proposed:

H₂: It is suspected that there is a positive influence between financial behavior and financial wellness on Gen Z in Riau Province.

2.5. Financial Stress

Financial stress occurs when someone is unable to meet their living and financial needs (Rahman et al., 2021). Financial stress is closely related to financial wellness (Joo, 1998), with financial wellness increasing as financial stress decreases (Oktavini et al., 2023). Financial wellness is a state in which someone feels financially secure, can meet current and future financial needs, and is satisfied with their financial condition (Joo, 2008).

Previous research has shown that financial stress negatively affects a person's financial wellness. Thus, the study proposed:

H₃: It is suspected that there is a negative influence between financial literacy and financial wellness on Gen Z in Riau Province.

2.6. Religiosity

Religiosity is a person's religious experience and belief in the existence of God, manifested through sincere obedience to commands and avoidance of prohibitions with the whole of his soul and body (Mardiana et al., 2021). Religiosity reflects how religious beliefs and practices shape an individual's identity and influence their social interactions (Ysseldyk et al., 2010). Thus, the study proposed:

H₄: It is suspected that there is a positive influence between religiosity and financial wellness on Gen Z in Riau Province.

2.7. Locus of Control

Locus of control refers to a person's belief that good or bad outcomes in his or her life, both in general and in specific areas, are due to internal or external factors (Jha & Bano, 2012). A person who believes he or she can control his or her life tends to show high

motivation, high initiative, high expectations and effort, achievement leading to meaningful rewards, and satisfaction with successes achieved through hard work (Wahyuni & Ramadhan, 2022). Thus, the study proposed:

H₅: It is suspected that there is a positive influence between locus of control and financial wellness in Gen Z in Riau Province.

2.8. Fear of Missing Out (FOMO)

FOMO makes sufferers feel social anxiety if trends leave them behind. This affects a person's decision-making due to a lack of knowledge about efficient financial management (Said Mazruk et al., 2023). The higher the FOMO of Generation Z, the lower their financial wellness, often leaving them unable to meet basic economic needs because they are too focused on following trends (Diki Yulianto et al., 2024).

In previous research, Przybylski et al. (2013) found that FOMO negatively influences life satisfaction, and Diki's research supported this, finding that FOMO negatively influences financial wellness. Thus, the study proposed:

H₆: It is suspected that there is a negative influence between fear of missing out and financial wellness in Gen Z in Riau Province.

3. Methods

This study adopts a quantitative research approach, which is appropriate for examining relationships among variables through statistical analysis and for generating findings that can be generalized within a defined population. The population of this study consists of Generation Z individuals residing in Riau Province, totaling approximately 2,280,510 people (Ayuningrum, 2020).

The criteria of respondents are: 1) generation Z domiciled in Riau Province, and 2) generation Z with birth years 1997 - 2007. Data collection was conducted by sending questionnaires containing items adapted from several published journals (see Table 1). The questionnaire was distributed via online social media and a Google Form to reach more respondents.

This study employed both SPSS and SmartPLS (Structural Equation Modeling–Partial Least Squares) for comprehensive data analysis. The use of these two software packages was based on their complementary analytical capabilities, which together ensure the robustness and validity of the results. SPSS was used for preliminary analyses, including descriptive statistics, data screening, and classical assumption tests for normality, multicollinearity, heteroscedasticity, and

autocorrelation. These procedures are essential for evaluating data quality and verifying that the dataset meets the basic assumptions required for multivariate analysis. After confirming data adequacy through SPSS, SEM-PLS (Partial Least Squares Structural Equation Modeling) was employed to test the study’s hypotheses and analyze the structural relationships among latent constructs.

Table 1. Definition of operational variables

Part	Item	Definition/Type of Question	Scale	Adapted from
Demographics	8	Gender, Age, Religion, Education, Employment Status, Marital Status, Income, Regency/City of Residence	-	-
Financial Wellness	8	Questions about financial health concern overall, satisfaction with financial situation, ability to meet living expenses, financial management, saving for retirement, financial adequacy, and current financial satisfaction.	10-point Likert scale	(Joo & Garman, 1998)
Financial Literacy	9	Financial literacy items assess respondents' knowledge of whether statements about personal finances are true or false.	True or false (Scores are added up and calculated as a ratio)	(Chen & Volpe, 1998)
Financial Behavior	10	Performing certain financial behaviors regularly, such as tracking monthly expenses, spending within a budget, paying bills on time, saving, and setting aside money	5-point Likert scale	(Joo & Grable, 2004)
Financial Stress	9	Questions about financial stress cover concerns about late payments, paying bills, financial conditions, medical costs, the ability to provide food and care when sick, stress, and depression due to economic conditions.	5-point Likert scale	(Delafröz & Paim, 2013)
Religiosity	11	Questions related to intrinsic and extrinsic religiosity include enjoying learning about religion, spending time praying, having a sense of God's presence, and attending religious services.	5-point Likert scale	(Darvyri et al., 2014)
Locus of Control	7	Questions related to the ability to solve problems, the ability to influence one's life, confidence in one's abilities, and self-control over situations in one's life.	5-point Likert scale	(Perry & Morris, 2005)
Fear of Missing Out (FOMO)	9	Questions about the unfulfilled psychological need for <i>relatedness</i> and the unfulfilled psychological need for <i>self</i>	5-point Likert scale	(Przybylski et al., 2013)

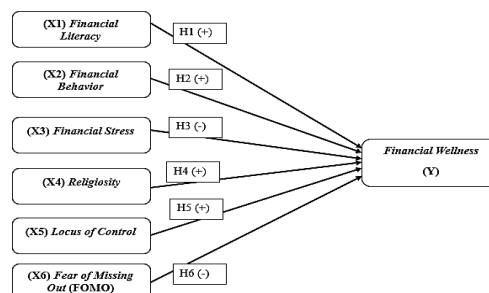


Figure 2. Operational concept
Source: Authors’ own creation

The researcher ensures that information about the study is conveyed clearly so that respondents who meet the demographic and age criteria can understand the purpose and importance of their participation. Each statement in the questionnaire is rated on a Likert scale from 1 to 5. After the questionnaire data is collected, the researcher will use SPSS and SmartPLS software to process the data.

4. Result

Respondent characteristics are presented in Table 2. In terms of gender, respondents consisted of 16.2% male and 83.8% female. The majority of respondents (79.5%) were aged 21-25 years. The majority of respondents (89.6%) were Muslim. 97.1% of respondents had a high school/vocational high school – bachelor's degree. The majority of respondents (51.7%) were students, and 93.8% were unmarried. The majority of respondents (68.5%) had an income of <Rp 3,000,000 – Rp 5,000,000. These characteristics provide a representative demographic picture of Generation Z, especially in understanding the influence of *financial literacy, behavior, stress, locus of control, and FOMO on financial wellness.*

Table 2. Respondent demographics

Variables	Frequency	%
Gender		
Man	65	16,2%
Woman	337	83,8%
Age		
17 years	3	0,7%
18 years	15	3,7%
19 years	12	3,0%
20 years	30	7,5%
21 years	53	13,2%
22 years	88	21,9%
23 years	110	27,4%
24 years	38	9,5%
25 years	30	7,5%
26 years	8	2,0%
27 years	5	1,1%
28 years	10	2,5%

Variables	Frequency	%
Religion		
Islam	360	89,6%
Christian	35	8,7%
Buddha	5	1,2%
Kong Ho Chu	2	0,5%
Hindu	0	0%
Last education		
SD	0	0%
SMP/MTS	7	1,7%
SMA/SMK	209	52,1%
Diploma	16	4%
S1	165	41%
S2	5	1,2%
Employment Status		
Students	208	51,7%
Government employees	41	10,2%
Private employees	82	20,4%
Self-employed	44	11%
Other	27	6,7%
Marital status		
Married	25	6,2%
Not married yet	377	93,8%
Monthly Income		
< Rp. 3,000,000	164	40,8%
Rp. 3,000,000 - Rp. 5,000,000	111	27,7%
Rp. 5,000,000 - Rp. 7,000,000	31	7,7%
Rp. 7,000,000 - Rp. 10,000,000	11	2,7%
Rp. 10,000,000 - Rp. 15,000,000	9	2,2%
> Rp. 15,000,000	5	1,2%
Have no income yet	71	17,7%
Regency/City of Residence		
Kuantan Singingi	29	7,2%
Upper Indragiri	33	8,2%
Indragiri Downstream	29	7,2%
The Kingdom of Pelalawan	32	8%
Rokan Hulu	31	7,7%
Lower Rokan	29	7,2%
Bengkalis	32	8%
Meranti Islands	23	5,7%
Siak	28	7%
Camp	41	10,2%
Dumai City	29	7,2%
City of Pekanbaru	66	16,4%

Source: Authors' own calculation

4.1. Classical Assumption Test

4.1.1. Normality test

The normality test is used to determine whether the independent and dependent variables in a regression model are normally distributed.

Based on the normal P-Plot regression standardized residual graph in Figure 3, the data appears to be normally distributed, as it is spread around the diagonal line.

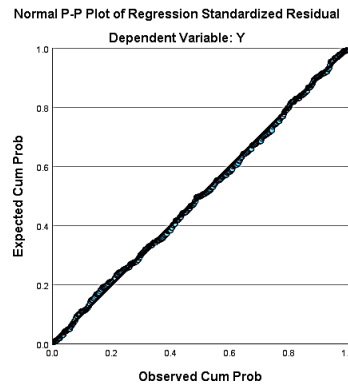


Figure 3. P-Plot normality test
Source: Authors' own calculation

4.1.2. Multicollinearity test

The multicollinearity test assesses whether the regression model shows multicollinearity among the independent variables. Multicollinearity is indicated by $VIF > 10$; when it occurs, multicollinearity is present, and vice versa (Ghozali, 2018).

Table 3. Multicollinearity test

Model	Coefficients a	
	Collinearity Statistics	
	Tolerance	VIF
1 FL	0.886	1,128
FB	0.571	1,753
FS	0.508	1,969
R	0.810	1,235
LC	0.668	1,498
FOMO	0.660	1,514

Source: Authors' own calculation

The test results in Table 3 show that the VIF value of the independent variable is < 10 and the tolerance value is > 0.10 . So, none of the independent variables exhibit multicollinearity, as the VIF values are less than 10 and the tolerance values are above 0.10.

4.1.3. Heteroscedasticity test

The heteroscedasticity test assesses whether the regression model's residuals exhibit unequal variances across observations (Ghozali, 2018).

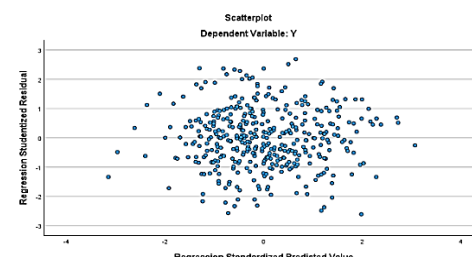


Figure 4. Heteroscedasticity test
Source: Authors' own calculation

Based on the Figure 4, the points are spread out and do not form a pattern, indicating no heteroscedasticity.

4.1.4. Autocorrelation test

The autocorrelation test is used to assess whether there is a linear relationship between the counterfounding error in period t and that in period t-1 (the previous period) (Ghozali, 2018). Based on the test table below, the DW (*Durbin-Watson*) statistic in this study is 2,039. It can be concluded that, in this study, there is no evidence of autocorrelation because the Durbin-Watson statistic is $DU < DW < 4-DU$ ($1,861 < 2,039 < 2,139$).

Table 4. Autocorrelation test

Model Summary b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.466 a	0.217	0.205	12,127	2,039

Source: Authors' own calculation

4.1.5. Outer Model

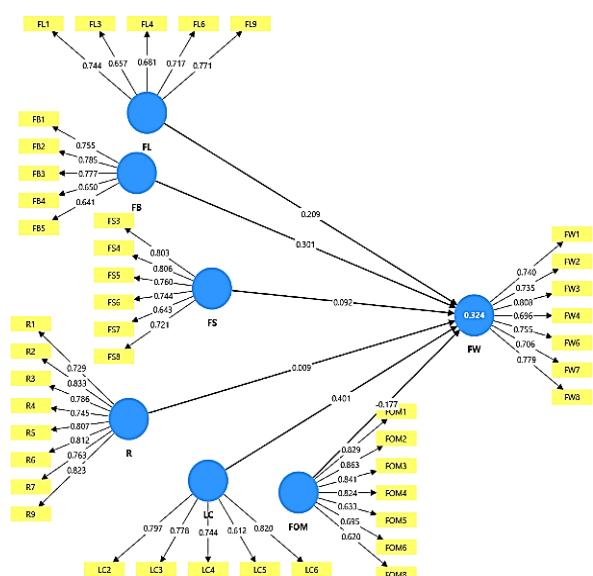


Figure 5. Path model from the SmartPLS4 program
Source: Authors' own calculation

4.1.6. Convergent validity

Convergent validity refers to the extent to which individual indicators reflect a construct relative to indicators measuring other constructs (Urbach & Ahleman, 2010).

The results that the AVE values for all constructs are higher than 0,50 in each data group, ranging from 0,512 to 0,621. These results indicate that the measurement model shown has adequate convergent validity and satisfactory outer loadings ranging from 0,612 to 0,863.

Table 5. Summary of the results of the reflective measurement model

Constructs	Item	Loading Factor	AVE		
<i>Financial Wellness</i>	FW 1	0.740	0.557		
	FW 2	0.735			
	FW 3	0.808			
	FW 4	0.696			
	FW 6	0.755			
	FW 7	0.706			
	FW 8	0.779			
	<i>Financial Literacy</i>	FL 1		0.743	0.512
FL 3		0.653			
FL 4		0.686			
FL 6		0.716			
FL 9		0.775			
<i>Financial Behavior</i>	FB1	0.755	0.525		
	FB2	0.785			
	FB3	0.777			
	FB4	0.650			
	FB5	0.641			
<i>Financial Stress</i>	FS 3	0.803	0.560		
	FS 4	0.806			
	FS 5	0.760			
	FS 6	0.744			
	FS 7	0.643			
	FS 8	0.721			
	<i>Religiosity</i>	R1		0.729	0.621
		R2		0.833	
R3		0.786			
R4		0.745			
R5		0.807			
R6		0.812			
R7		0.763			
R8		0.823			
R9		0.823			
<i>Locus of Control</i>	LC 2	0.797	0.568		
	LC 3	0.778			
	LC 4	0.744			
	LC 5	0.612			
	LC 6	0.820			
	<i>Fear of Missing Out</i>	FOM 1		0.829	0.584
FOM 2		0.863			
FOM 3		0.841			
FOM 4		0.824			
FOM 5		0.633			
FOM 6		0.695			
FOM 7		0.620			
FOM 8		0.620			

Source: Authors' own calculation

4.1.7. Discriminant Validity

Discriminant validity is the extent to which an indicator distinguishes between constructs or measures different concepts by testing the correlation between potentially overlapping measures (Cheah et al., 2017). Measured based on the HTMT correlation ratio technique introduced by Henseler et al. (2015).

Table 6. Discriminant validity

	1	2	3	4	5	6	7
1. FB							
2. FL	0,278						
3. FOMO	0,171	0,192					
4. FS	0,167	0,305	0,681				
5. FW	0,49	0,320	0,140	0,238			
6. LC	0,241	0,327	0,639	0,576	0,505		
7. R	0,542	0,237	0,118	0,085	0,286	0,274	

Source: Authors' own calculation

The results of the table 6 show that all HTMT 90% bootstrapping confidence interval values do not include the value 1. Therefore, it is concluded that the reliability and validity requirements of this study are met.

Table 7. Collinearity issue

	FOMO	FB	FL	FS	FW	LC	R
FOMO					1,790		
FB					1,294		
FL					1,149		
FS					1,670		
FW							
LC						1,636	
R							1,335

Source: Authors' own calculation

The results in the table above show that all inner VIF values for the constructs in this study are between 0.149 and 1.791, which are less than 5 and 3.3, indicating that there is no collinearity of concern in this study.

4.2. Structural Model Test

4.2.1. Structural Model Relationship

Based on the table's test results, financial literacy has a positive and significant effect on financial wellness ($\beta = 0.102, p < 0.01$). Financial behavior has a positive and significant impact on financial wellness ($\beta = 0.301, p < 0.01$). Financial stress has a positive, but insignificant, effect on financial wellness ($\beta = 0.092, p > 0.01$). Religiosity has a positive, negligible impact on financial wellness ($\beta = 0.009, p > 0.01$). Locus of control has a positive and significant impact on financial wellness ($\beta = 0.401, p < 0.01$). Fear of missing out has a negative, significant impact on financial wellness ($\beta = -0.177, p < 0.01$).

Table 8. Structural relationship model

Variable Relationship	Path Coefficient	Std Error	t- Value	P Values	Decision
H1 FL → FW	0,102	0,045	2,287	0,023	Accepted
H2 FB → FW	0,301	0,044	6,786	0,000	Accepted
H3 FS → FW	0,092	0,057	1,625	0,105	Rejected
H4 R → FW	0,009	0,044	0,207	0,836	Rejected
H5 LC → FW	0,401	0,052	7,774	0,000	Accepted
H6 FOMO → FW	-0,177	0,054	3,285	0,001	Accepted

Source: Authors' own calculation

4.2.2. R Square

The adjusted R-square value for the financial wellness variable is 0,324 (32,4%), indicating that this variable can be explained by financial literacy awareness, behavior, stress, religiosity, locus of control, and FOMO, with the remaining 67,6% influenced by variables outside the research model.

Table 9. R square

Variables	R Square	R Square Adjusted
Financial Wellness	0.324	0.314

Source: Authors' own calculation

4.2.3. Effect Size

Specifically, assessing how strong the contribution of one exogenous construct is in running a specific endogenous construct on R2 introduced Cohen's (1988) guidelines for measuring effect size, where values of 0,02, 0,15, and 0,35 represent small, medium, and large effect sizes, respectively.

Table 10. F square

Connection	Effect Size	Information
FL → FW	0,013	Small
FB → FW	0,104	Small
FS → FW	0,008	No effect
R → FW	0,000	No effect
LC → FW	0,145	Small
FOMO → FW	0,026	Small

Source: Authors' own calculation

In the table, *financial literacy* has a negligible effect on *financial wellness* with an f^2 value of 0,013. *Financial behavior* has a small impact on financial wellness with an f^2 value of 0,104. Financial stress does not affect financial wellness with an f^2 value of 0,008. Religiosity does not affect financial wellness with an f^2 value of 0,000. Locus of control has a small effect on financial wellness with an f^2 value of 0,145, and fear of missing out has a small impact on financial wellness with an f^2 value of 0,026.

5. Discussion

The first hypothesis shows that financial literacy has a positive and significant effect on financial wellness. Financial literacy will improve the ability to handle daily financial challenges and reduce the negative consequences of poor financial decisions (Narges & Laily, 2011). A person with high financial literacy will be better able to manage their finances, avoid financial stress, and feel secure about their financial future. So when Generation Z understands

how to manage finances from an early age, they are more likely to achieve stable financial well-being. The results of this study explain that with good financial literacy, Generation Z can make wise decisions regarding their consumption, investment, and savings, and have greater control over their financial condition, which helps them achieve financial well-being, namely a condition when they feel safe, prosperous, and able to plan their finances well. Financial literacy equips Generation Z to make wiser financial decisions, such as avoiding waste, budgeting, building emergency funds, and planning long-term investments. This finding is also in line with previous research by Ismail and Amiruddin Zaki (2019), Yakoboski et al. (2019), Narges and Laily (2011), and Oton Parcia (2017).

The second hypothesis shows that financial behavior has a positive and significant effect on financial wellness. This study found that Generation Z in Riau Province reported that financial behavior has a positive impact on financial wellness. Good financial behavior is one of the keys to achieving financial wellness. This shows that changes in financial behavior can directly affect the level of financial wellness felt by Generation Z. Those who practice good financial behavior tend to be able to meet their life needs regularly, achieve financial goals, and be better prepared to face unexpected financial risks. With careful planning and healthy financial habits, a person can achieve a stable, sustainable financial wellness. A person with good financial behavior tends to have higher financial wellness (Narges & Laily, 2011). This finding is in line with the results of previous studies Muat and Henry (2023), Raveendran et al. (2021), Zain et al. (2019), Oton Parcia (2017), and Delafrooz and Paim (2013).

The third hypothesis posits that financial stress has a positive, but insignificant, effect on financial wellness. A person with low income who demonstrates good financial behavior and a high level of financial literacy can make a positive contribution to their financial wellness (Rahman et al., 2021). Financial stress can be a trigger for taking proactive action, such as planning a budget, managing expenses, or seeking relevant financial information (Fa-Kaji et al., 2023). The results of a study on Generation Z in Riau Province showed that financial stress was neither strong nor consistent enough to significantly affect their overall financial wellness. Financial stress does not affect financial wellness because receiving help from relatives or family still results in no change in financial wellness (Guan et al., 2022).

The fourth hypothesis posits that religiosity has a positive, insignificant effect on financial wellness. Religiosity is not a dominant factor in increasing financial wellness among Generation Z in this study.

This finding shows that a high level of religiosity does not always have a direct effect on sound financial management among Generation Z. Although many respondents admitted applying religious values in their daily lives, not all of these values were reflected in their financial behavior. This indicates a gap between the beliefs and financial practices carried out by Generation Z. Religious values are still normative and have not become the primary basis for determining the financial attitudes and behavior of Generation Z. When the value of religiosity is not only believed spiritually but also applied in real terms in financial management, it will have a more significant impact on the financial condition of generation Z. The results of previous studies, including Muat and Henry (2023), Agustin and Prapanca (2023), and Abbas et al. (2020), indicate that religiosity is positively associated with healthy financial behavior and contributes to greater financial wellness. Although previous literature shows a positive and significant relationship between religiosity and financial wellness, the results of this study actually show the insignificance of this influence on Generation Z. This indicates that local social, cultural, and lifestyle contexts can mediate the role of religiosity in financial behavior, so it cannot be used as a dominant factor in shaping the level of financial wellness as a whole.

The fifth hypothesis shows that locus of control has a positive and significant effect on financial wellness. Generation Z, which grew up in the digital era, faces its own challenges in financial decision-making. Exposure to social media and consumer lifestyle trends makes this generation vulnerable to external influences that can weaken self-control. Generation Z believes that their financial success or failure is the result of their own actions and decisions, not solely because of external factors such as luck or help from others. With the belief that financial success is within their control, Generation Z in Riau Province is more motivated to build their capacity through financial education and appropriate investments. They will tend to show more disciplined financial behavior, such as limiting unnecessary expenses, prioritizing needs over wants, and building a habit of saving regularly. This contributes to the creation of more stable and sustainable financial wellness (Prihartono and Asandimitra, 2018). In addition, these results are reinforced by research showing that an internal locus of control encourages someone to be more selective in determining needs and more disciplined in making the right financial decisions to achieve long-term financial goals. This finding is consistent with many studies on the effect of locus of control on financial wellness (Zain et al., 2019; Adiputra, 2021; Furnham & Cheng, 2017).

The sixth hypothesis posits that FOMO has a significant, adverse effect on financial wellness. The

results of this study indicate that Generation Z in Riau Province reported that FOMO negatively affects their financial wellness. The analysis shows that Generation Z tends to feel restless, anxious, and worried, and to fear being left behind by their friends on social media. Generation Z feels pressured to spend money to meet social expectations and often ignores wise financial planning, such as saving or investing. In addition, the tendency to compare themselves to others on social media worsens the psychological condition of Generation Z. They feel they have to follow lifestyle standards to avoid being different or left behind. This shows that FOMO not only affects psychological well-being but also overall financial health. As a result, the financial wellness of this generation is vulnerable to disruption, especially in its ability to plan finances, save, manage expenses, and plan for the future. These results align with research by Diki Yulianto et al. (2024), which found that FOMO negatively affects financial health among the younger generation.

6. Conclusions

The study's results show that financial literacy, financial behavior, and locus of control are positively and significantly related to financial wellness. So, hypotheses 1, 2, and 5 are supported. This indicates that increasing financial literacy and good financial behavior, along with the belief that Generation Z has control over their financial decisions, can contribute to better financial wellness. FOMO has a negative, significant relationship with Generation Z's financial wellness, supporting hypothesis 6. This suggests that social pressure and anxiety to meet expectations can be detrimental to Generation Z's financial wellness. While financial stress and religiosity have a positive, albeit insignificant, relationship with Generation Z's financial wellness, hypotheses 3 and 4 are rejected. This suggests that although financial stress can motivate Generation Z to take action, its impact is not strong enough to affect overall financial wellness, and religious values can affect financial behavior. Still, their effect is not strong enough to directly affect financial wellness.

For further research, it is recommended to conduct additional research on the factors that influence the financial wellness of Generation Z in Riau Province, expand the research sample to increase the generalizability of the research results, use more diverse research methods, and conduct comparative analysis between Generation Z in Riau Province and other generations to improve understanding of the differences and similarities in financial wellness.

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