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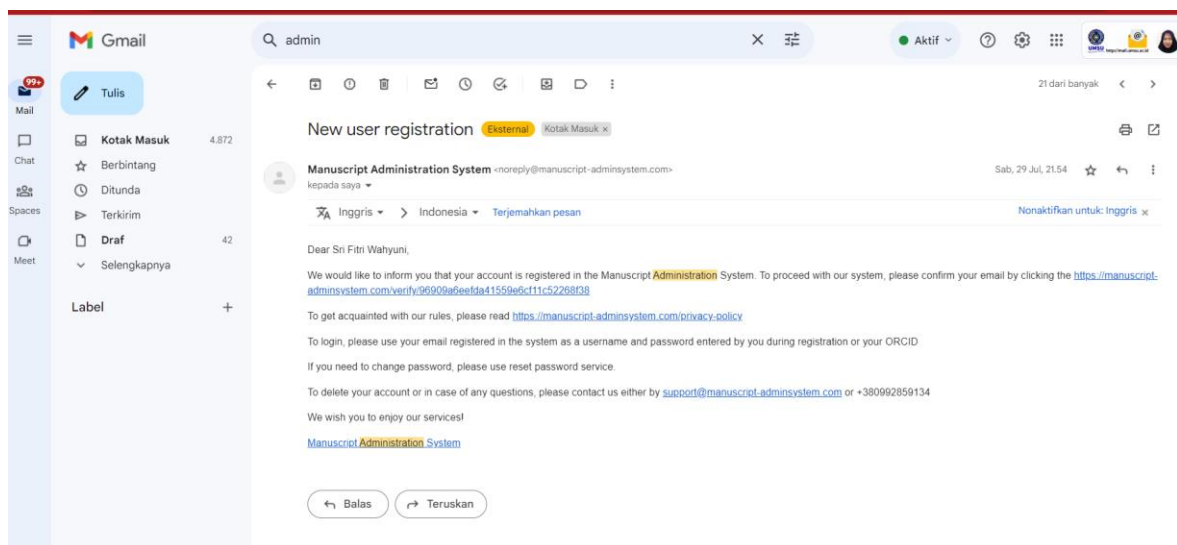
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TITLE

Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention

AUTHOR AND CO-AUTHORS

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Financial behavior encompasses an individual's day-to-day activities about managing their monetary resources. This pertains to how an individual arranges and employs accessible financial assets. Behavioral finance examines an individual's financial responsibility to manage their resources efficiently. The primary objective of this research is to examine the influence of financial literacy and attitudes on the financial management behavior of Generation Z individuals residing in Medan City. Additionally, this study aims to explore the role of behavioral intention as an intervening variable in this relationship. The individuals involved in this research are undergraduate students enrolled in prominent private universities in North Sumatra. The determination of sample size in the Structural Equation Model (SEM) can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation modeling (SEM) data analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. Consequently, a total of 150 students were utilized as research participants. The study's findings indicate financial literacy positively and significantly affects financial management behavior and behavioral intentions. Financial attitude influences financial management behavior positively and significantly, and behavioral intention influences financial management behavior positively and significantly. Behavioral intentions do not mediate the effect of financial literacy on financial management behavior, nor is the effect of financial attitudes on financial management behavior mediated by behavioral intentions.

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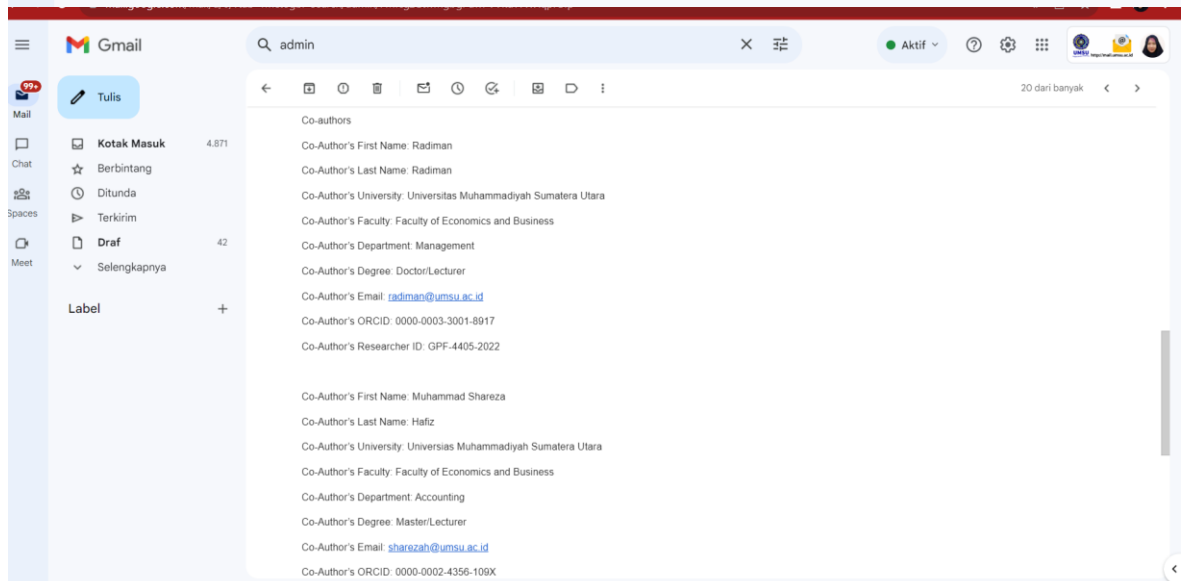
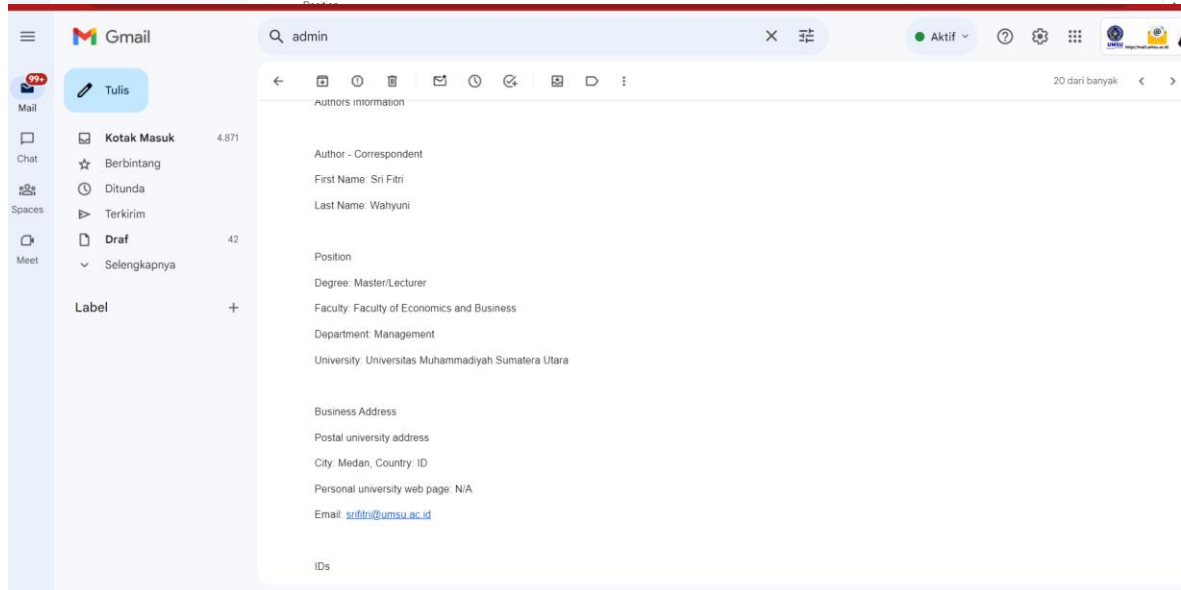
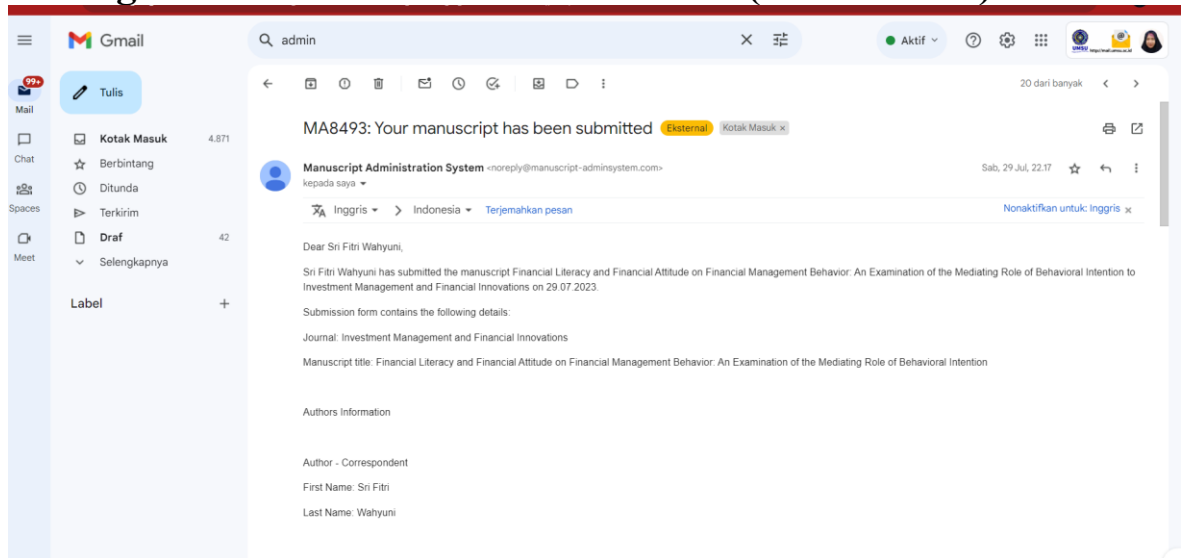
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Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention

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Abstract

Financial behavior encompasses an individual's day-to-day activities about managing their monetary resources. This pertains to how an individual arranges and employs accessible financial assets. Behavioral finance examines an individual's financial responsibility to manage their resources efficiently. The primary objective of this research is to examine the influence of financial literacy and attitudes on the financial management behavior of Generation Z individuals residing in Medan City. Additionally, this study aims to explore the role of behavioral intention as an intervening variable in this relationship. The individuals involved in this research are undergraduate students enrolled in prominent private universities in North Sumatra. The determination of sample size in the Structural Equation Model (SEM) can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation modeling (SEM) data analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. Consequently, a total of 150 students were utilized as research participants. The study's findings indicate financial literacy positively and significantly affects financial management behavior and behavioral intentions. Financial attitude influences financial management behavior positively and significantly, and behavioral intention influences financial management behavior positively and significantly. Behavioral intentions do not mediate the effect of financial literacy on financial management behavior, nor is the effect of financial attitudes on financial management behavior mediated by behavioral intentions.

Keywords : Behavioral Intentions, Financial Management Behavior, Structural Equation Model, Indonesia

JEL Classification : G40, G53

INTRODUCTION

The populace of Indonesia must learn how to optimize money for productive activities completely. Communities must comprehensively understand the financial services industry, encompassing banking, insurance, capital markets, pension funds, financing institutions, and mortgages. Every community must comprehend the financial services industry to increase

financial literacy and how people can use or benefit from available financial products and services.

Managing finances is a fact that every human being must face in their everyday lives; a person must manage finances efficiently to balance income and spending, make ends meet, and avoid becoming entangled in financial issues. As a result, financial intelligence requires consideration in modern living, such as today. Financial intelligence is the capacity to manage one's financial resources with the ultimate goal of financial well-being as the end goal (Ameliawati & Setiyani, 2018).

Financial education is used as a strategy to resolve the problem of the public's need for more knowledge regarding financial management. Nonetheless, its implementation in Indonesia remains a significant challenge. Financial education is a comprehensive and ongoing process that aims to empower individuals to cultivate enduring financial strategies in order to achieve prosperity. Apart from that, to support financial education, the government has carried out efforts to produce and launch financial literacy books to provide knowledge to the public and students who occupy the school level (Puspitarona et al., 2019). Several factors influence financial management, namely (1) financial knowledge, (2) financial experience, (3) financial attitude, and (4) level of education (Adriani, 2021). In its broadest sense, financial literacy refers to the practice of social relations relating to information, language, and culture, including how a person communicates in society (Remund, 2010).

1. Literature Review

The theory of planned behavior represents a revised iteration of the theory of reasoned action. According to the idea of reasoned action, the propensity to partake in specific conduct is contingent upon two fundamental elements: subjective norms and attitude. This idea is supported by empirical evidence in the scientific literature (Albarracín et al., 2001). Then Ajzen (2005) provides an additional cause, namely behavior control. Therefore the theory was changed to a theory of planned behavior (Lin et al., 2018). In this theory, it is explained that individuals will behave due to the intention to do so. This theory is aimed at specific and universal individual behavior. Three factors predict this intention: attitudes toward behavior, subjective norms, and behavioral control. Behavioral attitudes are all individual judgments about actions in behavior. A subjective norm is an individual's belief about the desire of people who influence him to be willing to behave or not to behave according to the wishes of the critical person. Behavior control, namely individual views regarding their ability to behave (Wibowo et al., 2022). From Kotler & Lee (2011), a person is most likely to perform a behavior if he has a positive response to that behavior,

Household financial behavior pertains to how households effectively administer financial resources utilizing strategic planning, meticulous budgeting, and prudent saving. Financial conduct encompasses the various strategies and practices employed by individuals in the management of their monetary resources, including but not limited to budgeting, saving, and strategic planning (Zakaria et al., 2012). Financial behavior encompasses human behavior in managing monetary resources (Rahman et al., 2021). According to this definition, financial behavior encompasses all aspects of human conduct directly related to the administration of personal finances. After several years, Dew & Xiao (2011) investigated the development of financial behavior by establishing a more precise measurement scale for financial management behavior. Dew & Xiao (2011) propose that an individual's money management behavior can be assessed by examining four fundamental categories. Multiple degrees exist of consumption, financial flow management, credit management (debt management), and saving and investing.

The definition of financial literacy is still being debated worldwide (Rai et al., 2019). Referring to (Mihalčová et al., 2014), financial literacy means finance education, so one knows about managing finances. Another opinion (Frisancho, 2020) describes two dimensions in measuring financial literacy: financial education and financial knowledge. Rahman et al. (2021) state that Financial literacy, in its broadest sense, refers to the practice in social relations relating to information, language, and culture, including how a person communicates in society. According to (Warsono, 2010), several indicators can be used as a benchmark related to financial literacy: 1) A person must be able to make a financial surplus; 2) Understand and know clearly how much to save and invest each month. A study (Chen & Volpe, 1998) states that Financial literacy can be categorized into four distinct measures: fundamental financial understanding, saving and borrowing, insurance, and investment.

A financial attitude develops and protects value through intelligent decision-making and resource management based on financial principles (Johnson & Kornelsen, 2021). A financial attitude refers to an individual's cognitive and affective disposition towards financial matters, encompassing their mental state, subjective beliefs, and evaluative judgments. An individual's financial attitude refers to a consistent and structured approach to the management of their financial resources. Financial might be considered a psychological inclination that manifests itself while analyzing recommended financial management strategies with various levels of agreement (Johnson & Kornelsen, 2021). The current study defines financial attitude as the application of financial concepts to create and maintain value through decision-making and effective resource management. Financial attitudes refer to the psychological inclinations exhibited when assessing suggested financial management strategies, which may be accompanied by varying levels of agreement or dissatisfaction (Owusu, 2021). According to (Mien & Thao, 2015) research, financial attitudes affect how individuals spend, save, stockpile, and spend money. Financial is a monetary measure of our ideas, opinions, and evaluations of the world in which we reside (Johnson & Kornelsen, 2021). Ameliawati & Setiyani (2018) found there was an association between one's financial attitude and the severity of one's financial issues. According to the previous definitions, a financial attitude is an attitude toward finance that may be seen in how people behave and make financial decisions.

The intention is one of the stages of the ethical decision-making process (Darma & Japariato, 2014). A behavioral intention is an individual's motivation or planning that leads to specific financial attitudes, such as saving behaviors (Farrell et al., 2016). He also stated that an aim might be defined as a specific conduct that must be carried out regardless of the barriers, such as money and time. The intention is a component within the individual that refers to the desire to perform a behavior, while the behavior is the actual action of the desire to behave (Pomery et al., 2009). The intention is closely related to motivation, a person's conscious or subliminal urge to take action with a particular goal in mind. Good intentions inspire a desire to do good (Cook & Artino, 2016).

Financial literacy and managing money go hand in hand. The better a person is at managing money, the more financially literate they are. One application of the concept of financial management is personal finance management. Financial security requires effective financial management, which includes planning, administration, and control responsibilities. Planning activities include actions to plan how the income received will be allocated (Ameliawati & Setiyani, 2018). Management is an activity that regulates/manages funds efficiently, whereas

control is an activity that evaluates if financial management is following what was planned/budgeted (Pollitt, 2001).

Based on the aforementioned theoretical exposition, the conceptual framework can be delineated as follows:

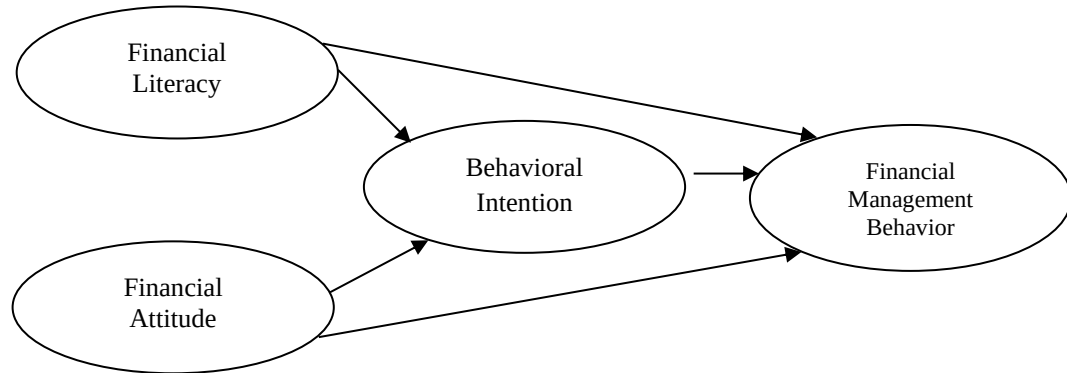


Figure 1. Conceptual Framework

2. AIM AND HYPOTHESES

The present study examines the influence of financial literacy and attitudes on financial management behavior among Generation Z individuals in Medan City. Additionally, the study explores the role of behavioral intention as an intervening variable in this relationship. The structural research model is illustrated in Figure 1, accompanied by the subsequent research hypotheses:

H1: Financial Literacy can improve Financial Management Behavior

H2: Financial Attitude can improve Financial Management Behavior

H3: Financial Literacy can improve Behavioral Intention

H4: Financial Attitude can improve Behavioral Intention

H5: Behavioral Intention can improve Financial Management Behavior

H6: Financial Literacy can improve Financial Management Behavior Mediated by Behavioral Intention

H7: Financial Attitude can improve Financial Management Behavior Mediated by Behavioral Intention

3. METHODOLOGY

The research methodology employed in this study is survey research, as it involves sampling individuals from a singular population. The present study employs an explanatory technique to elucidate the causal relationship between the variables under investigation and to evaluate the formulated hypothesis. This study falls under the area of causal research with a quantitative methodology. The participants in this study are all undergraduates at several of North Sumatra's leading private universities. Use the Maximum Likelihood estimate in the Structural Equation Model (SEM) of 100-200 to decide the sample size (Hair et al., 2014). Therefore, to meet the requirement for implementing the Structural Equation Model (SEM) and subsequently applying the Maximum Likelihood Estimation (MLE) method, which requires a sample size between 100 and 200, the researcher will opt for a sample comprising 100 to 200 participants (specifically, students).

Consequently, a total of 150 students were utilized as research participants. Primary and secondary data are utilized to provide evidence and support for the variables under investigation. Simultaneously, data acquisition is facilitated through the utilization of interviews and questionnaires. The study exclusively recruited individuals who belonged to the Millennial generation (generation Z) and were residents of Medan. They were the primary focus of the research and served as quantitative data sources. The chosen methodology for analysis is the variance-based structural equation test, specifically the Partial Least Square (PLS) method, utilizing the Smart PLS 3.0 software. The Partial Least Squares (PLS) technique elucidates that the Structural Equation Model (SEM-PLS) can effectively capture latent variables which are not immediately observable through the use of indicators, also known as manifest variables (Ghozali, 2014).

4. Results

The composite or construct reliability measurement is typically conducted using Cronbach's alpha and DG rho statistics, commonly employed in Principal Component Analysis (PCA). Constructs that exhibit Cronbach's alpha values of 7.0 or higher and DG rho (PCA) values indicate excellent reliability as measurement instruments. A threshold of 0.7 or greater indicates a level of acceptability, while several 0.8 or higher signifies satisfaction (Nunnally & Bernstein, 1994).

Table 1. Composite Reliability

Variable	Composite Reliability
Financial Literacy	0.947
Financial Attitude	0.915
Financial Behavior	0.958
Behavioral Intention	0.919

Table 1 indicates that the composite reliability values for financial literacy, financial attitude, financial behavior, and intention are 0.947, 0.915, 0.958, and 0.919, respectively. The composite reliability values of the four patents exceeded 0.7, indicating that all factors demonstrate satisfactory reliability as measurement instruments.

The average variance extracted (AVE) quantifies the extent to which the variance in a set of items is attributable to the measured constructs instead of measurement mistakes. When the average variance extracted (AVE) value surpasses 0.5. It indicates that the concept possesses favorable convergent validity. This finding indicates that latent variables can account for over 50% of the variability observed in the indicators, on average.

Table 2. Average Variance Extracted

Variable	Average Variance Extracted
Financial Literacy	0.643
Financial Attitude	0.643
Financial Behavior	0.740
Behavioral Intention	0.663

The table above indicates that the AVE value for Financial Literacy is 0.643, Financial Attitude is 0.643, and Financial Behavior is 0.740. The magnitude of the purpose is 0.663. The four variables exhibit an average variance extracted (AVE) exceeding 0.5, suggesting the concept demonstrates robust convergent validity. This implies that, on average, the latent variable can account for over 50% of the variance observed in the indicators.

This assessment aims to determine the path coefficient of the structural model. This study aims to assess the significance of all correlations or evaluate the validity of the hypotheses. The present study categorizes hypothesis testing into two distinct types: direct and indirect effects.

Table 3. Direct Effect

Hypothesis	T- Statistics	P-Values	Result
Financial Literacy => Financial Behavior	3,552	0.000	Ha Accepted
Financial literacy => Intention	7,491	0.000	Ha Accepted
Financial attitude => Financial Behavior	3,566	0.000	Ha Accepted
Financial attitude => Intention	0.910	0.363	Ha Rejected
Intention => Behavioral Finance	3,721	0.000	Ha Accepted

Table 4. Indirect Effect

Hypothesis	T Statistics	P-Values	Result
Financial literacy => Intention => Financial Behavior	1,191	0.452	Ha Rejected
Financial attitude => Intention => Financial Behavior	0.053	0.677	Ha Rejected

5. DISCUSSION

The results of the study indicate a statistically significant relationship between financial literacy and financial management behavior, as indicated by the p-value of 0.000, which is less than the standard significance level of 0.05. Therefore, financial literacy significantly influences individuals' financial management behavior. Acquiring financial literacy, encompassing knowledge about savings, insurance, debt, investment, and related areas, significantly influences an individual's ability to manage their finances effectively. A person's level of knowledge on financial components positively correlates with their ability to make informed decisions in finance. This study found the same thing was done by (Ameliawati & Setiyani, 2018); (Santoso & Sari 2021) stated that people with high financial literacy tend to influence financial management. This research is supported by (Pulungan, 2017), who states that students with little financial literacy have opinions about finance and make bad financial decisions. This research is consistent with studies conducted by (Sigo et al., 2021), (Erica, 2019), and (Gunawan et al., 2020) state that those who have strong financial literacy tend to affect financial management. The degree of financial literacy directly influences an individual's ability to proficiently handle their financial matters. There exists a positive correlation between a higher degree of financial literacy and improved skills in financial management.

The study results demonstrate a significant relationship between Financial Literacy and Behavioral Intention, as shown by a P-value of 0.000, which falls below the commonly accepted significance threshold of 0.05. Therefore, Financial Literacy has a substantial impact on Intentions. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior that is nurtured and implemented within society for a prolonged duration. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior nurtured and implemented throughout society for a prolonged duration. Acquiring financial literacy is vital for individuals of all backgrounds to mitigate potential financial challenges, and its significance is progressively escalating with time

(Lusardi, 2019). The influence of an individual's intention to act on their financial literacy can be observed when their intention to engage in a particular action or habit affects their decision-making process. Financial literacy is a fundamental prerequisite for preventing financial difficulties, and it is becoming increasingly important over time. Financial literacy can also be influenced by a person's intention to behave, where a person's reason for doing or not acting influences his or her decision to do or not do an action or activity. This study is consistent with previous research (Grace, 2021), (Setiawan et al., 2021) and (Gahagho et al., 2021) state that Financial Literacy influences behavioral intentions.

The effect of the variable Financial Attitudes on Financial Management Behavior has a P-Values of $0.000 < 0.05$, so it can be stated that the influence between Financial Attitudes on Financial Management Behavior is significant. These results certainly align with research conducted by (Grace, 2021) and (Rahmayanti et al., 2019) to conclude that Financial Attitudes impact financial management conduct. The concept of financial attitude incorporates the application of financial principles to build and maintain wealth through prudent decision-making and effective resource management. A financial attitude refers to an individual's cognitive and affective disposition, perspective, and evaluative stance toward personal or organizational financial matters. An individual's financial attitude refers to a conscientious and structured approach to the administration of personal finances (Grace, 2021). Research results (Baptista & Dewi, 2021); (Prawitasari et al., 2022) and (Firli & Hidayati, 2021) concluded that financial attitudes influence financial management behavior.

The research results show that the effect of the variable Financial Attitudes on Behavioral Intention has a P-Values of $0.363 < 0.05$, so it can be stated that the influence between Financial Attitudes on Behavioral intention is insignificant. Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters. Attitude encompasses various aspects of financial matters, such as safeguarding one's social status and personal contentment (Adiputra, 2021). People build an attitude toward money based on their experiences and circumstances (Erica, 2019). Attitude shows a lot about money, including how to protect your social standing and how you feel about money in general. People form ideas about money based on what they've done with it and how they've been treated (Erica, 2019). Attitude pertains to an individual's emotional disposition towards personal money, as evidenced by their responses to a statement or view. Financial attitude refers to an individual's subjective viewpoint or conduct concerning money. This perspective can be observed through six distinct notions, including (1) preoccupation, (2) power, (3) effort, (4) inadequacy, (5) retention, and (6) security. Attitude is a significant factor in individual intentions toward modifying financial behavior within the Theory of Planned Behavior framework. Individuals' attitudes are reflected in their distinct behaviors, which might indicate a preference or aversion toward specific outcomes. The results of this study don't match the research that was done by Gahagho et al. (2021), and Yoopetch & Chaithanapat (2021) concluded that financial attitudes influence behavioral intentions.

The research results show that the effect of the variable Behavioral Intentions on Financial Management Behavior has a P-Values of $0.000 < 0.05$, so it can be stated that the influence between Behavioral Intentions on Financial Management Behavior is significant. One of the ethical stages of decision-making is the intention. The intention is the desire, plan, determination, and promise made to oneself to do something. Individuals will act following their intentions, which can be understood. Individuals who can make prudent financial choices are less likely to encounter financial challenges in the future. An individual's intentions can indicate

their ability to effectively manage their financial resources through activities such as organization, explicit planning, budgeting, auditing, and regulation. On the contrary, an individual's behavioral purpose influences the determination to engage in or abstain from executing a specific action or undertaking. This study is similar to the one done by (Gahagho et al., 2021); (Mardianah & Iramani 2021) and (Faridawati & Silvy, 2017) state that behavioral intention influences financial management behavior.

The P-Values of the indirect effect of the variable Financial Literacy on Financial Management Behavior is $0.452 < 0.05$. Therefore, it can be stated that behavioral intention does not serve as a mediator between Financial Literacy and Financial Management Behavior. In the realm of financial management, decision-making regarding the appropriate approach necessitates the acquisition of knowledge and the cultivation of certain attitudes. The practice of financial management is intricately linked to an individual's knowledge, which can be obtained through various sources such as books and other educational materials.

Additionally, one's attitude plays a significant role in financial management, particularly when understanding sound financial practices. If the statement is accurate, implementing it is contingent upon the individual's attitude. The presence of financial literacy and a positive attitude towards it can have an impact on individuals' money management behavior. This study's findings exhibit disparities compared to the previous research undertaken (Mardianah & Iramani, 2021) concluded that financial literacy and financial attitudes influence financial management behavior through behavioral intention.

The P-Values of the indirect effect of variable financial attitude on Financial Management Behavior is $-0.677 < 0.05$. Therefore, it may be asserted that the impact of financial views on financial management behavior is not moderated by behavioral intention. Individuals' financial literacy level will impact their ability to effectively engage in saving, borrowing, investing, and managing their personal money. Financial management behavior pertains to an individual's conduct concerning personal financial matters, as assessed through their behaviors. Individuals will behave following their will and the intentions they possess. Behavioral intention is a determinant that influences an individual's choice to engage in or abstain from a specific activity or behavior. In determining financial attitudes, one can see how a person views money and spends for daily requirements or other economic conduct (such as how much money should be set aside to save or invest). Their attitudes can influence individuals' financial conduct in their daily lives. These attitudes have the potential to impact long-term saving goals as well as future financial capacities. The intention is one of the ethical stages of the ethical decision-making process. Attitude can affect the intention to behave. At the same time, the intention to behave influences behavior. The theory above can be interpreted that attitudes can indirectly influence behavior. The results of this investigation differ from those of previous research (Mardianah & Iramani, 2021) concluded financial literacy and financial attitudes have an impact on financial management behavior.

One primary constraint of this study is utilizing a non-probability convenience sampling technique for participant selection. It is essential to exercise caution when interpreting the data obtained from convenience sampling. Furthermore, longitudinal studies have the potential to provide more precise and reliable findings when compared to the single cross-sectional methodology employed in the present investigation. It is recommended that future research endeavors encompass many ethnic groups to enhance the sample size and improve the representativeness of the findings concerning the broader population.

CONCLUSIONS

This study examines the impact of financial literacy and attitudes on the financial management behavior of Generation Z in Medan, Indonesia, using behavioral intention as a mediator variable. The conclusions of this study's investigation are based on the findings. The influence of financial literacy on financial management behavior is favorable and considerable. Similarly, financial literacy has a favorable and significant effect on behavioral intention. Furthermore, financial attitudes have been shown to favorably and significantly influence financial management behavior. However, the effect of financial attitudes on behavioral intention is favorable but insignificant. In addition, behavioral intention has been shown to positively and significantly impact financial management behavior. Additionally, behavioral intentions do not mediate between financial literacy and financial management behavior. Behavioral intention does not mediate the relationship between financial attitudes and financial management behavior.

The findings of this study have the potential to assist financial institutions, including banks and investment management firms, in effectively identifying and catering to this specific market niche by providing accurate product information. Moreover, this study's findings will provide valuable insights for future multidisciplinary research investigations. Furthermore, this study highlights several domains within the field of behavioral finance that would benefit from targeted training initiatives. An imperative responsibility that lies ahead for finance professionals is the development, implementation, and evaluation of financial training programs with a focus on their efficacy. The development of more effective programs to address shortcomings can be facilitated by the identification and comprehensive understanding of the significance and limitations associated with Generation Z's financial behavior and attitudes in Indonesia.

AUTHOR CONTRIBUTIONS

Conceptualization: Sri Fitri Wahyuni

Data curation: Radiman, Sri Fitri Wahyuni, Muhammad Shareza Hafiz

Formal analysis: Jufrizen, Muhammad Shareza Hafiz

Investigation: Sri Fitri Wahyuni, Jufrizen, Radiman, Muhammad Shareza Hafiz

Methodology: Sri Fitri Wahyuni, Jufrizen

Project administration: Radiman, Sri Fitri Wahyuni

Supervision: Sri Fitri Wahyuni, Jufrizen, Radiman

Validation: Muhammad Shareza Hafiz

Visualization: Sri Fitri Wahyuni, Radiman, Jufrizen

Writing - original draft: Sri Fitri Wahyuni, Muhammad Shareza Hafiz

Writing - review & editing: Sri Fitri Wahyuni, Radiman, Jufrizen

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3. Bukti Revisi Pertama dan Artikel yang diresubmit (1 Agustus 2023)

The image displays three sequential screenshots of a Gmail inbox, showing a series of revision notifications from a manuscript administration system. The interface is in Indonesian, with the left sidebar showing standard Gmail folders like 'Kotak Masuk' (Inbox), 'Berbintang' (Starred), 'Ditunda' (Deferred), 'Terkirim' (Sent), 'Draf' (Drafts), and 'Selengkapnya' (More). The main content area shows an email from 'v.matiukhina@manuscript-adminsystem.com' with the subject 'MA8493: Notification on Submission'. The email body contains detailed instructions for revising the manuscript, including requirements for the abstract, keywords, JEL classification codes, introduction, literature review, methods, results, and conclusions. The deadline for revisions is set for 2023-08-08. The email is signed by Valeria Matiukhina, Managing Editor of the Journal of Investment Management and Financial Innovations.

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Dear Sri Fitri Wahyuni,

the manuscript Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention, submitted to Investment Management and Financial Innovations Journal, needs to be revised.

Comments: When finalizing the manuscript in accordance with the requirements of the journal, please pay special attention to the fact that this is a research paper, which is a final report on the finished original experimental study (the structure is Abstract, Introduction, Literature review, Method, Results, Discussion, and Conclusion).

<https://www.businessperspectives.org/index.php/journals/investment-management-and-financial-innovations#submission-guidelines-for-authors>

The length of the manuscript (maximum) should be up to 6,000 words (not including the abstract, list of sources and appendices). Divide the material into sections correctly. Clearly and specifically formulate the purpose of the study! The article's title should be specific, indicate the purpose of the study, and correlate with it. The article's purpose is indicated in the abstract, at the end of the literature review, and in the Conclusion.

The Abstract (its volume is 150-250 words, but abstracts are welcome, in which the volume approaches 200-250 words) should have the following sequence of presentation of the material - relevance, purpose, method, result, and conclusion. This is exactly the sequence that should be. Most of the Abstract should be devoted to the result. Give a quantitative description of the result. Do not enter in the abstract and do not use (also in conclusions) unestablished abbreviations.

Keywords should be chosen responsibly. You should not give the term, and then also its abbreviation. Their number is limited (about 8-10 words on average). They should not be repeated,

relevance, purpose, method, result, and conclusion. This is exactly the sequence that should be. Most of the Abstract should be devoted to the result. Give a quantitative description of the result. Do not enter in the abstract and do not use (also in conclusions) unestablished abbreviations.

Keywords should be chosen responsibly. You should not give the term, and then also its abbreviation. Their number is limited (about 8-10 words on average). They should not be repeated, just as they should not repeat the words from the article's title. Basically it should be words, not phrases. They should reflect the main idea and content of the article.

JEL Classification codes should be clarified. Their number is on average 2-4, and they should be placed in order from the main (important) to the secondary ones.

The Introduction is a half-page - a page of text devoted to the relevance of the research topic and the formulation of the SCIENTIFIC problem (in which this research is being conducted) as a whole. You should not conduct a literature review here. There is no need for a literature review here. It is not necessary to tell how the research will be conducted, how the article is structured, what is the purpose of the research and what tasks the authors will solve.

The Literature review should include 30-40-50 analyzed sources. It should begin with a few introductory sentences. The sequence of the text must have logic (it is not determined by the place of the mentioned work on the shelf). It must be subordinated to the purpose of the study. Do not start each paragraph with a reference to the source, but structure the text in such a way that one paragraph is an analysis of one source. The review should be concluded with 2-3 generalizing sentences. Then the purpose of the study should be formulated. After that, formulate hypotheses (right here, all together, and do not insert text between them). Of course, if you foresee them. As for the hypotheses, they should be formulated clearly and unambiguously! They should be clear and not repeat each other.

Then there should be a Methods section. Here you should describe the algorithm (procedure) of the study and provide primary data for calculations or indicate the sources of their receipt. This should be done following the logic of the academic presentation of the material.

Further, the main section of the article is RESULT. Here, not only the results obtained (analytics, systematization, calculations...), but also their economic interpretation, explanation, and justification should be given. If the hypotheses were predicted, then provide the results of their verification.

The Discussion section should include a discussion of the study's results, a comparison with previous ones, a discussion of why the authors have such results, and an indication of future prospects.

The Conclusions should have the following logic - indicate the purpose of the study, briefly demonstrate the obtained result, and indicate what conclusions should be drawn from it. Do not cite sources in the Conclusions, and do not repeat sentences from the abstract here.

Don't start chapters with subsections. Don't break sections into a bunch of subsections. Variables in formulas must have established designations. They should be explained. Captions for figures and tables should be clear and understandable, even if they are shown in the context of the article. Do not indicate under the figures and tables that this is your own (author's) development or your own calculations because it should be so a priori. Column and row names in tables should be clear and complete.

Carefully study each sentence, each paragraph, and the entire text of the article.

The deadline for revisions is 2023-08-08

To revise a manuscript please don't forget to log in to the system and to upload a revised manuscript!

Kind regards,
Valeria Matiukhina
Managing Editor
Journal Investment Management and Financial Innovations

Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention

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Abstract

Financial behavior encompasses an individual's day-to-day activities about managing their monetary resources. This pertains to how an individual arranges and employs accessible financial assets. The main aim of this study is to investigate the impact of financial literacy and financial attitudes on the financial management behavior of Generation Z persons living in Medan, Indonesia. Furthermore, the primary objective of this study is to investigate the involvement of behavioral intention as an intermediary variable within this association. The participants in this study consist of undergraduate students currently enrolled at prestigious private universities in Medan - North Sumatra, Indonesia. The determination of sample size in the Structural Equation Model can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation modeling data analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. Consequently, a total of 150 students were utilized as research participants. The study's findings indicate that financial literacy affects financial management behavior and behavioral intentions ($p < 0.05$). Financial attitude affects financial management behavior ($p < 0.05$), financial attitude does not affect behavioral intentions ($p > 0.05$), and behavioral intention affects financial management behavior ($p < 0.05$). Behavioral intentions do not mediate the effect of financial literacy on financial management behavior ($p > 0.05$), nor is the effect of financial attitudes on financial management behavior mediated by behavioral intentions ($p > 0.05$).

Keywords: Behavioral Intentions, Financial Management Behavior, Structural Equation Model, Indonesia

JEL Classification: G40, G53

INTRODUCTION

The populace of Indonesia must learn how to optimize money for productive activities completely. Communities must comprehensively understand the financial services industry, encompassing banking, insurance, capital markets, pension funds, financing institutions, and mortgages. Every community must comprehend the financial services industry to increase

financial literacy and how people can use or benefit from available financial products and services.

Managing finances is a fact that every human being must face in their everyday lives; a person must manage finances efficiently to balance income and spending, make ends meet, and avoid becoming entangled in financial issues. Therefore, the inclusion of financial intelligence is vital in contemporary society, particularly in the present day. Financial intelligence refers to an individual's ability to effectively handle and allocate their financial resources, with the overarching objective of attaining financial well-being as the ultimate aim.

Financial education is used as a strategy to resolve the problem of the public's need for more knowledge regarding financial management. Nonetheless, its implementation in Indonesia remains a significant challenge. Financial education is a comprehensive and ongoing process that empowers individuals to cultivate enduring financial strategies to achieve prosperity. Apart from that, to support financial education, the government has carried out efforts to produce and launch financial literacy books to provide knowledge to the public and students who occupy the school level.

1. Literature Review

The theory of planned behavior is a modified version of the notion of reasoned action. Based on the concept of reasoned action, the likelihood of engaging in a particular behavior is determined by two essential factors: subjective norms and attitude. This idea is supported by empirical evidence in the scientific literature (Albarracín et al., 2001). Then Ajzen (2005) provides an additional cause, namely behavior control. Therefore the theory was changed to a theory of planned behavior (Lin et al., 2018). In this theory, it is explained that individuals will behave due to the intention to do so. This theory is aimed at specific and universal individual behavior. Three key characteristics can be used to predict this intention: attitudes toward behavior, subjective norms, and behavioral control. Behavioral attitudes are all individual judgments about actions in behavior. A subjective norm is an individual's belief about the desire of people who influence him to be willing to behave or not to behave according to the wishes of the critical person. Behavior control, namely individual views regarding their ability to behave (Wibowo et al., 2022). From Kotler & Lee (2011), a person is most likely to perform a behavior if he has a positive response to that behavior,

Financial behavior refers to how an individual demonstrates financial responsibility within financial management. Financial behavior is how households or individuals manage financial resources, which include planning, budget savings, investment, and treatment (Rahman et al., 2021). An individual's financial behavior can be assessed based on their proficiency in cash management, debt management, savings, and expenditure (Hilgert et al., 2003). Financial management behavior refers to an individual's capacity to effectively govern many aspects of their financial activities. This includes planning, budgeting, monitoring, managing, regulating, seeking, and safeguarding money resources (Hilgert et al., 2003). Financial behavior encompasses human behavior in managing monetary resources (Rahman et al., 2021). According to this definition, financial behavior encompasses all aspects of human conduct directly related to the administration of personal finances. After several years, Dew & Xiao (2011) investigated the development of financial behavior by establishing a more precise measurement scale for financial management behavior. Dew & Xiao (2011) propose that an individual's money management behavior can be assessed by examining four fundamental

categories. Multiple degrees exist of consumption, financial flow management, debt management, and saving and investing. Several factors influence financial management behavior, namely (1) financial knowledge, (2) financial experience, (3) financial attitude, and (4) level of education (Adriani, 2021). In its broadest sense, financial literacy refers to the practice of social relations relating to information, language, and culture, including how a person communicates in society (Remund, 2010).

The definition of financial literacy is still being debated worldwide (Rai et al., 2019). Referring to (Mihalčová et al., 2014), financial literacy means finance education, so one knows about managing finances. Chen & Volpe (1998) state that Financial literacy refers to the aptitude and knowledge required to manage one's financial resources to enhance future prosperity effectively. It is not just knowledge to manage finances, but it can also be implemented in the behavior of each individual to increase financial literacy. Financial literacy is understanding financial conditions and concepts and appropriately transforming that knowledge into behavior (Gunawan et al., 2023). Rahman et al. (2021) state that Financial literacy, in its broadest sense, refers to the practice in social relations relating to information, language, and culture, including how a person communicates in society. Another opinion (Frisancho, 2020) describes two dimensions in measuring financial literacy: financial education and financial knowledge. Several indicators can be used as a benchmark related to financial literacy: 1) A person must be able to make a financial surplus; 2) Understand and know clearly how much to save and invest each month (Warsono, 2010). A study (Chen & Volpe, 1998) states that Financial literacy can be categorized into four distinct measures: fundamental financial understanding, saving and borrowing, insurance, and investment.

Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters (Talwar et al., 2021). This can show a person's personality, such as considering money as an important part of life, a determinant of quality of life, and honor, and it can even trigger a crime (Durvasula & Lysonski, 2010). A financial attitude develops and protects value through intelligent decision-making and resource management based on financial principles (Johnson & Kornelsen, 2021). A financial attitude refers to an individual's cognitive and affective disposition towards financial matters, encompassing their mental state, subjective beliefs, and evaluative judgments. An individual's financial attitude is a consistent and structured approach to managing financial resources. Financial might be considered a psychological inclination that manifests itself while analyzing recommended financial management strategies with various levels of agreement (Johnson & Kornelsen, 2021). Financial attitudes refer to the psychological inclinations exhibited when assessing suggested financial management strategies, which may be accompanied by varying levels of agreement or dissatisfaction (Owusu, 2021). According to (Mien & Thao, 2015) research, individuals' financial attitudes influence how much they spend, save, hoard, and spend money. Financial is a monetary measurement of our thoughts, opinions, and assessments of the world in which we live (Johnson & Kornelsen, 2021). Ameliawati & Setiyani (2018) found an association between one's financial attitude and the severity of one's financial issues. According to the previous definitions, a financial attitude is an attitude toward finance that may be seen in how people behave and make financial decisions.

The intention is one of the stages of the ethical decision-making process (Darma & Japariato, 2014). A behavioral intention is an individual's motivation or planning that leads to specific financial attitudes, such as saving behaviors (Farrell et al., 2016). He also stated that an aim might be defined as a specific conduct that must be carried out regardless of the barriers, such

as money and time. The intention is a component within the individual that refers to the desire to perform a behavior, while the behavior is the actual action of the desire to behave (Pomery et al., 2009). The intention is closely related to motivation, a person's conscious or subliminal urge to take action with a particular goal in mind. Good intentions inspire a desire to do good (Cook & Artino, 2016).

Financial literacy and managing money go hand in hand. The better a person manages money, the more financially literate they are. One application of the concept of financial management is personal finance management. Financial security requires effective financial management, which includes planning, administration, and control responsibilities. Planning activities include actions to plan how the income received will be allocated (Ameliawati & Setiyani, 2018). Management is an activity that regulates/manages funds efficiently, whereas control is an activity that evaluates if financial management is following what was planned/budgeted (Pollitt, 2001).

2. AIM AND HYPOTHESES

This study investigates the impact of financial literacy and attitudes on financial management behavior within the Generation Z population residing in Medan – North Sumatra, Indonesia. Furthermore, the research investigates the function of behavioral intention as an intervening variable within this association. Structural research models made research hypotheses as follows:

H1: Financial Literacy can improve Financial Management Behavior

H2: Financial Attitude can improve Financial Management Behavior

H3: Financial Literacy can improve Behavioral Intention

H4: Financial Attitude can improve Behavioral Intention

H5: Behavioral Intention can improve Financial Management Behavior

H6: Financial Literacy can improve Financial Management Behavior Mediated by Behavioral Intention

H7: Financial Attitude can improve Financial Management Behavior Mediated by Behavioral Intention

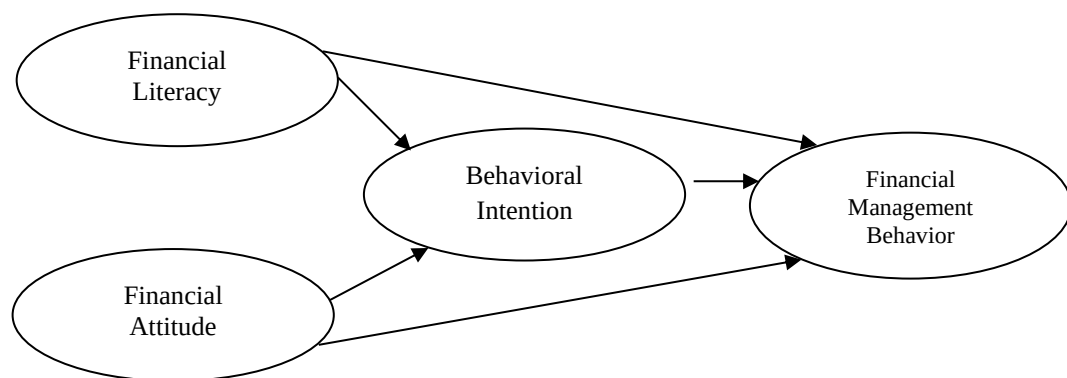


Figure 1. Conceptual Framework

3. METHODOLOGY

This study's methodology is survey research based on sampling individuals from a single population. The present study employs an explanatory method to elucidate the causal relationship between the investigated variables and test the hypothesized relationships. The present study is classified as causal research, employing a quantitative methodology. The study's participants consist exclusively of undergraduate students enrolled in prominent private universities in North Sumatra. The Maximum Likelihood estimate is employed in the Structural Equation Model (SEM) to determine the appropriate sample size, often ranging from 100 to 200 (Hair et al., 2014). To fulfill the criteria for implementing the Structural Equation Model (SEM) and applying the Maximum Likelihood Estimation (MLE) method, selecting a sample size ranging from 100 to 200 participants is necessary. In this particular case, the researcher will specifically focus on recruiting students for the study. Consequently, a total of 150 students were utilized as research participants. Primary and secondary data are utilized to provide evidence and support for the variables under investigation. Simultaneously, data acquisition is facilitated through the utilization of interviews and questionnaires. The study exclusively recruited individuals who belonged to the Millennial generation (generation Z) and were residents of Medan. They were the primary focus of the research and served as quantitative data sources. The chosen methodology for analysis is the variance-based structural equation test, specifically the Partial Least Square (PLS) method, utilizing the Smart PLS 3.0 software. The Partial Least Squares (PLS) technique elucidates that the Structural Equation Model (SEM-PLS) can effectively capture latent variables which are not immediately observable through the use of indicators, also known as manifest variables (Ghozali, 2014).

4. Results

The composite or construct reliability measurement is typically conducted using Cronbach's alpha and DG rho statistics, commonly employed in Principal Component Analysis (PCA). Constructs that exhibit Cronbach's alpha values of 7.0 or higher and DG rho (PCA) values indicate excellent reliability as measurement instruments. A threshold of 0.7 or greater indicates a level of acceptability, while several 0.8 or higher signifies satisfaction (Nunnally & Bernstein, 1994).

Table 1. Composite Reliability

Variable	Composite Reliability
Financial Literacy	0.947
Financial Attitude	0.915
Financial Behavior	0.958
Behavioral Intention	0.919

Table 1 indicates that the composite reliability values for financial literacy, financial attitude, financial behavior, and intention are 0.947, 0.915, 0.958, and 0.919, respectively. The composite reliability values of the four patents exceeded 0.7, indicating that all factors demonstrate satisfactory reliability as measurement instruments.

The average variance extracted quantifies the extent to which the variance in a set of items is attributable to the measured constructs instead of measurement mistakes. When the average variance extracted value surpasses 0.5. It indicates that the concept possesses favorable convergent validity. This finding indicates that latent variables can account for over 50% of the variability observed in the indicators, on average.

Table 2. Average Variance Extracted

Variable	Average Variance Extracted
Financial Literacy	0.643
Financial Attitude	0.643
Financial Behavior	0.740
Behavioral Intention	0.663

The table above indicates that the AVE value for Financial Literacy is 0.643, Financial Attitude is 0.643, and Financial Behavior is 0.740. The magnitude of the purpose is 0.663. The four variables exhibit an average variance extracted (AVE) exceeding 0.5, suggesting the concept demonstrates robust convergent validity. This implies that, on average, the latent variable can account for over 50% of the variance observed in the indicators.

This study aims to evaluate the discriminant validity of the reflective measurement model through cross-loading analysis and by comparing the average variance extracted (AVE) value with the square of the correlation across constructs. The assessment of cross-loading involves examining the association between indicators and their constructs, as well as the constructs of other blocks. The discriminant validity of a high-quality construct is characterized by its capacity to explain a larger proportion of the indicator variable's variability compared to its ability to explain the variability in indicators of other constructs. The subsequent values represent the extent to which each indicator demonstrates discriminant validity.

Table 3. Discriminant Validity

Indicator	Financial Literacy	Financial Attitude	Behavioral Intention	Financial Behavior
FL.1	0.791	0.625	0.877	0.559
FL.10	0.796	0.548	0.621	0.441
FL.2	0.878	0.617	0.826	0.538
FL.3	0.736	0.596	0.726	0.726
FL.4	0.748	0.622	0.725	0.400
FL.5	0.892	0.584	0.670	0.416
FL.6	0.769	0.531	0.557	0.541
FL.7	0.859	0.676	0.700	0.520
FL.8	0.787	0.675	0.631	0.422
FL.9	0.815	0.688	0.737	0.516
FA.1	0.803	0.761	0.691	0.553
FA.2	0.549	0.691	0.492	0.366
FA.3	0.555	0.849	0.531	0.515
FA.4	0.598	0.849	0.606	0.618
FA.5	0.653	0.884	0.663	0.503
FA.6	0.517	0.759	0.556	0.614
FB. 1	0.536	0.507	0.498	0.884
FB.2	0.519	0.542	0.481	0.784
FB.3	0.570	0.542	0.626	0.888
FB.4	0.571	0.615	0.489	0.899
FB.5	0.558	0.535	0.565	0.897
FB.6	0.590	0.643	0.542	0.937

FB.7	0.549	0.554	0.577	0.907
FB. 8	0.506	0.705	0.542	0.650
BI. 1	0.442	0.691	0.504	0.528
BI. 2	0.536	0.427	0.684	0.404
BI. 3	0.840	0.694	0.909	0.526
BI. 4	0.888	0.659	0.900	0.582
BI. 5	0.800	0.653	0.883	0.516
BI. 6	0.770	0.492	0.916	0.527

Table 3 shows that the loading factor value for each variable has a greater association with each variable than the observed correlation with other variables. Similarly, the indicators of each variable are also of importance. This demonstrates that the positioning of indicators for each variable is accurate.

The coefficient of determination, commonly referred to as R-Square, quantifies the extent to which the variability in a variable's value is attributable to another variable's impact. Specifically, it measures the proportion of variation that can be accounted for by the exogenous variable that affects the endogenous variable. This feature is beneficial for determining the model's efficacy, discerning its quality as either satisfactory or unsatisfactory (Hair Jr et al., 2016).

Table 4. R-Square

	R-Square	Adjusted R-Square
Financial Behavior	0.488	0.463
Behavioral Intention	0.815	0.806

Table 4 presents the correlation analysis between Financial Literacy, Financial Attitudes, and Financial Behavior, revealing a coefficient of 0.488. The coefficient presented in this analysis demonstrates that the relationship between Financial Literacy and Financial Attitudes on Financial Behavior explains approximately 48.8% of the observed variability, suggesting a statistically significant influence. The coefficient of determination between Financial Literacy and Financial Attitudes on Behavioral Intentions is 0.815, suggesting a significant relationship between these variables. This coefficient indicates that Financial Literacy and Financial Attitudes explain approximately 81.5% of the observed variation in Behavioral Intentions. This suggests that it demonstrates a strong or formidable characteristic.

This assessment aims to ascertain the path coefficient of the structural model. This study aims to conduct a statistical analysis to determine the significance of observed correlations and evaluate the validity of the offered hypotheses. The current study classifies hypothesis testing into two discrete categories: direct effects and indirect effects.

Table 5. Direct Effect

Hypothesis	T- Statistics	P-Values
Financial Literacy => Financial Behavior	3,552	0.000
Financial literacy => Intention	7,491	0.000
Financial attitude => Financial Behavior	3,566	0.000
Financial attitude => Intention	0.910	0.363
Intention => Behavioral Finance	3,721	0.000

Table 6. Indirect Effect

Hypothesis	T Statistics	P-Values
Financial literacy => Intention => Financial Behavior	1,191	0.452
Financial attitude => Intention => Financial Behavior	0.053	0.677

5. DISCUSSION

The study's findings demonstrate a statistically significant association between financial literacy and financial management behavior, as evidenced by the p-value of 0.000, which falls below the conventional significance threshold of 0.05. Hence, the level of financial literacy has a substantial impact on the money management behavior of individuals. The acquisition of financial literacy, which involves understanding concepts such as savings, insurance, debt, investment, and other related topics, substantially impacts an individual's capacity to manage their financial resources properly. An individual's capacity to make well-informed decisions in the field of finance is favorably associated with their level of knowledge regarding financial components. This study found the same thing was done by (Ameliawati & Setiyani, 2018); (Santoso & Sari 2021) stated that people with high financial literacy tend to influence financial management. This research is supported by (Pulungan, 2017), who states that students with little financial literacy have opinions about finance and make bad financial decisions. This research is consistent with studies conducted by (Sigo et al., 2021), (Erica, 2019), and (Gunawan et al., 2020) state that those who have strong financial literacy tend to affect financial management. The degree of financial literacy directly influences an individual's ability to handle financial matters effectively. A positive correlation exists between increased financial literacy and improved competence in financial management.

The study's findings indicate a statistically significant association between Financial Literacy and Behavioral Intention, as evidenced by a P-value of 0.000, below the conventional significance level of 0.05. Therefore, Financial Literacy has a substantial impact on Intentions. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior nurtured and implemented within society for a prolonged duration. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior nurtured and implemented throughout society for a prolonged duration. Acquiring financial literacy is vital for individuals of all backgrounds to mitigate potential financial challenges, and its significance is progressively escalating with time (Lusardi, 2019). The influence of an individual's intention to act on their financial literacy can be observed when their intention to engage in a particular action or habit affects their decision-making process. Financial literacy is a fundamental prerequisite for preventing financial difficulties, and it is becoming increasingly important over time. Financial literacy can also be influenced by a person's intention to behave, where a person's reason for doing or not acting influences their decision to do or not do an action or activity. This study is consistent with previous research (Grace, 2021), (Setiawan et al., 2021) and (Gahagho et al., 2021) state that Financial Literacy influences behavioral intentions.

The statistical analysis demonstrates a significant relationship between the Financial Attitudes and Financial Management Behavior variable, as indicated by the P-value of 0.000, below the preset significance level of 0.05. These results certainly align with research conducted by (Grace, 2021) and (Rahmayanti et al., 2019) to conclude that Financial Attitudes impact financial management behavior. The notion of financial attitude involves using financial concepts to generate and maintain wealth by making prudent decisions and efficiently managing

resources. A financial attitude pertains to an individual's cognitive and affective inclination, viewpoint, and evaluative position towards personal or organizational financial affairs. An individual's financial attitude pertains to a methodical and organized approach to managing resources (Grace, 2021). Research results (Baptista & Dewi, 2021); (Prawitasari et al., 2022) and (Firli & Hidayati, 2021) concluded that financial attitudes influence financial management behavior. However, research results (van Deventer, 2020) discovered a statistically non-significant association between individuals' attitudes toward personal finance.

The research results show that the effect of the variable Financial Attitudes on Behavioral Intention has a P-Values of $0.363 < 0.05$, so it can be stated that the influence between Financial Attitudes on Behavioral intention is insignificant. Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters. Attitude encompasses various aspects of financial matters, such as safeguarding one's social status and personal contentment (Adiputra, 2021). People build an attitude toward money based on their experiences and circumstances (Erica, 2019). Attitude shows a lot about money, including how to protect your social standing and how you feel about money. People form ideas about money based on what they have done with it and how they have been treated (Erica, 2019). Attitude pertains to an individual's emotional disposition towards personal money, as evidenced by their responses to a statement or view. Financial attitude refers to an individual's subjective viewpoint or conduct concerning money. This perspective can be observed through six distinct notions, including (1) preoccupation, (2) power, (3) effort, (4) inadequacy, (5) retention, and (6) security. Attitude is a significant factor in individual intentions toward modifying financial behavior within the Theory of Planned Behavior framework. Individuals' attitudes are reflected in their distinct behaviors, which might indicate a preference or aversion toward specific outcomes. The results of this study do not match the research done by Gahagho et al. (2021), and Yoopetch & Chaithanapat (2021) concluded that financial attitudes influence behavioral intentions.

The research results show that the effect of the variable Behavioral Intentions on Financial Management Behavior has a P-Values of $0.000 < 0.05$, so it can be stated that the influence between Behavioral Intentions on Financial Management Behavior is significant. One of the ethical stages of decision-making is the intention. The intention is the desire, plan, determination, and promise made to oneself to do something. Individuals will act following their intentions, which can be understood. Individuals who can make prudent financial choices are less likely to encounter financial challenges in the future. An individual's intentions can indicate their ability to effectively manage financial resources through organization, explicit planning, budgeting, auditing, and regulation. On the contrary, an individual's behavioral purpose influences the determination to engage in or abstain from executing a specific action or undertaking. This study is similar to the one done by (Gahagho et al., 2021); (Mardianah & Iramani 2021) and (Faridawati & Silvy 2017) state that behavioral intention influences financial management behavior.

The P-Values of the indirect effect of the variable Financial Literacy on Financial Management Behavior is $0.452 > 0.05$. Therefore, it can be stated that behavioral intention does not serve as a mediator between Financial Literacy and Financial Management Behavior. In the realm of financial management, decision-making regarding the appropriate approach necessitates the acquisition of knowledge and the cultivation of certain attitudes. Financial management is closely associated with an individual's acquisition of information, which can be attained from several resources such as literature and educational materials. Moreover, an individual's mindset

significantly influences their approach to money management, especially in comprehending and implementing prudent financial strategies. If the assertion is deemed to be true, the execution of the said statement is reliant upon the individual's disposition. The influence of financial literacy and a positive attitude toward it can substantially affect the financial management behavior of individuals. This study's findings exhibit disparities compared to previous research (Mardianah & Iramani, 2021) concluded that financial literacy and attitudes can improve financial management behavior through behavioral intention.

The P-Values of the indirect effect of variable financial attitude on Financial Management Behavior is $0.677 > 0.05$. Therefore, it may be asserted that the impact of financial views on financial management behavior is not mediated by behavioral intention. Individuals' financial literacy level will impact their ability to save, borrow, invest, and manage money effectively. Financial management behavior pertains to an individual's conduct concerning personal financial matters, as assessed through their behaviors. Individuals will behave following their will and the intentions they possess. Behavioral intention is a determinant that influences an individual's choice to engage in or abstain from a specific activity or behavior. In determining financial attitudes, one can see how a person views money and spends for daily requirements or other economic conduct (such as how much money should be set aside to save or invest). Their attitudes can influence individuals' financial conduct in their daily lives. These attitudes have the potential to impact long-term saving goals as well as future financial capacities. The intention is one of the ethical stages of the ethical decision-making process. Attitude can affect the intention to behave. At the same time, the intention to behave influences behavior. The theory above can be interpreted that attitudes can indirectly influence behavior. The results of this investigation differ from those of previous research (Mardianah & Iramani, 2021) concluded that financial literacy and attitudes impact financial management behavior.

One primary constraint of this study is utilizing a non-probability convenience sampling technique for participant selection. It is essential to exercise caution when interpreting the data obtained from convenience sampling. Furthermore, longitudinal studies have the potential to provide more precise and reliable findings when compared to the single cross-sectional methodology employed in the present investigation. It is recommended that future research endeavors encompass many ethnic groups to enhance the sample size and improve the representativeness of the findings concerning the broader population.

CONCLUSIONS

This research aims to investigate the impact of financial literacy and attitudes on the financial management behavior of Generation Z in Medan, Indonesia. The study also aims to explore the role of behavioral intention as a mediating variable in this relationship. The conclusions of this research investigation are based on the findings that a favorable and strong relationship exists between financial literacy and financial management behavior. Similarly, financial literacy has been found to exert a favorable and noteworthy impact on individuals' behavioral intentions. Moreover, empirical evidence has demonstrated that financial attitudes positively and substantially impact financial management behavior.

Nevertheless, the impact of financial attitudes on behavioral intentions does not yield statistically significant results. Furthermore, it has been empirically demonstrated that behavioral intention exerts a favorable and statistically significant influence on financial management behavior. Moreover, it has been observed that behavioral intention purpose does not mediate the relationship between financial literacy and financial management behavior. The

mediating role of behavioral intention in the relationship between financial attitudes and financial management behavior is not supported.

The findings of this study have the potential to assist financial institutions, including banks and investment management firms, in effectively identifying and catering to this specific market niche by providing accurate product information. Moreover, this study's findings will provide valuable insights for future multidisciplinary research investigations. Furthermore, this study highlights several domains within the field of behavioral finance that would benefit from targeted training initiatives. An imperative responsibility that lies ahead for finance professionals is the development, implementation, and evaluation of financial training programs with a focus on their efficacy. The development of more effective programs to address shortcomings can be facilitated by the identification and comprehensive understanding of the significance and limitations associated with Generation Z's financial behavior and attitudes in Indonesia.

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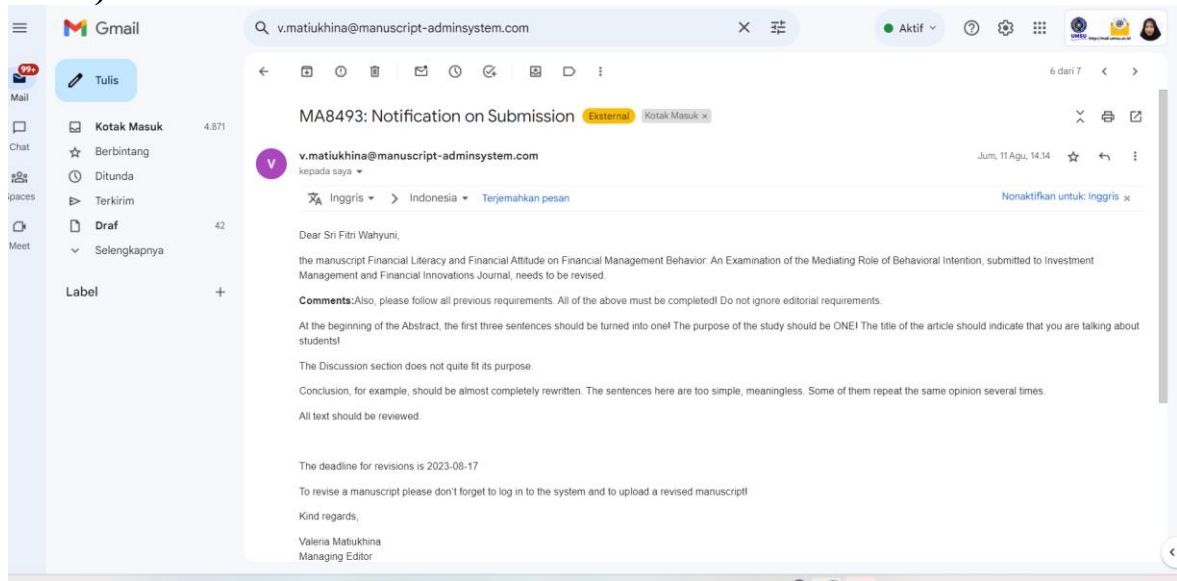
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4. Bukti Revisi Kedua dan Artikel yang diresubmit (12 Agustus 2023)



Financial Literacy and Financial Attitude on Student Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention

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Abstract

Financial management is the behavior of someone who can manage finances, including budgeting, controlling, planning, searching, and storage, and can utilize financial resources in decision-making. This study aims to determine the effect of financial literacy and financial attitudes on students' financial management behavior mediated by behavioral intention in private university students in Medan -North Sumatra, Indonesia. The participants in this study consist of undergraduate students currently enrolled at prestigious private universities in Medan - North Sumatra, Indonesia. The determination of sample size in the Structural Equation Model can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation modeling data analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. Consequently, a total of 150 students were utilized as research participants. The study's findings indicate that financial literacy affects student financial management behavior and behavioral intentions ($p < 0.05$). Financial attitude affects financial management behavior ($p < 0.05$), financial attitude does not affect behavioral intentions ($p > 0.05$), and behavioral intention affects student financial management behavior ($p < 0.05$). Behavioral intentions do not mediate the effect of financial literacy on student financial management behavior ($p > 0.05$), nor is the effect of financial attitudes on student financial management behavior mediated by behavioral intentions ($p > 0.05$).

Keywords : Financial Management Behavior, Students, Structural Equation Model, Indonesia

JEL Classification : G40, G53

INTRODUCTION

The populace of Indonesia must learn how to optimize money for productive activities completely. Communities must comprehensively understand the financial services industry, encompassing banking, insurance, capital markets, pension funds, financing institutions, and mortgages. Every community must comprehend the financial services industry to increase financial literacy and how people can use or benefit from available financial products and services.

Managing finances is a fact that every human being must face in their everyday lives; a person must manage finances efficiently to balance income and spending, make ends meet, and avoid becoming entangled in financial issues. Therefore, the inclusion of financial intelligence is vital in contemporary society, particularly in the present day. Financial intelligence refers to an individual's ability to effectively handle and allocate their financial resources, with the overarching objective of attaining financial well-being as the ultimate aim.

Financial education is used as a strategy to resolve the problem of the public's need for more knowledge regarding financial management. Nonetheless, its implementation in Indonesia remains a significant challenge. Financial education is a comprehensive and ongoing process that empowers individuals to cultivate enduring financial strategies to achieve prosperity. Apart from that, to support financial education, the government has carried out efforts to produce and launch financial literacy books to provide knowledge to the public and students who occupy the school level.

1. Literature Review

The theory of planned behavior is a modified version of the notion of reasoned action. Based on the concept of reasoned action, the likelihood of engaging in a particular behavior is determined by two essential factors: subjective norms and attitude. This idea is supported by empirical evidence in the scientific literature (Albarracín et al., 2001). Then Ajzen (2005) provides an additional cause, namely behavior control. Therefore the theory was changed to a theory of planned behavior (Lin et al., 2018). In this theory, it is explained that individuals will behave due to the intention to do so. This theory is aimed at specific and universal individual behavior. Three key characteristics can be used to predict this intention: attitudes toward behavior, subjective norms, and behavioral control. Behavioral attitudes are all individual judgments about actions in behavior. A subjective norm is an individual's belief about the desire of people who influence him to be willing to behave or not to behave according to the wishes of the critical person. Behavior control, namely individual views regarding their ability to behave (Wibowo et al., 2022). From Kotler & Lee (2011), a person is most likely to perform a behavior if he has a positive response to that behavior. There is affirmation from people who influence him and confidence that he can do it accordingly.

Financial behavior refers to how an individual demonstrates financial responsibility within financial management. Financial behavior is how households or individuals manage financial resources, which include planning, budget savings, investment, and treatment (Rahman et al., 2021). An individual's financial behavior can be assessed based on their proficiency in cash management, debt management, savings, and expenditure (Hilgert et al., 2003). Financial management behavior refers to an individual's capacity to govern many financial activities effectively. This includes planning, budgeting, monitoring, managing, regulating, seeking, and safeguarding money resources (Hilgert et al., 2003). Financial behavior encompasses human behavior in managing monetary resources (Rahman et al., 2021). According to this definition, financial behavior encompasses all aspects of human conduct directly related to the administration of personal finances. After several years, Dew & Xiao (2011) investigated the development of financial behavior by establishing a more precise measurement scale for financial management behavior. Dew & Xiao (2011) propose that an individual's money management behavior can be assessed by examining four fundamental categories. Multiple degrees exist of consumption, financial flow management, debt management, and saving and

investing. Several factors influence financial management behavior, namely (1) financial knowledge, (2) financial experience, (3) financial attitude, and (4) level of education (Adriani, 2021). In its broadest sense, financial literacy refers to the practice of social relations relating to information, language, and culture, including how a person communicates in society (Remund, 2010).

The definition of financial literacy is still being debated worldwide (Rai et al., 2019). Referring to (Mihalčová et al., 2014), financial literacy means finance education, so one knows about managing finances. Chen & Volpe (1998) state that Financial literacy refers to the aptitude and knowledge required to effectively manage one's financial resources to enhance future prosperity. It is not just knowledge to manage finances, but it can also be implemented in the behavior of each individual to increase financial literacy. Financial literacy is understanding financial conditions and concepts and appropriately transforming that knowledge into behavior (Gunawan et al., 2023). Rahman et al. (2021) state that Financial literacy, in its broadest sense, refers to the practice in social relations relating to information, language, and culture, including how a person communicates in society. Another opinion (Frisancho, 2020) describes two dimensions in measuring financial literacy: financial education and financial knowledge. Several indicators can be used as a benchmark related to financial literacy: 1) A person must be able to make a financial surplus; 2) Understand and know clearly how much to save and invest each month (Warsono, 2010). A study Chen & Volpe, (1998) states that Financial literacy can be categorized into four distinct measures: fundamental financial understanding, saving and borrowing, insurance, and investment.

Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters (Talwar et al., 2021). This can show a person's personality, such as considering money as an essential part of life, a determinant of quality of life, and honor, and it can even trigger a crime (Durvasula & Lysonski, 2010). A financial attitude develops and protects value through intelligent decision-making and resource management based on financial principles (Johnson & Kornelsen, 2021). A financial attitude refers to an individual's cognitive and affective disposition towards financial matters, encompassing their mental state, subjective beliefs, and evaluative judgments. An individual's financial attitude is a consistent and structured approach to managing financial resources. Financial might be considered a psychological inclination that manifests itself while analyzing recommended financial management strategies with various levels of agreement (Johnson & Kornelsen, 2021). Financial attitudes refer to the psychological inclinations exhibited when assessing suggested financial management strategies, which may be accompanied by varying levels of agreement or dissatisfaction (Owusu, 2021). According to (Mien & Thao, 2015) research, individuals' financial attitudes influence how much they spend, save, hoard, and spend money. Financial is a monetary measurement of our thoughts, opinions, and assessments of the world in which we live (Johnson & Kornelsen, 2021). Ameliawati & Setiyani (2018) found an association between one's financial attitude and the severity of one's financial issues. According to the previous definitions, a financial attitude is an attitude toward finance that may be seen in how people behave and make financial decisions.

The intention is one of the stages of the ethical decision-making process (Stöckli & Dorn, 2021). A behavioral intention is an individual's motivation or planning that leads to specific financial attitudes, such as saving behaviors (Farrell et al., 2016). He also stated that an aim might be defined as a specific conduct that must be carried out regardless of the barriers, such as money and time. The intention is a component within the individual that refers to the desire to perform

a behavior, while the behavior is the actual action of the desire to behave (Pomery et al., 2009). The intention is closely related to motivation, a person's conscious or subliminal urge to take action with a particular goal in mind. Good intentions inspire a desire to do good (Cook & Artino, 2016).

Financial literacy and managing money go hand in hand. The better a person manages money, the more financially literate they are. One application of the concept of financial management is personal finance management. Financial security requires effective financial management, which includes planning, administration, and control responsibilities. Planning activities include actions to plan how the income received will be allocated (Ameliawati & Setiyani, 2018). Management is an activity that regulates/manages funds efficiently, whereas control is an activity that evaluates if financial management is following what was planned/budgeted (Pollitt, 2001).

2. AIM AND HYPOTHESES

This study aims to determine the effect of financial literacy and financial attitudes on students' financial management behavior mediated by behavioral intention in private university students in Medan - North Sumatra, Indonesia. This study can identify areas where more robust variables contribute to improving students' financial management behavior by better understanding the interactions between these variables. The following are the theories that can be put out in light of the literature review and Figure 1:

Structural research models made research hypotheses as follows:

H1: Financial Literacy can improve Financial Management Behavior

H2: Financial Attitude can improve Financial Management Behavior

H3: Financial Literacy can improve Behavioral Intention

H4: Financial Attitude can improve Behavioral Intention

H5: Behavioral Intention can improve Financial Management Behavior

H6: Financial Literacy can improve Financial Management Behavior Mediated by Behavioral Intention

H7: Financial Attitude can improve Financial Management Behavior Mediated by Behavioral Intention

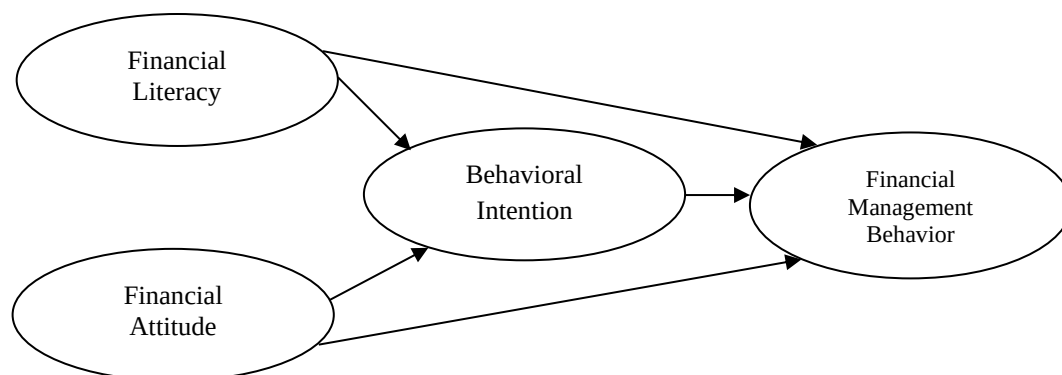


Figure 1. Research Framework

3. METHODOLOGY

This study's methodology is survey research based on sampling individuals from a single population. The present study employs an explanatory method to elucidate the causal relationship between the investigated variables and test the hypothesized relationships. The present study is classified as causal research, employing a quantitative methodology. The study's participants consist exclusively of undergraduate students enrolled in prominent private universities in North Sumatra. The Maximum Likelihood estimate is employed in the Structural Equation Model (SEM) to determine the appropriate sample size, often ranging from 100 to 200 (Hair et al., 2014). To fulfill the criteria for implementing the Structural Equation Model (SEM) and applying the Maximum Likelihood Estimation (MLE) method, selecting a sample size ranging from 100 to 200 participants is necessary. In this particular case, the researcher will specifically focus on recruiting students for the study.

Consequently, a total of 150 students were utilized as research participants. Primary and secondary data are utilized to provide evidence and support for the variables under investigation. Simultaneously, data acquisition is facilitated through the utilization of interviews and questionnaires. The study exclusively recruited individuals who belonged to the Millennial generation (generation Z) and were residents of Medan. They were the primary focus of the research and served as quantitative data sources. The chosen methodology for analysis is the variance-based structural equation test, specifically the Partial Least Square (PLS) method, utilizing the Smart PLS 3.0 software. The Partial Least Squares (PLS) technique elucidates that the Structural Equation Model (SEM-PLS) can effectively capture latent variables which are not immediately observable through the use of indicators, also known as manifest variables (Ghozali, 2014).

4. Results

The composite or construct reliability measurement is typically conducted using Cronbach's alpha and DG rho statistics, commonly employed in Principal Component Analysis (PCA). Constructs that exhibit Cronbach's alpha values of 7.0 or higher and DG rho (PCA) values indicate excellent reliability as measurement instruments. A threshold of 0.7 or greater indicates a level of acceptability, while several 0.8 or higher signifies satisfaction (Nunnally & Bernstein, 1994).

Table 1. Composite Reliability

Variable	Composite Reliability
Financial Literacy	0.947
Financial Attitude	0.915
Financial Management Behavior	0.958
Behavioral Intention	0.919

Table 1 indicates that the composite reliability values for financial literacy, financial attitude, financial management behavior, and behavioral intention are 0.947, 0.915, 0.958, and 0.919, respectively. The composite reliability values of the four patents exceeded 0.7, indicating that all factors demonstrate satisfactory reliability as measurement instruments.

The average variance extracted quantifies the extent to which the variance in a set of items is attributable to the measured constructs instead of measurement mistakes. When the average variance extracted value surpasses 0.5. It indicates that the concept possesses favorable

convergent validity. This finding indicates that latent variables can account for over 50% of the variability observed in the indicators.

Table 2. Average Variance Extracted

Variable	Average Variance Extracted
Financial Literacy	0.643
Financial Attitude	0.643
Financial Management Behavior	0.740
Behavioral Intention	0.663

The table above indicates that the AVE value for Financial Literacy is 0.643, Financial Attitude is 0.643, and Financial Management Behavior is 0.740. While Behavioral Intention is 0.663. The four variables exhibit an Average Variance Extracted (AVE) exceeding 0.5, suggesting the concept demonstrates robust convergent validity. This implies that, on average, the latent variable can account for over 50% of the variance observed in the indicators.

This study aims to evaluate the discriminant validity of the reflective measurement model through cross-loading analysis and by comparing the Average Variance Extracted (AVE) value with the square of the correlation across constructs. The assessment of cross-loading involves examining the association between indicators and their constructs, as well as the constructs of other blocks. The discriminant validity of a high-quality construct is characterized by its capacity to explain a more significant proportion of the indicator variable's variability compared to its ability to explain the variability in indicators of other constructs. The subsequent values represent the extent to which each indicator demonstrates discriminant validity.

Table 3. Discriminant Validity

Indicator	Financial Literacy	Financial Attitude	Behavioral Intention	Financial Management Behavior
FML.1	0.791	0.625	0.877	0.559
FML.10	0.796	0.548	0.621	0.441
FML.2	0.878	0.617	0.826	0.538
FML.3	0.736	0.596	0.726	0.726
FML.4	0.748	0.622	0.725	0.400
FML.5	0.892	0.584	0.670	0.416
FML.6	0.769	0.531	0.557	0.541
FML.7	0.859	0.676	0.700	0.520
FML.8	0.787	0.675	0.631	0.422
FML.9	0.815	0.688	0.737	0.516
FA.1	0.803	0.761	0.691	0.553
FA.2	0.549	0.691	0.492	0.366
FA.3	0.555	0.849	0.531	0.515
FA.4	0.598	0.849	0.606	0.618
FA.5	0.653	0.884	0.663	0.503
FA.6	0.517	0.759	0.556	0.614
FB. 1	0.536	0.507	0.498	0.884
FB.2	0.519	0.542	0.481	0.784
FB.3	0.570	0.542	0.626	0.888
FB.4	0.571	0.615	0.489	0.899
FB.5	0.558	0.535	0.565	0.897

FB.6	0.590	0.643	0.542	0.937
FB.7	0.549	0.554	0.577	0.907
FB. 8	0.506	0.705	0.542	0.650
BI. 1	0.442	0.691	0.504	0.528
BI. 2	0.536	0.427	0.684	0.404
BI. 3	0.840	0.694	0.909	0.526
BI. 4	0.888	0.659	0.900	0.582
BI. 5	0.800	0.653	0.883	0.516
BI. 6	0.770	0.492	0.916	0.527

Table 3 shows that the loading factor value for each variable has a more significant association with each variable than the observed correlation with other variables. Similarly, the indicators of each variable are also of importance. This demonstrates that the positioning of indicators for each variable is accurate.

The coefficient of determination, commonly referred to as R-Square, quantifies the extent to which the variability in a variable's value is attributable to another variable's impact. It measures the proportion of variation that can be accounted for by the exogenous variable that affects the endogenous variable. This feature is beneficial for determining the model's efficacy, discerning its quality as either satisfactory or unsatisfactory (Hair Jr et al., 2016).

Table 4. R-Square

	R-Square	Adjusted R-Square
Financial Management Behavior	0.488	0.463
Behavioral Intention	0.815	0.806

Table 4 presents the correlation analysis between Financial Literacy, Financial Attitudes, and Financial Behavior, revealing a coefficient of 0.488. The coefficient presented in this analysis demonstrates that the relationship between Financial Literacy and Financial Attitudes on Student Financial Management Behavior explains approximately 48.8% of the observed variability, suggesting a statistically significant influence. The coefficient of determination between Financial Literacy and Financial Attitudes on Behavioral Intentions is 0.815, suggesting a significant relationship between these variables. This coefficient indicates that Financial Literacy and Financial Attitudes explain approximately 81.5% of the observed variation in Behavioral Intentions. This suggests that it demonstrates a strong or formidable characteristic.

This assessment aims to ascertain the path coefficient of the structural model. This study aims to conduct a statistical analysis to determine the significance of observed correlations and evaluate the validity of the offered hypotheses. The current study classifies hypothesis testing into two discrete categories: direct effects and indirect effects.

Table 5. Direct Effect

Hypothesis	T- Statistics	P-Values
Financial Literacy => Financial Management Behavior	3,552	0.000
Financial literacy => Behavioral Intention	7,491	0.000
Financial attitude => Financial Management Behavior	3,566	0.000
Financial attitude => Behavioral Intention	0.910	0.363
Behavioral Intention => Behavioral Finance	3,721	0.000

Table 6. Indirect Effect

Hypothesis	T Statistics	P-Values
Financial literacy => Intention => Financial Management Behavior	1,191	0.452
Financial attitude => Intention => Financial Management Behavior	0.053	0.677

5. DISCUSSION

The study's findings demonstrate a statistically significant association between financial literacy and student financial management behavior, as evidenced by the p-value of 0.000, which falls below the conventional significance threshold of 0.05. Hence, the level of financial literacy has a substantial impact on the money management behavior of individuals. This implies that greater financial knowledge and ability to implement financial aspects, such as income, expenditures, assets, debt, and risk, will result in prudent financial behavior and efficient financial management. Inversely, one's financial management behavior will be worse and less effective the less fundamental their knowledge of finance is. This study found the same thing was done by Ameliawati & Setiyani, (2018), and Santoso & Sari, (2021) stated that people with high financial literacy tend to influence financial management. This research is supported by Chen & Volpe, (1998), who states that students with little financial literacy have opinions about finance and make bad financial decisions. This research is consistent with studies conducted by Putri et al., (2023), Satoto & Budiwati, (2020), Sari et al., (2020) and Gunawan et al., (2020) state that those who have strong financial literacy tend to affect financial management behavior.

The study's findings indicate a statistically significant association between Financial Literacy and Behavioral Intention, as evidenced by the P-value of 0.000, below the conventional significance level of 0.05. Therefore, financial literacy has significant effects on behavioral intentions. This implies that a person's financial knowledge and behavioral intentions are inversely proportional. In other words, financial literacy has a direct influence on behavioral intentions. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior nurtured and implemented throughout society for a prolonged duration. Acquiring financial literacy is vital for individuals of all backgrounds to mitigate potential financial challenges, and its significance is progressively escalating with time (Lusardi, 2019). The influence of an individual's intention to act on their financial literacy can be observed when their intention to engage in a particular action or habit affects their decision-making process. Financial literacy is a fundamental prerequisite for preventing financial difficulties, and it is becoming increasingly important over time. Financial literacy can also be influenced by a person's intention to behave, where a person's reason for doing or not acting influences their decision to do or not do an action or activity. This study is consistent with previous research by Setiawan et al., (2021), Jariyapan et al., (2022) and Satoto & Putra, (2021) state that Financial Literacy influences behavioral intentions.

The statistical analysis demonstrates a significant relationship between Financial Attitudes and student Financial Management Behavior, as indicated by the P-value of 0.000, below the preset significance level of 0.05. This implies that those who possess a more favorable financial disposition are more likely to exhibit greater wisdom when making choices about their financial management. On the contrary, those lacking a positive financial mindset are likely to exhibit poor financial management practices. These results certainly align with research conducted by Satoto & Putra, (2021) to conclude that Financial Attitudes impact financial management behavior. The notion of financial attitude involves using financial concepts to generate and maintain wealth by making prudent decisions and efficiently managing resources. A financial

attitude pertains to an individual's cognitive and affective inclination, viewpoint, and evaluative position towards personal or organizational financial affairs. An individual's financial attitude pertains to a methodical and organized approach to managing resources. Research results Baptista & Dewi, (2021), Ratnawati et al., (2023), Prawitasari et al., (2022) and Firli & Hidayati, (2021) concluded that financial attitudes influence financial management behavior. However, research results van Deventer, (2020) discovered a statistically non-significant association between individuals' attitudes toward personal finance.

The research results show that the effect of the variable Financial Attitudes on Behavioral Intention has a P-Values of $0.363 < 0.05$, so it can be stated that the influence between Financial Attitudes on Behavioral intention is insignificant. This means financial attitude does not directly affect a person's behavioral intention. If someone has an intention, this attitude is only sometimes implemented in managing finances. So if someone has a positive financial attitude, it will not necessarily form an intention to behave in financial management. Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters. Attitude encompasses various aspects of financial matters, such as safeguarding one's social status and personal contentment (Adiputra, 2021). People build an attitude toward money based on their experiences and circumstances (Rai et al., 2019). Attitude says a lot about money, including how to protect social status and how a person feels about money. People form ideas about money based on what they have done with it and how they have been treated (Rai et al., 2019). Financial attitude refers to an individual's subjective viewpoint or conduct concerning money. Attitude is a significant factor in individual intentions toward modifying financial behavior within the Theory of Planned Behavior framework. Individuals' attitudes are reflected in their distinct behaviors, which might indicate a preference or aversion toward specific outcomes. The results of this study do not match the research done by She et al., (2023) and Yoopecth & Chaithanapat (2021) concluded that financial attitudes influence behavioral intentions.

The research results show that the effect of the variable Behavioral Intentions on Student Financial Management Behavior has a P-Values of $0.000 < 0.05$, so it can be stated that the influence between Behavioral Intentions on Financial Management Behavior is significant. One of the ethical stages of decision-making is the intention. The intention is the desire, plan, determination, and promise made to oneself to do something. Individuals will act following their intentions, which can be understood. Individuals who can make prudent financial choices are less likely to encounter financial challenges in the future. An individual's intentions can indicate their ability to effectively manage financial resources through organization, explicit planning, budgeting, auditing, and regulation. On the contrary, an individual's behavioral purpose influences the determination to engage in or abstain from executing a specific action or undertaking. This study is similar to the one done by She et al., (2023) state that behavioral intention influences financial management behavior.

The P-Values of the indirect effect of the variable Financial Literacy on Student Financial Management Behavior through behavioral intentions is $0.452 > 0.05$. Therefore, it can be stated that behavioral intention does not serve as a mediator between Financial Literacy and Financial Management Behavior. This means that even if someone has a level of financial literacy high but does not have a positive intention to behave. Then they can not determine a person's financial management behavior. In the realm of financial management, decision-making regarding the appropriate approach necessitates the acquisition of knowledge and the cultivation of certain attitudes. Financial management is closely associated with an individual's acquisition of

information, which can be attained from several resources such as literature and educational materials. Moreover, an individual's mindset significantly influences their approach to money management, especially in comprehending and implementing prudent financial strategies. If the assertion is deemed to be accurate, the execution of the said statement is reliant upon the individual's disposition. The influence of financial literacy and a positive attitude toward it can substantially affect the financial management behavior of individuals. This study's findings exhibit disparities compared to previous research Mardianah & Iramani, (2021) and Widiastuti et al., (2023) concluded that financial literacy can improve financial management behavior through behavioral intention.

The P-Values of the indirect effect of the variable financial attitude on Student Financial Management Behavior through behavioral intentions is $0.677 > 0.05$. Therefore, it may be asserted that the impact of financial views on financial management behavior is not mediated by behavioral intention. This means that attitudes can indirectly affect financial management behavior through the intention variable as a mediation. If someone has an intention, then attitude can be implemented as behavior. So that if a person has an excellent financial attitude, his financial management behavior will also be good. Individuals' financial literacy level will impact their ability to save, borrow, invest, and manage money effectively. Financial management behavior pertains to an individual's conduct concerning personal financial matters, as assessed through their behaviors. Individuals will behave following their will and the intentions they possess. Behavioral intention is a determinant that influences an individual's choice to engage in or abstain from a specific activity or behavior. In determining financial attitudes, one can see how a person views money and spends for daily requirements or other economic conduct (such as how much money should be set aside to save or invest). Their attitudes can influence individuals' financial conduct in their daily lives. These attitudes have the potential to impact long-term saving goals as well as future financial capacities. The intention is one of the ethical stages of the ethical decision-making process. Attitude can affect the intention to behave. At the same time, the intention to behave influences behavior. The theory above can be interpreted that attitudes can indirectly influence behavior. The results of this investigation differ from those of previous research Mardianah & Iramani, (2021) and Widiastuti et al., (2023) concluded that financial attitudes impact financial management behavior through behavioral intention.

One primary constraint of this study is utilizing a non-probability convenience sampling technique for participant selection. It is essential to exercise caution when interpreting the data obtained from convenience sampling. Furthermore, longitudinal studies have the potential to provide more precise and reliable findings when compared to the single cross-sectional methodology employed in the present investigation. It is recommended that future research endeavors encompass many ethnic groups to enhance the sample size and improve the representativeness of the findings concerning the broader population.

CONCLUSIONS

The study has outlined the purpose of exploring the impact of financial literacy and financial attitudes on student financial management behavior mediated by behavioral intention in private university students in Medan - North Sumatra, Indonesia. It has concluded views and clarified the theoretical background of increased student financial management behavior. The study shows financial literacy significantly impacts student financial management behavior (H1). Financial attitudes significantly impact student financial management behavior (H2), and

financial literacy significantly impacts behavioral intentions (H3). Financial attitudes do not significantly impact behavioral intentions (H4), and behavioral intentions significantly impact student financial management behavior (H5). Furthermore, behavioral intentions do not mediate the effect of financial literacy on student financial management behavior (H6). Likewise, behavioral intentions do not mediate the influence of Financial attitudes on student financial management behavior in private university students in Medan -North Sumatra, Indonesia (H7).

The findings of this study have the potential to assist financial institutions, including banks and investment management firms, in effectively identifying and catering to this specific market niche by providing accurate product information. Moreover, this study's findings will provide valuable insights for future multidisciplinary research investigations. Furthermore, this study highlights several domains within the field of behavioral finance that would benefit from targeted training initiatives. An imperative responsibility that lies ahead for finance professionals is the development, implementation, and evaluation of financial training programs with a focus on their efficacy. The development of more effective programs to address shortcomings can be facilitated by the identification and comprehensive understanding of the significance and limitations associated with Generation Z's financial behavior and attitudes in Indonesia.

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5. Bukti Revisi Ketiga dan Artikel yang di resubmit (25 Agustus 2023)

The image displays two screenshots of a Gmail interface, showing a submission notification and its subsequent reply.

Top Screenshot: Notification on Submission

The email is from **v.matiukhina@manuscript-adminsystem.com** to **kepada saya**. The subject is **MA8493: Notification on Submission**. The email content includes:

- Greeting: Dear Sri Fitri Wahyuni,
- Subject: the manuscript Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention, submitted to Investment Management and Financial Innovations Journal, needs to be revised.
- Comments: The text of the article should not be submitted in the first person (personified), but not in the same way as "The authors of the paper ...".
- Personified - it means not "we" and not "authors". It means in the passive voice, for example-The paper explores.
- Request: Please clarify and concretize the title. It's very difficult at the moment. Don't aim Medan-North Sumatra, Indonesia. This is just a case in your more profound research. Specify this after the statement of the purpose of the study.
- Question: What universities are you talking about?
- Text to be removed: "The determination of sample size in the Structural Equation Model can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation data modeling analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. responsible".
- Recommendation: The Introduction should be elaborated, and the emphasis should be shifted to financial management in financial education.
- Recommendation: The review should also be subordinated to the purpose of the study. More academically, write out the research procedure.
- Recommendation: The Discussion section should be reduced and written out by the recommendations.

Bottom Screenshot: Reply to Notification

The email is a reply from **Sri Fitri Wahyuni, SE., M.M UMSU** to **kepada jufrizen**. The email content includes:

- Text: Personified - it means not "we" and not "authors". It means in the passive voice, for example-The paper explores.
- Text: Please clarify and concretize the title. It's very difficult at the moment. Don't aim Medan-North Sumatra, Indonesia. This is just a case in your more profound research. Specify this after the statement of the purpose of the study.
- Text: What universities are you talking about?
- Text: Remove this text - "The determination of sample size in the Structural Equation Model can be achieved by employing the Maximum Likelihood estimate based on a range of 100-200 samples. Therefore, to meet one of the prerequisites of the structural equation data modeling analysis approach, researchers will select a sample size ranging from 100 to 200 respondents. responsible".
- Text: The Introduction should be elaborated, and the emphasis should be shifted to financial management in financial education.
- Text: The review should also be subordinated to the purpose of the study. More academically, write out the research procedure.
- Text: The Discussion section should be reduced and written out by the recommendations.
- Text: Do not rely on hypotheses in Conclusion.
- Text: The deadline for revisions is 2023-08-30.
- Text: To revise a manuscript please don't forget to log in to the system and to upload a revised manuscript!
- Text: Kind regards,
- Text: Valeria Matiukhina, Managing Editor, Journal Investment Management and Financial Innovations.

Financial Literacy and Financial Attitude on Student Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention of Student Private Universities in Indonesia

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Abstract

Financial management is the behavior of someone who can manage finances, including budgeting, controlling, planning, searching, and storage, and can utilize financial resources in decision-making. This study aims to determine the effect of financial literacy and financial attitudes on students' financial management behavior mediated by behavioral intention in private university students in Medan -North Sumatra, Indonesia. The participants in this study consist of undergraduate students currently enrolled at prestigious private universities in Medan - North Sumatra, Indonesia. This study's population and sample consisted of students from the Faculty of Economics and Business at Private Universities in North Sumatra, Indonesia. Purposive and snowball sampling were used with data collection techniques, namely online questionnaires. The Likert scale measures indicators in responses to statements and questions. There were 150 respondents for this study's data collection. The study's findings indicate that financial literacy influences financial management behavior and behavioral intentions ($p < 0.05$). Financial attitude affects financial management behavior ($p < 0.05$), financial attitude does not affect behavioral intentions ($p > 0.05$), and behavioral intention affects student financial management behavior ($p < 0.05$). Behavioral intentions do not mediate the effect of financial literacy on student financial management behavior ($p > 0.05$), nor is the effect of financial attitudes on student financial management behavior mediated by behavioral intentions ($p > 0.05$).

Keywords : Financial Management Behavior, Students, Structural Equation Model, Indonesia

JEL Classification : G40, G53

INTRODUCTION

The populace of Indonesia must learn how to optimize money for productive activities completely. Communities must comprehensively understand the financial services industry, encompassing banking, insurance, capital markets, pension funds, financing institutions, and mortgages. Every community must comprehend the financial services industry to increase

financial literacy and how people can use or benefit from available financial products and services.

Managing finances is a fact that every human being must face in their everyday lives; a person must manage finances efficiently to balance income and spending, make ends meet, and avoid becoming entangled in financial issues. Therefore, the inclusion of financial intelligence is vital in contemporary society, particularly in the present day. Financial intelligence refers to an individual's ability to effectively handle and allocate their financial resources, with the overarching objective of attaining financial well-being as the ultimate aim. Every individual, especially students, must implement financial management. Students are a component of civilization with a sizeable population. They will significantly impact the economy because, soon, students will enter the workforce and become financially independent.

Financial education is used as a strategy to resolve the problem of the public's need for more knowledge regarding financial management. Nonetheless, its implementation in Indonesia remains a significant challenge. Financial education is a comprehensive and ongoing process that empowers individuals to cultivate enduring financial strategies to achieve prosperity. Apart from that, to support financial education, the government has carried out efforts to produce and launch financial literacy books to provide knowledge to the public and students who occupy the school level. For students, financial literacy is very influential in managing finances. The higher a student's financial management knowledge and skill, the more prudent their financial decisions will be.

1. Literature Review and Hypotheses

The theory of planned behavior is a modified version of the notion of reasoned action. Based on the concept of reasoned action, the likelihood of engaging in a particular behavior is determined by two essential factors: subjective norms and attitude. This idea is supported by empirical evidence in the scientific literature (Albarracín et al., 2001). Then Ajzen (2005) provides an additional cause, namely behavior control. Therefore, the theory was changed to a theory of planned behavior (Lin et al., 2018). In this theory, it is explained that individuals will behave due to the intention to do so. This theory is aimed at specific and universal individual behavior. Three key characteristics can be used to predict this intention: attitudes toward behavior, subjective norms, and behavioral control. Behavioral attitudes are all individual judgments about actions in behavior. A subjective norm is an individual's belief about the desire of people who influence him to be willing to behave or not to behave according to the wishes of the critical person. Behavior control, namely individual views regarding their ability to behave (Wibowo et al., 2022). According to Kotler & Lee (2011), a person is most likely to perform a behavior if he has a positive response to that behavior. There is affirmation from people who influence him and confidence that he can do it accordingly.

Financial behavior refers to how an individual demonstrates financial responsibility within financial management. Financial behavior is how households or individuals manage financial resources, which include planning, budget savings, investment, and treatment (Rahman et al., 2021). A person's financial behavior can be evaluated based on cash management, debt management, savings, and expenditure skills (Hilgert et al., 2003). Financial management behavior refers to an individual's capacity to govern many financial activities effectively. This includes planning, budgeting, monitoring, managing, regulating, seeking, and safeguarding money resources (Hilgert et al., 2003). Financial behavior encompasses human behavior in managing monetary resources (Rahman et al., 2021). According to this definition, financial

behavior encompasses all aspects of human conduct directly related to the administration of personal finances. After several years, Dew & Xiao (2011) investigated the development of financial behavior by establishing a more precise measurement scale for financial management behavior. Dew & Xiao (2011) propose that a person's financial behaviour can be evaluated by investigating four fundamental categories. Multiple degrees exist of consumption, financial flow management, debt management, and saving and investing. Several factors influence financial management behavior, namely (1) financial knowledge, (2) financial experience, (3) financial attitude, and (4) level of education (Adriani, 2021). In its broadest sense, financial literacy refers to the practice of social relations relating to information, language, and culture, including how a person communicates in society (Remund, 2010).

The definition of financial literacy is still being debated worldwide (Rai et al., 2019). According to (Mihalčová et al., 2014), financial literacy means finance education, so one knows about managing finances. Chen & Volpe (1998) state that Financial literacy refers to the aptitude and knowledge required to manage one's financial resources to enhance future prosperity effectively. It is not just knowledge to manage finances, but it can also be implemented in the behavior of each individual to increase financial literacy. Financial literacy is understanding financial conditions and concepts and appropriately transforming that knowledge into behavior (Gunawan et al., 2023). Rahman et al. (2021) state that Financial literacy, in its broadest sense, refers to the practice in social relations relating to information, language, and culture, including how a person communicates in society. Another opinion (Frisancho, 2020) describes two dimensions in measuring financial literacy: financial education and financial knowledge. Several indicators can be used as a benchmark related to financial literacy: 1) A person must be able to make a financial surplus; 2) Understand and know clearly how much to save and invest each month (Warsono, 2010). A study by Chen & Volpe, (1998) states that Financial literacy can be categorized into four distinct measures: fundamental financial understanding, saving and borrowing, insurance, and investment.

Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters (Talwar et al., 2021). This can show a person's personality, such as considering money as an essential part of life, a determinant of quality of life, and honor, and it can even trigger a crime (Durvasula & Lysonski, 2010). A financial attitude develops and protects value through intelligent decision-making and resource management based on financial principles (Johnson & Kornelsen, 2021). A financial attitude refers to an individual's cognitive and affective disposition towards financial matters, encompassing their mental state, subjective beliefs, and evaluative judgments. An individual's financial attitude is a consistent and structured approach to managing financial resources. Financial might be considered a psychological inclination that manifests itself while analyzing recommended financial management strategies with various levels of agreement (Johnson & Kornelsen, 2021). Financial attitudes refer to the psychological inclinations exhibited when assessing suggested financial management strategies, which may be accompanied by varying levels of agreement or dissatisfaction (Owusu, 2021). According to (Mien & Thao, 2015) research, Individual finances affect how much the individual spends and the attitude toward saving, hoarding and spending money. Finance is a monetary measure of one's thoughts, opinions, and judgments about the world in which one lives (Johnson & Kornelsen, 2021). Ameliawati & Setiyani (2018) found an association between one's financial attitude and the severity of one's financial issues. According to the previous definitions, a financial attitude is an attitude toward finance that may be seen in how people behave and make financial decisions.

The intention is one of the stages of the ethical decision-making process (Stöckli & Dorn, 2021). A behavioral intention is an individual's motivation or planning that leads to specific financial attitudes, such as saving behaviors (Farrell et al., 2016). He also stated that an aim might be defined as a specific conduct that must be carried out regardless of the barriers, such as money and time. The intention is a component within the individual that refers to the desire to perform a behavior, while the behavior is the actual action of the desire to behave (Pomery et al., 2009). The intention is closely related to motivation, a person's conscious or subliminal urge to take action with a particular goal in mind. Good intentions inspire a desire to do good (Cook & Artino, 2016).

Financial literacy and money management always go hand in hand. The better a person manages his finances, the better his financial literacy will be. One application of the concept of financial management is personal finance management. Financial security requires effective financial management, which includes planning, administration, and control responsibilities. Planning activities include actions to plan how the income received will be allocated (Ameliawati & Setiyani, 2018). Management is an activity that regulates/manages funds efficiently, whereas control is an activity that evaluates if financial management is following what was planned/budgeted (Pollitt, 2001).

This study aims to determine the effect of financial literacy and financial attitudes on students' financial management behavior mediated by behavioral intention in private university students in Medan - North Sumatra, Indonesia. This study can identify areas where more robust variables contribute to improving students' financial management behavior by better understanding the interactions between these variables. The following are the theories that can be put out in light of the literature review and Figure 1:

Structural research models made research hypotheses as follows:

- H1: Financial Literacy Can Improve Financial Management Behavior*
- H2: Financial Attitude Can Improve Financial Management Behavior*
- H3: Financial Literacy Can Improve Behavioral Intention*
- H4: Financial Attitude can improve Behavioral Intention*
- H5: Behavioral Intention Can Improve Financial Management Behavior*
- H6: Financial Literacy Can Improve Financial Management Behavior Mediated by Behavioral Intention*
- H7: Financial Attitude Can Improve Financial Management Behavior Mediated by Behavioral Intention*

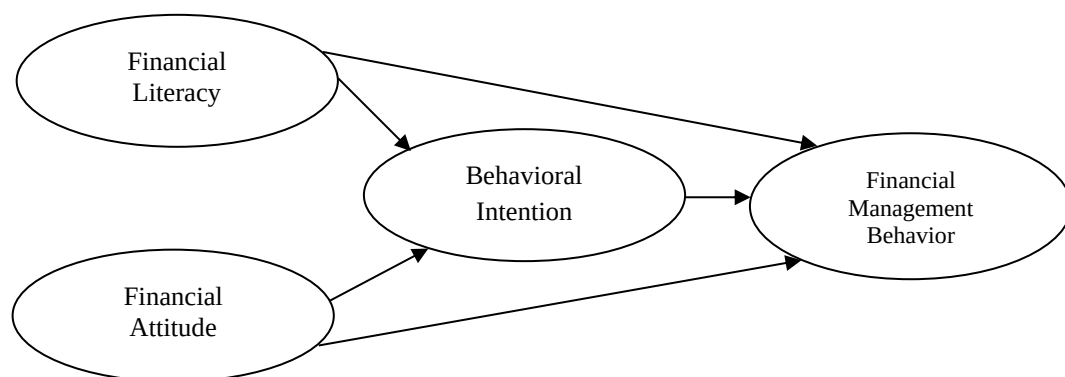


Figure 1. Research Framework

2. METHODOLOGY

This study's methodology is survey research based on sampling individuals from a single population. The present study employs an explanatory method to elucidate the causal relationship between the investigated variables and test the hypothesized relationships. The present study is classified as causal research, employing a quantitative methodology. The study's participants consist exclusively of undergraduate students enrolled in prominent private universities in North Sumatra - Indonesia.

This investigation included only students of the Faculty of Economics and Business from private universities in North Sumatra, Indonesia, such as Universitas Potensi Utama, Universitas Dharmawangsa, Universitas Medan Area, Universitas Labuhan Batu, Universitas Pembangunan Panca Budi, Universitas Islam Sumatera Utara, Universitas Muhammadiyah Sumatera Utara, Universitas Prima Indonesia, Universitas Asahan, and Universitas Simalungun. Purposive and snowball sampling were used with data collection techniques, namely online questionnaires. The criteria used in determining the sample were private university students in North Sumatra - Indonesia, who had received financial management courses. The Likert scale measures indicators in statements and questions asked to respondents. The number of respondent data collected was 165, with details of 15 respondents who did not pass the category of having received financial management courses. Hence, the data that could be used was 150 respondents. This research exclusively recruits individuals of the Millennial generation (Generation Z) who are Medan citizens. The chosen methodology for analysis is the variance-based structural equation test, specifically the Partial Least Square (PLS) method, utilizing the Smart PLS 3.0 software. The Partial Least Squares (PLS) technique elucidates that the Structural Equation Model (SEM-PLS) can effectively capture latent variables that are not immediately observable through the use of indicators, also known as manifest variables (Ghozali, 2014).

3. Results

The composite or construct reliability measurement is typically conducted using Cronbach's alpha and DG rho statistics, commonly employed in Principal Component Analysis (PCA). Constructs that exhibit Cronbach's alpha values of 7.0 or higher and DG rho (PCA) values indicate excellent reliability as measurement instruments. A threshold of 0.7 or greater indicates a level of acceptability, while several 0.8 or higher signifies satisfaction (Nunnally & Bernstein, 1994).

Table 1. Composite Reliability

Variable	Composite Reliability
Financial Literacy	0.947
Financial Attitude	0.915
Financial Management Behavior	0.958
Behavioral Intention	0.919

Table 1 shows that the combined reliability values for the four research variables are 0.947, 0.915, 0.958, and 0.919, respectively. The composite reliability values of the four patents exceeded 0.7, indicating that all factors demonstrate satisfactory reliability as measurement instruments.

The average variance extracted quantifies the extent to which the variance in a set of items is attributable to the measured constructs instead of measurement mistakes. When the average variance extracted value surpasses 0.5. It indicates that the concept possesses favorable

convergent validity. This finding indicates that latent variables can account for over 50% of the variability observed in the indicators.

Table 2. Average Variance Extracted

Variable	Average Variance Extracted
Financial Literacy	0.643
Financial Attitude	0.643
Financial Management Behavior	0.740
Behavioral Intention	0.663

The Table 2 indicates that the AVE value for Financial Literacy is 0.643, Financial Attitude is 0.643, and Financial Management Behavior is 0.740. While Behavioral Intention is 0.663. The four variables exhibit an Average Variance Extracted (AVE) exceeding 0.5, suggesting the concept demonstrates robust convergent validity. This implies that, on average, the latent variable can account for over 50% of the variance observed in the indicators.

This test aims to evaluate the discriminant validity of the reflective measurement model through cross-loading analysis and by comparing the Average Variance Extracted (AVE) value with the square of the correlation between constructs. The assessment of cross-loading involves examining the association between indicators and their constructs, as well as the constructs of other blocks. The discriminant validity of a high-quality construct is characterized by its capacity to explain a more significant proportion of the indicator variable's variability compared to its ability to explain the variability in indicators of other constructs. The subsequent values represent the extent to which each indicator demonstrates discriminant validity.

Table 3. Discriminant Validity

Indicator	Financial Literacy	Financial Attitude	Behavioral Intention	Financial Management Behavior
FL.1	0.791	0.625	0.877	0.559
FL.10	0.796	0.548	0.621	0.441
FL.2	0.878	0.617	0.826	0.538
FL.3	0.736	0.596	0.726	0.726
FL.4	0.748	0.622	0.725	0.400
FL.5	0.892	0.584	0.670	0.416
FL.6	0.769	0.531	0.557	0.541
FL.7	0.859	0.676	0.700	0.520
FL.8	0.787	0.675	0.631	0.422
FL.9	0.815	0.688	0.737	0.516
FA.1	0.803	0.761	0.691	0.553
FA.2	0.549	0.691	0.492	0.366
FA.3	0.555	0.849	0.531	0.515
FA.4	0.598	0.849	0.606	0.618
FA.5	0.653	0.884	0.663	0.503
FA.6	0.517	0.759	0.556	0.614
FB.1	0.536	0.507	0.498	0.884
FB.2	0.519	0.542	0.481	0.784
FB.3	0.570	0.542	0.626	0.888
FB.4	0.571	0.615	0.489	0.899
FB.5	0.558	0.535	0.565	0.897

FB.6	0.590	0.643	0.542	0.937
FB.7	0.549	0.554	0.577	0.907
FB.8	0.506	0.705	0.542	0.650
BI.1	0.442	0.691	0.504	0.528
BI.2	0.536	0.427	0.684	0.404
BI.3	0.840	0.694	0.909	0.526
BI.4	0.888	0.659	0.900	0.582
BI.5	0.800	0.653	0.883	0.516
BI.6	0.770	0.492	0.916	0.527

Table 3 demonstrates that the loading factor value for each variable exhibits a stronger and more substantial relationship with its corresponding variable compared to the observed correlation with other variables. Similarly, the indicators of each variable are also of importance. This demonstrates that the positioning of indicators for each variable is accurate.

The coefficient of determination, commonly referred to as R-Square, quantifies the extent to which the variability in a variable's value is attributable to another variable's impact. It measures the proportion of variation that can be accounted for by the exogenous variable that affects the endogenous variable. This feature is beneficial for determining the model's efficacy and discerning its quality as satisfactory or unsatisfactory (Hair Jr et al., 2016).

Table 4. R-Square

	R-Square	Adjusted R-Square
Financial Management Behavior	0.488	0.463
Behavioral Intention	0.815	0.806

Table 4 displays the correlation coefficient between Financial Literacy, Financial Attitudes, and Financial Management Behaviour, which is 0.488. The coefficient presented in this analysis indicates that the relationship between Financial Literacy and Financial Attitudes and Student Financial Management Behaviour accounts for approximately 48.8% of the observed variance, indicating a statistically significant influence. The correlation coefficient between Financial Literacy and Financial Attitudes and Behavioural Intentions is 0.815, indicating a significant relationship between these variables. This coefficient indicates that Financial Literacy and Financial Attitudes account for approximately 81.5 percent of the variance in Behavioural Intentions. This implies that it possesses a powerful or formidable quality.

This assessment aims to ascertain the path coefficient of the structural model. This study aims to conduct a statistical analysis to determine the significance of observed correlations and evaluate the validity of the offered hypotheses. The current study classifies hypothesis testing into two discrete categories: direct effects and indirect effects.

Table 5. Direct Effect

Hypothesis	T- Statistics	P-Values
Financial Literacy => Financial Management Behavior	3,552	0.000
Financial Literacy => Behavioral Intention	7,491	0.000
Financial Attitude => Financial Management Behavior	3,566	0.000
Financial Attitude => Behavioral Intention	0.910	0.363
Behavioral Intention => Behavioral Finance	3,721	0.000

Table 6. Indirect Effect

Hypothesis	T Statistics	P-Values
Financial literacy => Intention => Financial Management Behavior	1,191	0.452
Financial attitude => Intention => Financial Management Behavior	0.053	0.677

4. DISCUSSION

The study's findings demonstrate a statistically significant association between financial literacy and student financial management behavior, as evidenced by the p-value of 0.000, which falls below the conventional significance threshold of 0.05. Consequently, the level of financial literacy has a significant effect on the financial management behaviors of individuals. This implies that a higher level of financial literacy and the capacity to use financial concepts such as income, expenses, assets, liabilities, and risk will result in responsible financial decision-making and efficient financial administration. Inversely, one's financial management behavior will be worse and less effective the less fundamental one's knowledge of finance is. This study found the same thing was done by Ameliawati & Setiyani, (2018), and Santoso & Sari, (2021), who stated that people with high financial literacy tend to influence financial management. This research is consistent with studies conducted by Putri et al., (2023), Gunawan, (2019), Satoto & Budiwati, (2020), Sari et al., (2020), and Gunawan et al., (2020) state that good financial literacy tends to influence financial management behavior.

The study's findings indicate a statistically significant association between Financial Literacy and Behavioral Intention, as evidenced by the P-value of 0.000, below the conventional significance level of 0.05. Therefore, financial literacy has significant effects on behavioral intentions. This implies that a person's financial knowledge and behavioral intentions are inversely proportional. In other words, financial literacy has a direct influence on behavioral intentions. Financial literacy, commonly known as financial management knowledge, is a widely observed economic behavior nurtured and implemented throughout society for a prolonged duration. Acquiring financial literacy is vital for individuals of all backgrounds to mitigate potential financial challenges, and its significance is progressively escalating with time (Lusardi, 2019). Financial literacy can also be influenced by a person's intention to behave, where a person's reason for doing or not acting influences their decision to do or not do an action or activity. This research is consistent with prior findings by Setiawan et al., (2021), Jariyapan et al. (2022), and Satoto & Putra, (2021) state that Financial Literacy influences behavioral intentions.

The statistical analysis reveals a noteworthy correlation between Financial Attitudes and student Financial Management Behaviour, as evidenced by the P-value of 0.000, which falls below the predetermined significance level of 0.05. This implies that those who possess a more favorable financial disposition are more likely to exhibit greater wisdom when making choices about their financial management. On the contrary, those lacking a positive financial mindset are likely to exhibit poor financial management practices. These results are consistent with research performed by Satoto & Putra, (2021) to conclude that Financial Attitudes impact financial management behavior. A financial attitude pertains to an individual's cognitive and affective inclination, viewpoint, and evaluative position towards personal or organizational financial affairs. An individual's financial attitude pertains to a methodical and organized approach to managing resources. Research results from Baptista & Dewi, (2021), Ratnawati et al., (2023), Prawitasari et al., (2022), and Firli & Hidayati, (2021) concluded that financial attitudes influence financial management behavior. However, research results van Deventer, (2020)

discovered a statistically non-significant association between individuals' attitudes toward personal finance.

The research results show that the effect of the variable Financial Attitudes on Behavioral Intention has a P-value of $0.363 > 0.05$, so it can be stated that the influence between Financial Attitudes on Behavioral intention is insignificant. This means financial attitude does not directly affect a person's behavioral intention. If someone has an intention, this attitude is only sometimes implemented in managing finances. So, if someone has a positive financial attitude, it will not necessarily form an intention to behave in financial management (Adiputra, 2021). People build an attitude toward money based on their experiences and circumstances (Rai et al., 2019). Attitude says a lot about money, including how to protect one's social status and how a person feels about money. People form ideas about money based on what they have done with it and how they have been treated (Rai et al., 2019). Financial attitude refers to an individual's subjective viewpoint or conduct concerning money. Attitude is a significant factor in individual intentions toward modifying financial behavior within the Theory of Planned Behavior framework. Individuals' attitudes are reflected in their distinct behaviors, which might indicate a preference or aversion toward specific outcomes. The findings of this investigation are inconsistent with those of She et al., (2023), and Yoopetch & Chaithanapat (2021) concluded that financial attitudes influence behavioral intentions.

This study's findings indicate a relationship between the variable of Behavioural Intentions and Student Financial Management Behaviour. This is corroborated by a P-value of 0.000, less than the predetermined significance threshold of 0.05. Hence, a statistically significant relationship exists between behavioral intentions and financial management behavior. One of the ethical stages of decision-making is the intention. The intention is the desire, plan, determination, and promise made to oneself to do something. Individuals will act following their intentions, which can be understood. Individuals who can make prudent financial choices are less likely to encounter financial challenges in the future. An individual's intentions can indicate their ability to effectively manage financial resources through organization, explicit planning, budgeting, auditing, and regulation. Contrarily, an individual's behavioral intention plays a significant role in their decision to either participate in or refrain from carrying out a particular action or task. This study is similar to the one done by She et al., (2023) state that behavioral intention influences financial management behavior.

The statistical analysis indicates that the P-value for the indirect effect of Financial Literacy on Student Financial Management Behaviour, mediated by behavioral intentions, is 0.452, which is greater than the conventional significance level of 0.05. Consequently, behavioral intention does not mediate between Financial Literacy and Financial Management Behaviour. This implies that even if a person possesses a certain level of financial literacy if they do not have a positive intention to conduct, they are unlikely to be financially successful. Then, they are unable to determine an individual's financial management behavior. In the domain of financial management, making decisions regarding the appropriate approach requires the acquisition of knowledge and the cultivation of specific attitudes. This study's findings exhibit disparities compared to previous research Mardianah & Iramani, (2021) and Widiastuti et al., (2023) concluded that financial literacy could improve financial management behavior through behavioral intention.

The statistical analysis reveals that the P-value for the indirect influence of financial attitude on Student Financial Management Behaviour through behavioral intentions is 0.677, above the

commonly accepted significance level of 0.05. Therefore, the behavioral intention has no moderating effect on the effect of financial perspectives on financial management behavior. This indicates that attitudes can indirectly influence financial management behavior via the intention variable, which serves as a mediator. In the presence of intent, an individual's attitude can be implemented as behavior. Therefore, if a person has an excellent financial attitude, he will also exhibit outstanding financial management behavior. In determining financial attitudes, one can see how a person views money and spends for daily requirements or other economic conduct (such as how much money should be set aside to save or invest). Their attitudes can influence individuals' financial conduct in their daily lives. These attitudes have the potential to impact long-term saving goals as well as future financial capacities. The intention is one of the ethical stages of the ethical decision-making process. Attitude can affect the intention to behave. At the same time, the intention to behave influences behavior. The results of this investigation differ from those of previous research Mardianah & Iramani, (2021) and Widiastuti et al., (2023) concluded that financial attitudes impact financial management behavior through behavioral intention.

One primary constraint of this study is utilizing a non-probability convenience sampling technique for participant selection. It is essential to exercise caution when interpreting the data obtained from convenience sampling. Furthermore, longitudinal studies have the potential to provide more precise and reliable findings when compared to the single cross-sectional methodology employed in the present investigation. It is recommended that future research endeavors encompass many ethnic groups to enhance the sample size and improve the representativeness of the findings concerning the broader population.

CONCLUSIONS

The study has outlined the purpose of exploring the impact of financial literacy and financial attitudes on student financial management behavior mediated by behavioral intention in private university students in Medan - North Sumatra, Indonesia. The study shows financial literacy significantly impacts student financial management behavior. Financial attitudes significantly impact student financial management behavior, and financial literacy significantly impacts behavioral intentions. Financial attitudes do not significantly impact behavioral intentions, and behavioral intentions significantly impact student financial management behavior. Furthermore, behavioral intentions do not mediate the effect of financial literacy on student financial management behavior. Likewise, behavioral intentions do not mediate the influence of Financial attitudes on student financial management behavior in private university students in Medan - North Sumatra, Indonesia.

The findings of this study have the potential to assist financial institutions, including banks and investment management firms, in effectively identifying and catering to this specific market niche by providing accurate product information. Moreover, this study's findings will provide valuable insights for future multidisciplinary research investigations. Furthermore, this study highlights several domains within the field of behavioral finance that would benefit from targeted training initiatives. An imperative responsibility that lies ahead for finance professionals is the development, implementation, and evaluation of financial training programs with a focus on their efficacy. The development of more effective programs to address shortcomings can be facilitated by the identification and comprehensive understanding of the significance and limitations associated with Generation Z's financial behavior and attitudes in Indonesia.

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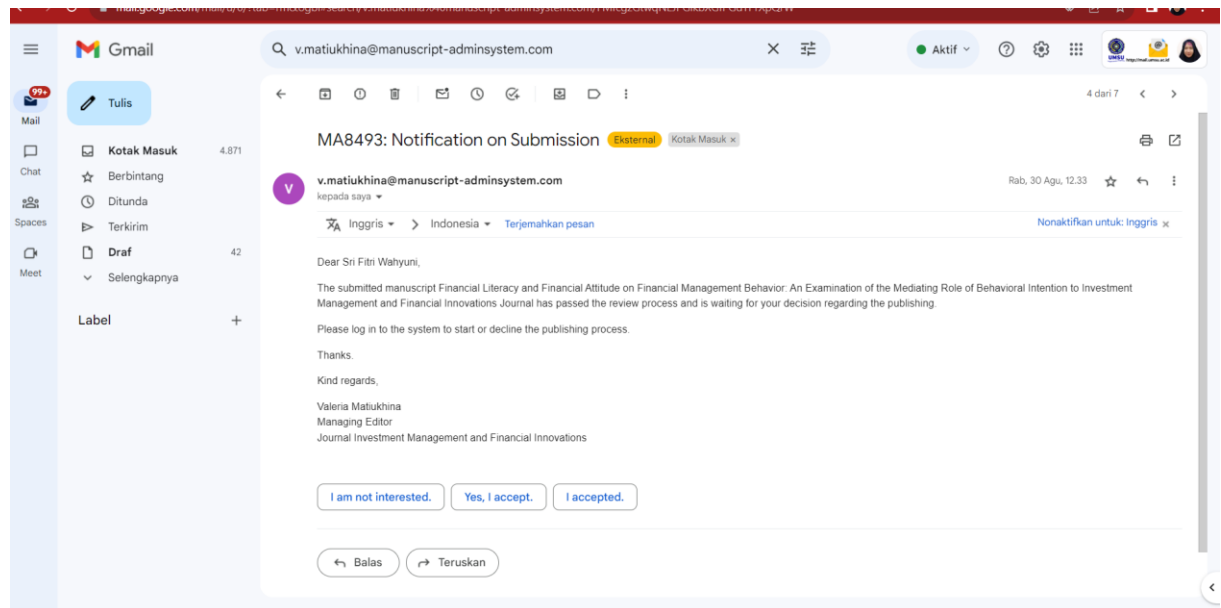
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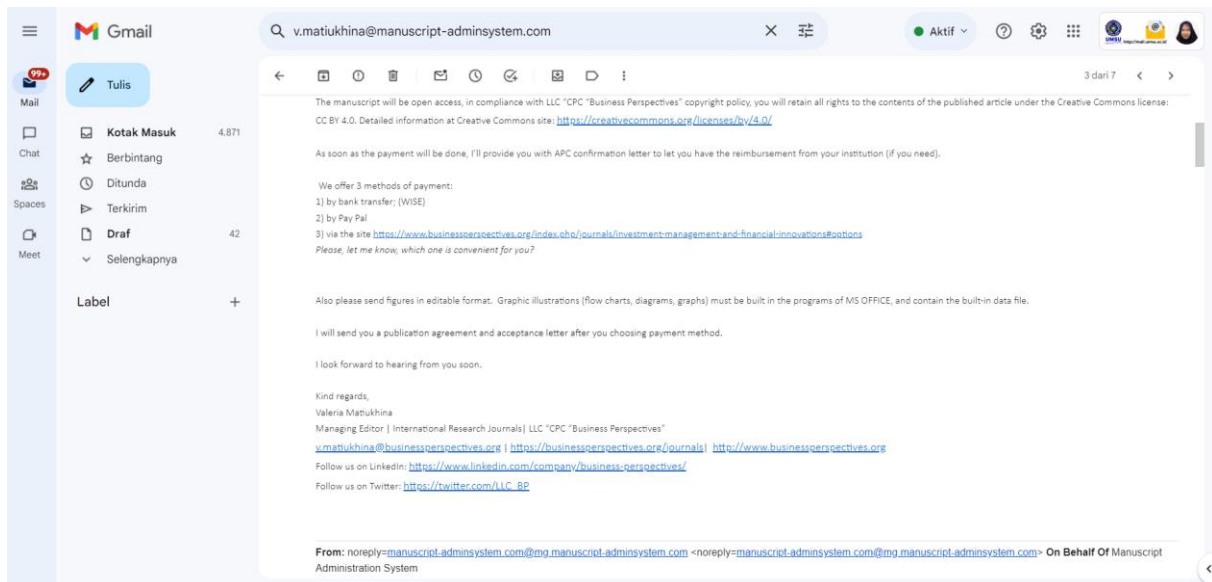
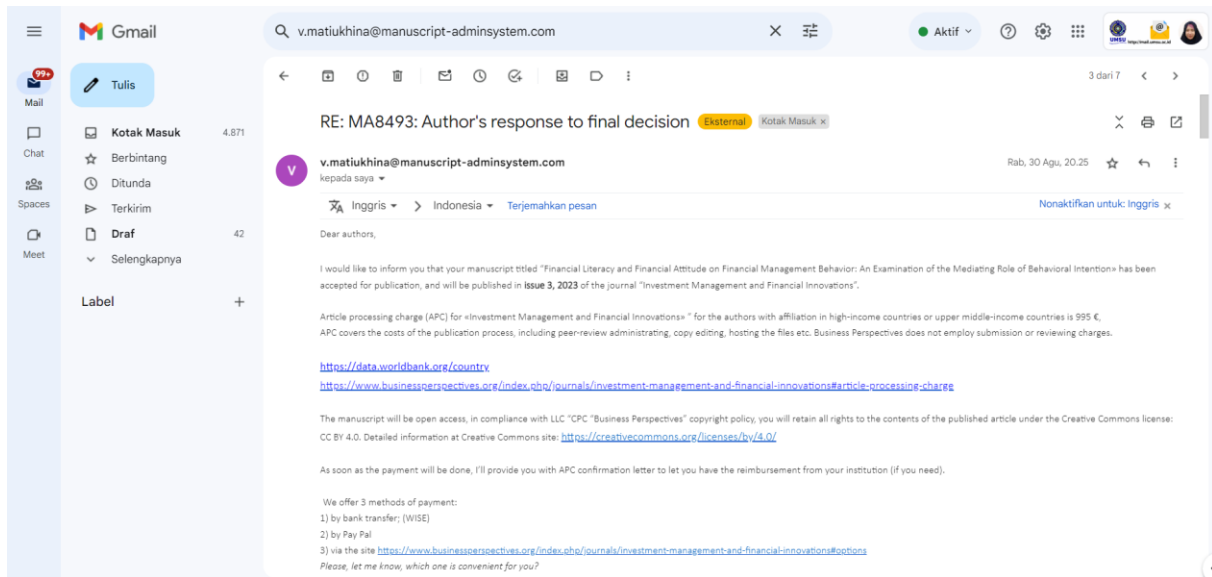
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6. Bukti Artikel Masuk Tahap Publication Process (30 Agustus 2023)



7. Bukti Artikel sudah Di Accepted (30 Agustus 2023)



The screenshot displays a Gmail interface. On the left, the 'Inbox' is visible with a list of emails. The selected email is from 'v.matiukhina@manuscript-adminsystem.com' with the subject 'The author has Agreed to publish the manuscript Financial Literacy and Financial Attitude on Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention in the Investment Management and Financial Innovations Journal'. The main pane shows the email content, which is a thank you message from Sri Fitri Wahyuni, SE., M.M. UMSU, dated August 30, 2023. The email mentions the journal 'Investment Management and Financial Innovations' and requests a publication agreement and acceptance letter. The email is marked as 'Unread' and 'Starred'.



30th of August, 2023

Sri Fitri Wahyuni
M.M., Lecturer
Faculty of Economics and Business
Universitas Muhammadiyah Sumatera Utara
Medan, Indonesia

ACCEPTANCE LETTER

Dear Sri Fitri Wahyuni,

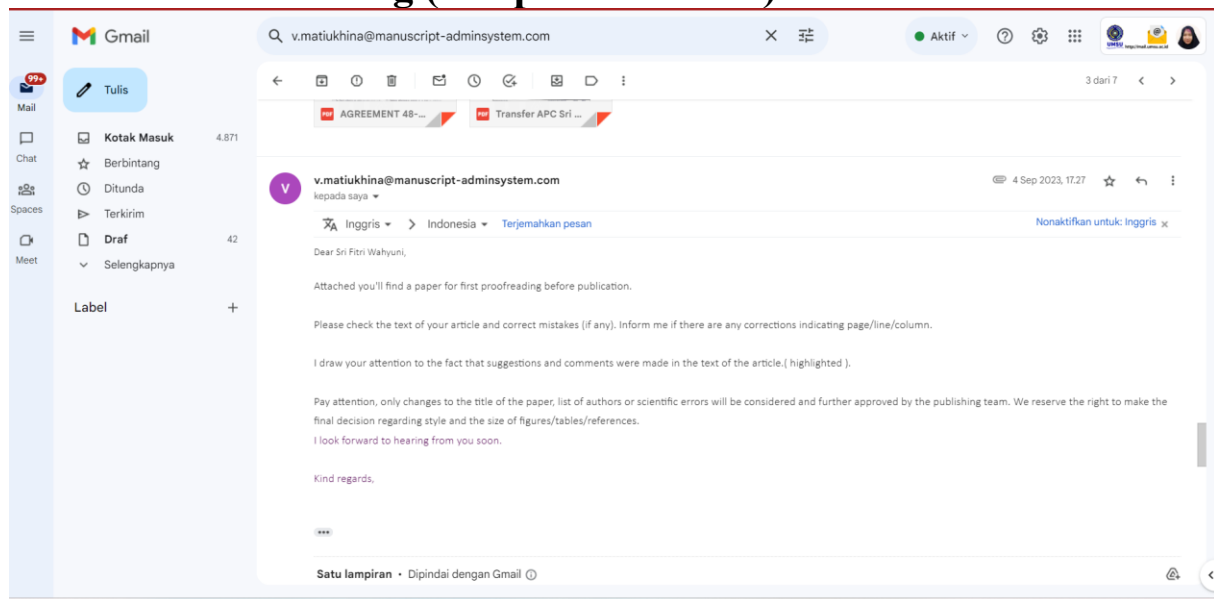
We are pleased to inform you that your manuscript “Financial Literacy and Financial Attitude on Student Financial Management Behavior: An Examination of the Mediating Role of Behavioral Intention of Student Private Universities in Indonesia”, co-authored with Radiman, Muhammad Shareza, Jufrizen, has been double blind peer-reviewed and accepted for publication in the international journal “Investment Management and Financial Innovations”, which is scheduled to be published in Volume 20 Issue 3, 2023.

With cordial regards,
Valeria Matiukhina

Managing Editor
International research journal
“Investment Management and Financial Innovations”

E-mail: v.matiukhina@businessperspectives.org

8. Revisi Proofreading (4 September 2023)



Financial literacy and financial attitude on financial management behavior: An examination of the mediating role of the behavioral intention of students at private universities in Indonesia
Sri Fitri Wahyuni (Indonesia), Radiman (Indonesia), Muhammad Shareza Hafiz (Indonesia), Jufrizen (Indonesia)

Sri Fitri Wahyuni, Radiman, Muhammad Shareza Hafiz, Jufrizen, 2023

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English!

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Abstract

Financial management behavior is an implementation action of planning and managing a person's financial resources, both in consumption and investment activities, which can show a person's characteristics in financial management based on the risks that arise so that each needs good control. This study aims to determine the impact of financial literacy and financial attitude on financial management behavior, mediated by the behavioral intentions of university students. The participants in this study are undergraduate students currently enrolled at prestigious private universities in Medan (North Sumatra, Indonesia). This study's population and sample consisted of students from the Faculty of Economics and Business at Private Universities in North Sumatra, Indonesia. Purposive and snowball sampling were used with data collection techniques, namely online questionnaires. The Likert scale measures indicators in responses to statements and questions. There were 150 respondents for this study's data collection. The findings of the study indicate that financial literacy influences financial management behavior and behavioral intentions ($p < 0.05$). Financial attitude affects financial management behavior ($p < 0.05$), financial attitude does not affect behavioral intentions ($p > 0.05$), and behavioral intention affects Financial Management Behavior ($p < 0.05$). Behavioral intentions do not mediate the effect of financial literacy on Financial Management Behavior ($p > 0.05$), and the effect of financial attitudes on Financial Management Behavior is not mediated by behavioral intentions ($p > 0.05$).

Keywords: financial management behavior, students, structural equation model, Indonesia

JEL Classification: G40, G53

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Introduction

The populace of Indonesia must learn how to optimize money for productive activities completely. Communities must comprehensively understand the financial services industry,

encompassing banking, insurance, capital markets, pension funds, financing institutions, and mortgages. Every community must comprehend the financial services industry to increase financial literacy and how people can use or benefit from available financial products and services.

Managing finances is a fact that every human being must face in their everyday lives; a person must manage finances efficiently to balance income and spending, make ends meet, and avoid becoming entangled in financial issues. Therefore, the inclusion of financial intelligence is vital in contemporary society, particularly in the present day. Financial intelligence refers to an individual's ability to effectively handle and allocate their financial resources, with the overarching objective of attaining financial well-being as the ultimate aim. Everyone, especially students, **must implement financial management** because students are a component of civilization with a sizeable population. They will significantly impact the economy because soon, students will enter the workforce and become financially independent.

Financial education is used as a strategy to resolve the problem of the public's need for more knowledge regarding financial management. Nonetheless, its implementation in Indonesia remains a significant challenge. Financial education is a comprehensive and ongoing process that empowers individuals to cultivate enduring financial strategies to achieve prosperity. Apart from that, to support financial education, the government has carried out efforts to produce and launch financial literacy books to provide knowledge to the public and students who occupy the school level. For students, financial literacy is very influential in managing finances. The higher the financial management knowledge and skills of students, the more prudent their financial decisions will be.

1. Literature review and hypotheses

The theory of planned behavior is a modified version of the notion of reasoned action. Based on the concept of reasoned action, the likelihood of engaging in a particular behavior is determined by two essential factors: subjective norms and attitude. This idea is supported by empirical evidence in the scientific literature (Albarracín et al., 2001). Then Ajzen (2005) provides an additional cause, namely behavior control. Therefore, the theory was changed to a theory of planned behavior (Lin et al., 2018). This theory explains that individuals will behave due to the intention to do so. This theory is aimed at specific and universal individual behavior. Three key characteristics can be used to predict this intention: attitudes toward behavior, subjective norms, and behavioral control. Behavioral attitudes are all individual judgments about actions in behavior. A subjective norm is an individual's belief about the desire of people who influence him to be willing to behave or not to behave according to the wishes of the critical person. Behavior control, namely individual views regarding their ability to behave (Wibowo et al., 2022). According to Kotler and Lee (2011), a person is most likely to perform a behavior if he has a positive response to that behavior. There is affirmation from people who influence him and confidence that he can do it accordingly.

Financial behavior refers to how an individual demonstrates financial responsibility within

financial management. Financial behavior is how households or individuals manage financial resources, which include planning, budget savings, investment, and treatment (Rahman et al., 2021). A person's financial behavior can be evaluated based on cash management, debt management, savings, and expenditure skills (Hilgert et al., 2003). Financial management behavior refers to an individual's capacity to govern many financial activities effectively. This includes planning, budgeting, monitoring, managing, regulating, seeking, and safeguarding money resources (Hilgert et al., 2003). Financial behavior encompasses human behavior in managing monetary resources (Rahman et al., 2021). According to this definition, financial behavior encompasses all aspects of human conduct directly related to the administration of personal finances. After several years, Dew and Xiao (2011) investigated the development of financial behavior by establishing a more precise measurement scale for financial management behavior. Dew and Xiao (2011) propose that a person's financial behavior can be evaluated by investigating four fundamental categories. Multiple degrees exist of consumption, financial flow management, debt management, and saving and investing. Several factors influence financial management behavior, namely (1) financial knowledge, (2) financial experience, (3) financial attitude, and (4) level of education (Adriani, 2021). In its broadest sense, financial literacy refers to the practice of social relations relating to information, language, and culture, including how a person communicates in society (Remund, 2010).

The definition of financial literacy is still being debated worldwide (Rai et al., 2019). According to Mihalčová et al. (2014), financial literacy means finance education, so one knows about managing finances. Chen and Volpe (1998) state that financial literacy refers to the aptitude and knowledge required to manage one's financial resources to enhance future prosperity effectively. It is not just knowledge to manage finances, but it can also be implemented in the behavior of each individual to increase financial literacy. Financial literacy is understanding financial conditions and concepts and appropriately transforming that knowledge into behavior (Gunawan et al., 2023). Rahman et al. (2021) state that financial literacy, in its broadest sense, refers to the practice in social relations relating to information, language, and culture, including how a person communicates in society. Another opinion (Frisancho, 2020) describes two dimensions in measuring financial literacy: financial education and financial knowledge. Several indicators can be used as a benchmark related to financial literacy: 1) A person must be able to make a financial surplus; 2) Understand and know clearly how much to save and invest each month (Warsono, 2010). A study by Chen and Volpe (1998) states that financial literacy can be categorized into four distinct measures such as fundamental financial understanding, saving and borrowing, insurance, and investment.

Financial attitude refers to an individual's cognitive and affective disposition, encompassing their thoughts, beliefs, and evaluations about financial matters (Talwar et al., 2021). This can show a person's personality, such as considering money as an essential part of life, a determinant of quality of life, and honor, and it can even trigger a crime (Durvasula & Lysonski, 2010). A financial attitude

develops and protects value through intelligent decision-making and resource management based on financial principles (Johnson & Kornelsen, 2021). A financial attitude refers to an individual's cognitive and affective disposition towards financial matters, encompassing their mental state, subjective beliefs, and evaluative judgments. An individual's financial attitude is a consistent and structured approach to managing financial resources. Financial might be considered a psychological inclination that manifests itself while analyzing recommended financial management strategies with various levels of agreement (Johnson & Kornelsen, 2021). Financial attitudes refer to the psychological inclinations exhibited when assessing suggested financial management strategies, which may be accompanied by varying levels of agreement or dissatisfaction (Owusu, 2021). According to Mien and Thao (2015), individual finances affect how much the individual spends and the attitude toward saving, hoarding, and spending money. Finance is a monetary measure of one's thoughts, opinions, and judgments about the world in which one lives (Johnson & Kornelsen, 2021). Ameliawati and Setiyani (2018) found an association between one's financial attitude and the severity of one's financial issues. According to the previous definitions, a financial attitude is an attitude toward finance that may be seen in how people behave and make financial decisions.

The intention is one of the stages of the ethical decision-making process (Stöckli & Dorn, 2021). A behavioral intention is an individual's motivation or planning that leads to specific financial attitudes, such as saving behaviors (Farrell et al., 2016). He also stated that an aim might be defined as a specific conduct that must be carried out regardless of the barriers, such as money and time. The intention is a component within the individual that refers to the desire to perform a behavior, while the behavior is the actual action of the desire to behave (Pomery et al., 2009). The intention is closely related to motivation, a person's conscious or subliminal urge to take action with a particular goal in mind. Good intentions inspire a desire to do good (Cook & Artino, 2016).

Financial literacy and money management always go hand in hand. The better the person manages his finances, the better his financial literacy will be. One application of the concept of financial management is personal finance management. Financial security requires effective financial management, which includes planning, administration, and control responsibilities. Planning activities include actions to plan how the income received will be allocated (Ameliawati & Setiyani, 2018). Management is an activity that regulates/manages funds efficiently, whereas control is an activity that evaluates if financial management is following what was planned/budgeted (Pollitt, 2001).

This study aims to determine the impact of financial literacy and financial attitude on **financial management behavior**, mediated by the behavioral intentions of university students. This study can identify areas where more robust variables contribute to improving financial management behavior by better understanding the interactions between these variables. The following are the theories that can be put out in light of the literature review and Figure 1:

Structural research models made research hypotheses as follows:

H1: Financial Literacy Can Improve *Financial Management Behavior*.

H2: Financial Attitude Can Improve *Financial Management Behavior*.

H3: Financial Literacy Can Improve Behavioral Intention.

H4: Financial Attitude can improve Behavioral Intention.

H5: Behavioral Intention Can Improve Financial Management Behavior.

H6: Financial Literacy Can Improve *Financial Management Behavior* Mediated by Behavioral Intention.

H7: Financial Attitude Can Improve *Financial Management Behavior* Mediated by Behavioral Intention.

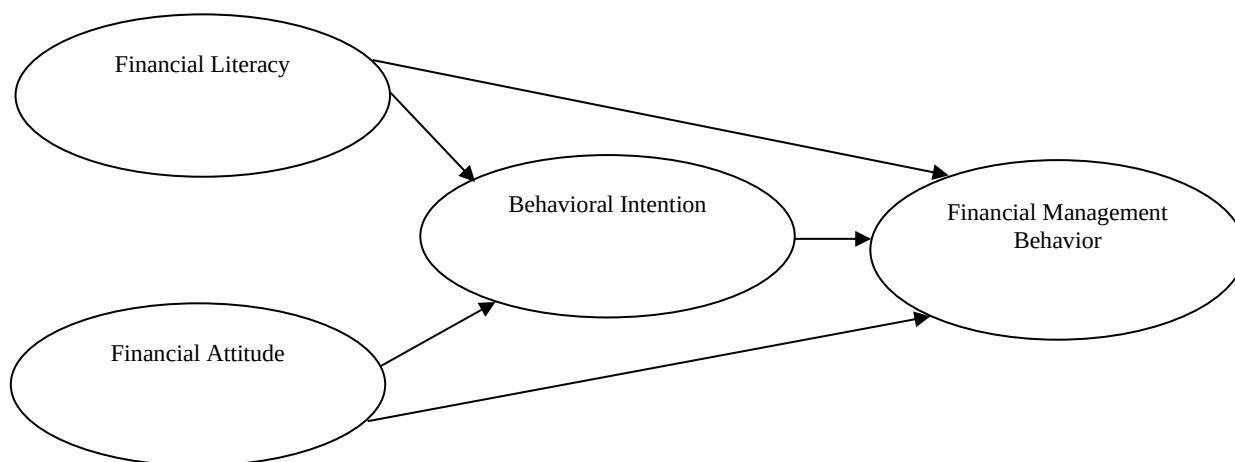


Figure 1. Research framework

2. Methodology

This study's methodology is survey research based on sampling individuals from a single population. The present study employs an explanatory method to elucidate the causal relationship between the investigated variables and test the hypothesized relationships. This study is classified as causal research, employing a quantitative methodology. The study's participants consist exclusively of undergraduate students enrolled in prominent private universities in North Sumatra, Indonesia.

This investigation included only students of the Faculty of Economics and Business from private universities in North Sumatra, Indonesia, such as Universitas Potensi Utama, Universitas Dharmawangsa, Universitas Medan Area, Universitas Labuhan Batu, Universitas Pembangunan Panca Budi, Universitas Islam Sumatera Utara, Universitas Muhammadiyah Sumatera Utara, Universitas Prima Indonesia, Universitas Asahan, and Universitas Simalungun. Purposive and snowball sampling were used with data collection techniques, namely online questionnaires. The criteria used in determining the sample were private university students in North Sumatra, Indonesia, who had received financial management courses. The Likert scale measures indicators in statements and questions asked to respondents. The number of respondent data collected was 165, with details of 15 respondents who did not pass the category of having received financial management courses. Hence, the data that could be used was 150 respondents.

This study exclusively recruits individuals of the Millennial generation (Generation Z) who are Medan citizens. The chosen methodology for analysis is the variance-based structural equation test, specifically the Partial Least Square (PLS) method, utilizing the Smart PLS 3.0 software. The Partial Least Squares (PLS) technique elucidates that the Structural Equation Model (SEM-PLS) can effectively capture latent variables that are not immediately observable using indicators, also known as manifest variables (Ghozali, 2014).

3. Results

The composite or construct reliability measurement is typically conducted using Cronbach's alpha and DG rho statistics, commonly employed in Principal Component Analysis (PCA). Constructs that exhibit Cronbach's alpha values of 7.0 or higher and DG rho (PCA) values indicate excellent reliability as measurement instruments. A threshold of 0.7 or greater indicates a level of acceptability, while several 0.8 or higher signifies satisfaction (Nunnally & Bernstein, 1994).

Table 1. Composite reliability

Variable	Composite Reliability
Financial Literacy	0.947
Financial Attitude	0.915
Financial Management Behavior	0.958
Behavioral Intention	0.919

Table 1 shows that the combined reliability values for the four research variables are 0.947, 0.915, 0.958, and 0.919, respectively. The composite reliability values of the four patents exceeded 0.7, indicating that all factors demonstrate satisfactory reliability as measurement instruments.

The average variance extracted quantifies the extent to which the variance in a set of items is attributable to the measured constructs instead of measurement mistakes. When the average variance extracted value surpasses 0.5. It indicates that the concept possesses favorable convergent validity. This finding indicates that latent variables can account for over 50% of the variability observed in the indicators.

Table 2. Average variance extracted

Variable	Average Variance Extracted
Financial Literacy	0.643
Financial Attitude	0.643
Financial Management Behavior	0.740
Behavioral Intention	0.663

Table 2 indicates that the AVE value for Financial Literacy is 0.643, Financial Attitude is 0.643, and Financial Management Behavior is 0.740. While Behavioral Intention is 0.663. The four variables exhibit an Average Variance Extracted (AVE) exceeding 0.5, suggesting the concept demonstrates robust convergent validity. This implies that, on average, the latent variable can account for over 50% of the variance observed in the indicators.

This test aims to evaluate the discriminant validity of the reflective measurement model through cross-loading analysis and by comparing the Average Variance Extracted (AVE) value with the square of the correlation between constructs. The assessment of cross-loading involves examining the

association between indicators and their constructs, as well as the constructs of other blocks. The discriminant validity of a high-quality construct is characterized by its capacity to explain a more significant proportion of the indicator variable's variability compared to its ability to explain the variability in indicators of other constructs. The subsequent values represent the extent to which each indicator demonstrates discriminant validity.

Table 3. Discriminant validity

Indicator	Financial Literacy	Financial Attitude	Behavioral Intention	Financial Management Behavior
FL.1	0.791	0.625	0.877	0.559
FL.10	0.796	0.548	0.621	0.441
FL.2	0.878	0.617	0.826	0.538
FL.3	0.736	0.596	0.726	0.726
FL.4	0.748	0.622	0.725	0.400
FL.5	0.892	0.584	0.670	0.416
FL.6	0.769	0.531	0.557	0.541
FL.7	0.859	0.676	0.700	0.520
FL.8	0.787	0.675	0.631	0.422
FL.9	0.815	0.688	0.737	0.516
FA.1	0.803	0.761	0.691	0.553
FA.2	0.549	0.691	0.492	0.366
FA.3	0.555	0.849	0.531	0.515
FA.4	0.598	0.849	0.606	0.618
FA.5	0.653	0.884	0.663	0.503
FA.6	0.517	0.759	0.556	0.614
FB.1	0.536	0.507	0.498	0.884
FB.2	0.519	0.542	0.481	0.784
FB.3	0.570	0.542	0.626	0.888
FB.4	0.571	0.615	0.489	0.899
FB.5	0.558	0.535	0.565	0.897
FB.6	0.590	0.643	0.542	0.937
FB.7	0.549	0.554	0.577	0.907
FB.8	0.506	0.705	0.542	0.650
BI.1	0.442	0.691	0.504	0.528
BI.2	0.536	0.427	0.684	0.404
BI.3	0.840	0.694	0.909	0.526
BI.4	0.888	0.659	0.900	0.582
BI.5	0.800	0.653	0.883	0.516
BI.6	0.770	0.492	0.916	0.527

Table 3 demonstrates that the loading factor value for each variable exhibits a stronger and more substantial relationship with its corresponding variable compared to the observed correlation with other variables. Similarly, the indicators of each variable are also of importance. This demonstrates that the positioning of indicators for each variable is accurate.

The coefficient of determination, commonly referred to as R-Square, quantifies the extent to which the variability in a variable's value is attributable to another variable's impact. It measures the proportion of variation that can be accounted for by the exogenous variable that affects the endogenous variable. This feature is beneficial for determining the model's efficacy and discerning its quality as satisfactory or unsatisfactory (Hair Jr et al., 2016).

Table 4. R-square

Endogenous Latent Variables	R-Square	Adjusted R-Square
Financial Management Behavior	0.488	0.463
Behavioral Intention	0.815	0.806

Table 4 displays the correlation coefficient between Financial Literacy, Financial Attitudes, and Financial Management Behavior, which is 0.488. The coefficient presented in this analysis indicates

that the relationship between Financial Literacy and Financial Attitudes and Financial Management Behavior accounts for approximately 48.8% of the observed variance, indicating a statistically significant influence. The correlation coefficient between Financial Literacy and Financial Attitudes and Behavioral Intentions is 0.815, indicating a significant relationship between these variables. This coefficient indicates that Financial Literacy and Financial Attitudes account for approximately 81.5 percent of the variance in Behavioral Intentions. This implies that it possesses a powerful or formidable quality.

This assessment aims to ascertain the path coefficient of the structural model. This study aims to conduct a statistical analysis to determine the significance of observed correlations and evaluate the validity of the offered hypotheses. The current study classifies hypothesis testing into two discrete categories, namely, direct effects and indirect effects.

Table 5. Direct and Indirect Effects

	Path Between the variable	T- Statistics	P-Values	Information
Direct Effect				
H1	Financial Literacy → Financial Management Behavior	3,552	0.000	Supported
H2	Financial Literacy → Behavioral Intention	7,491	0.000	Supported
H3	Financial Attitude → Financial Management Behavior	3,566	0.000	Supported
H4	Financial Attitude → Behavioral Intention	0.910	0.363	Rejected
H5	Behavioral Intention → Financial Management Behavior	3,721	0.000	Supported
Indirect Effect				
H6	Financial literacy → Intention → Financial Management Behavior	1,191	0.452	Rejected
H7	Financial attitude → Intention → Financial Management Behavior	0.053	0.677	Rejected

4. Discussion

The study's findings demonstrate a statistically significant association between financial literacy and financial management behavior, as evidenced by the p-value of 0.000, which falls below the conventional significance threshold of 0.05. Consequently, the level of financial literacy has a significant effect on the financial management behaviors of individuals. This implies that a higher level of financial literacy and the capacity to use financial concepts such as income, expenses, assets, liabilities, and risk will result in responsible financial decision-making and efficient financial administration. Inversely, one's financial management behavior will be worse and less effective the less fundamental one's knowledge of finance is. This study found the same thing was done by Ameliawati and Setiyani, (2018) and Santoso and Sari, (2021), who stated that people with high financial literacy tend to influence financial management. This study is consistent with those by Putri et al. (2023), Gunawan (2019), Satoto and Budiwati (2020), Sari et al. (2020), and Gunawan et al. (2020), which state that good financial literacy tends to influence financial management behavior.

The study's findings indicate a statistically significant association between Financial Literacy and Behavioral Intention, as evidenced by the P-value of 0.000, below the conventional significance level of 0.05. Therefore, financial literacy has significant effects on behavioral intentions. This implies that a person's financial knowledge and behavioral intentions are inversely proportional. In other words, financial literacy has a direct influence on behavioral intentions. Financial literacy, commonly known

as financial management knowledge, is a widely observed economic behavior nurtured and implemented throughout society for a prolonged duration. Acquiring financial literacy is vital for individuals of all backgrounds to mitigate potential financial challenges, and its significance is progressively escalating with time (Lusardi, 2019). Financial literacy can also be influenced by a person's intention to behave, where a person's reason for doing or not acting influences their decision to do or not do an action or activity. This study is consistent with prior findings by Setiawan et al. (2021), Jariyapan et al. (2022), and Satoto and Putra (2021), which state that Financial Literacy influences behavioral intentions.

The statistical analysis reveals a noteworthy correlation between Financial Attitudes and Financial Management Behavior, as evidenced by the P-value of 0.000, which falls below the predetermined significance level of 0.05. This implies that those who possess a more favorable financial disposition are more likely to exhibit greater wisdom when making choices about their financial management. On the contrary, those lacking a positive financial mindset are likely to exhibit poor financial management practices. These results are consistent with research performed by Satoto and Putra (2021) to conclude that Financial Attitudes impact financial management behavior. A financial attitude pertains to an individual's cognitive and affective inclination, viewpoint, and evaluative position towards personal or organizational financial affairs. An individual's financial attitude pertains to a methodical and organized approach to managing resources. Research results from Baptista and Dewi, (2021), Ratnawati et al. (2023), Prawitasari et al. (2022), and Firli and Hidayati (2021) concluded that financial attitudes influence financial management behavior. However, research results from van Deventer (2020) discovered a statistically non-significant association between individuals' attitudes toward personal finance.

The research results show that the effect of the variable Financial Attitudes on Behavioral Intention has a P-value of $0.363 > 0.05$, so it can be stated that the influence between Financial Attitudes on Behavioral intention is insignificant. This means financial attitude does not directly affect a person's behavioral intention. If someone has an intention, this attitude is only sometimes implemented in managing finances. So, if someone has a positive financial attitude, it will not necessarily form an intention to behave in financial management (Adiputra, 2021). People build an attitude toward money based on their experiences and circumstances (Rai et al., 2019). Attitude says a lot about money, including how to protect one's social status and how a person feels about money. People form ideas about money based on what they have done with it and how they have been treated (Rai et al., 2019). Financial attitude refers to an individual's subjective viewpoint or conduct concerning money. Attitude is a significant factor in individual intentions toward modifying financial behavior within the Theory of Planned Behavior framework. Individuals' attitudes are reflected in their distinct behaviors, which might indicate a preference or aversion toward specific outcomes. The findings of this investigation are

inconsistent with those of She et al. (2023) and Yoopetch and Chaithanapat (2021) who concluded that financial attitudes influence behavioral intentions.

This study's findings indicate a relationship between the variable of Behavioral Intentions and Financial Management Behavior. This is corroborated by a P-value of 0.000, less than the predetermined significance threshold of 0.05. Hence, a statistically significant relationship exists between behavioral intentions and financial management behavior. One of the ethical stages of decision-making is the intention. The intention is the desire, plan, determination, and promise made to oneself to do something. Individuals will act following their intentions, which can be understood. Individuals who can make prudent financial choices are less likely to encounter financial challenges in the future. An individual's intentions can indicate their ability to effectively manage financial resources through organization, explicit planning, budgeting, auditing, and regulation. Contrarily, an individual's behavioral intention plays a significant role in their decision to either participate in or refrain from carrying out a particular action or task. This study is similar to the one by She et al. (2023) who state that behavioral intention influences financial management behavior.

The statistical analysis indicates that the P-value for the indirect effect of Financial Literacy on Financial Management Behavior, mediated by behavioral intentions, is 0.452, which is greater than the conventional significance level of 0.05. Consequently, behavioral intention does not mediate between Financial Literacy and Financial Management Behavior. This implies that even if a person possesses a certain level of financial literacy if they do not have a positive intention to conduct, they are unlikely to be financially successful. Then, they are unable to determine an individual's financial management behavior. In the domain of financial management, making decisions regarding the appropriate approach requires the acquisition of knowledge and the cultivation of specific attitudes. This study's findings exhibit disparities compared to previous research (Mardianah & Iramani, 2021; Widiastuti et al., 2023), which concluded that financial literacy could improve financial management behavior through behavioral intention.

The statistical analysis reveals that the P-value for the indirect influence of financial attitude on Financial Management Behavior through behavioral intentions is 0.677, above the commonly accepted significance level of 0.05. Therefore, the behavioral intention has no moderating effect on the effect of financial perspectives on financial management behavior. This indicates that attitudes can indirectly influence financial management behavior via the intention variable, which serves as a mediator. In the presence of intent, an individual's attitude can be implemented as behavior. Therefore, if a person has an excellent financial attitude, he will also exhibit outstanding financial management behavior. In determining financial attitudes, one can see how a person views money and spends for daily requirements or other economic conduct (such as how much money should be set aside to save or invest). Their attitudes can influence individuals' financial conduct in their daily lives. These attitudes have the potential to impact long-term saving goals as well as future financial capacities. The intention

is one of the ethical stages of the ethical decision-making process. Attitude can affect the intention to behave. At the same time, the intention to behave influences behavior. The results of this investigation differ from those of Mardianah and Iramani (2021) and Widiastuti et al. (2023) who concluded that financial attitudes impact financial management behavior through behavioral intention.

One primary constraint of this study is utilizing a non-probability convenience sampling technique for participant selection. It is essential to exercise caution when interpreting the data obtained from convenience sampling. Furthermore, longitudinal studies have the potential to provide more precise and reliable findings when compared to the single cross-sectional methodology employed in the present investigation. It is recommended that future research endeavors encompass many ethnic groups to enhance the sample size and improve the representativeness of the findings concerning the broader population.

Conclusions

The study has outlined the purpose of exploring the impact of financial literacy and financial attitudes on Financial Management Behavior mediated by behavioral intention in private university students in Medan (North Sumatra, Indonesia). The study shows financial literacy significantly impacts Financial Management Behavior. Financial attitudes significantly impact Financial Management Behavior, and financial literacy significantly impacts behavioral intentions. Financial attitudes do not significantly impact behavioral intentions, and behavioral intentions significantly impact Financial Management Behavior. Furthermore, behavioral intentions do not mediate the effect of financial literacy on Financial Management Behavior. Likewise, behavioral intentions do not mediate the influence of Financial attitudes on Financial Management Behavior in private university students in Medan (North Sumatra, Indonesia).

The findings of this study have the potential to assist financial institutions, including banks and investment management firms, in effectively identifying and catering to this specific market niche by providing accurate product information. Moreover, this study's findings will provide valuable insights for future multidisciplinary research investigations. Furthermore, this study highlights several domains within the field of behavioral finance that would benefit from targeted training initiatives. An imperative responsibility that lies ahead for finance professionals is the development, implementation, and evaluation of financial training programs with a focus on their efficacy. The development of more effective programs to address shortcomings can be facilitated by the identification and comprehensive understanding of the significance and limitations associated with Generation Z's financial behavior and attitudes in Indonesia.

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