

# THE EFFECT OF FINANCIAL LITERACY, SELF-CONTROL, AND BUY NOW PAY LATER (BNPL) USAGE ON FINANCIAL DECISION-MAKING AMONG GENERATION Z: THE MEDIATING ROLE OF FINANCIAL BEHAVIOR

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## Abstract

By evaluating the mediating variable of financial behavior, this research investigates how financial literacy, self-control, and the usage of "Buy Now Pay Later" (BNPL) services affect financial decision-making among Generation Z. In this quantitative study, 163 members of Generation Z from the Jabodetabek region were surveyed to gauge their level of familiarity with or usage of BNPL services. An online questionnaire was used to gather data, which was then analyzed using PLS-SEM using SmartPLS 4. According to the study's findings, BNPL and financial literacy significantly impact people's ability to make sound financial decisions. Contrarily, there is little direct correlation between self-control and financial behavior and financial decision-making. In contrast to BNPL, the results show that financial knowledge and self-control considerably promote good financial conduct. Importantly, the study shows that financial behavior is not a moderating variable between financial decision-making and financial literacy, self-control, or BNPL use. Rather than being influenced by their everyday financial behavior routines, this study emphasizes that in the digital age, Generation Z's financial literacy and the use of digital credit facilities like BNPL are the primary drivers of their ultimate financial choices.

## 1. INTRODUCTION

The way individuals interact financially is only one area that has been impacted by the exponential growth of technology. Currently, people can easily purchase goods and services through digital platforms without having to visit physical stores. Various payment methods such as QRIS, Cash on Delivery (COD), and Buy Now Pay Later (BNPL) are becoming increasingly popular, especially among Generation Z.

In recent years, economic uncertainty has also become a major concern. Global geopolitical tensions, inflation, and exchange rate fluctuations have affected the economic conditions in many countries, including Indonesia. People are urged to be more prudent with their money and make better choices when faced with such situations. In light of this, it is clear that having basic financial literacy and the ability to handle one's own money is crucial.

In the context of this research model, macroeconomic factors can directly test a person's self-control resilience in prioritizing needs over impulsive desires. In addition, the high cost of living due to inflation often drives people to adopt Buy Now Pay Later (BNPL) services as a form of short-term flexibility solution. However, if it is not supported by strong financial literacy in understanding the risks of interest and debt, the uncertain economic conditions can affect unhealthy financial behavior, which will ultimately damage the quality of long-term financial decision-making for Generation Z.

Understanding basic financial concepts and being able to make sound choices about one's spending, saving, and investing are two of the most significant functions of financial literacy. It is often believed that those who possess sufficient financial knowledge are better prepared to handle their own financial affairs. However, financial knowledge alone may not always be sufficient. In many cases, individuals understand financial concepts but still struggle to apply them consistently in their daily lives.

Factors that impact money management include, among other things, financial knowledge and self-control. A person's capacity to exercise self-control over their spending, avoid making needless purchases, and put their long-term financial objectives first is indicative of their level of financial literacy. In the digital era, where promotions, discounts, and online shopping deals are always available, maintaining self-control becomes increasingly challenging.

The increasing popularity of BNPL services has also attracted the attention of both practitioners and researchers. BNPL offers convenience for consumers to purchase products immediately while deferring payment until a later date. Although this service offers flexibility and attractive promotional benefits, excessive use can lead to spending beyond one's means and financial difficulties if not managed properly.

This is evidenced by media reports stating that the BNPL trend is increasing in 2025 and will continue to grow. According to data quoted by Liputan 6, the PEFINDO credit bureau reported that as of November 2024, BNPL facilities had grown by 24.53% year-on-year, with a total credit portfolio reaching Rp 35.14 trillion. Additionally, Tan Glant Saputrahadi, director of Id Score, noted that BNPL penetration is still concentrated in Java Island, particularly in the Jabodetabek area, which contributes 31.71% of the market, although this does not rule out the possibility of expansion to surrounding areas. From the perspective of users, the younger generation such as Generation Z and Millennials dominate the market.

The correlation between financial knowledge, self-restraint, BNPL use, financial actions, and financial decisions has been the subject of conflicting reports in the literature. While some research revealed statistically significant positive correlations, other investigations found no such thing. Given these variations, it is clear that further study is required, particularly with regard to the digitally exposed Gen Z.

In light of these factors, this research looks at how BNPL, self-control, and financial literacy affect Gen Z's ability to make sound financial decisions. Additionally, financial behavior is included as a mediating variable to better understand the mechanisms by which these factors affect financial decision-making.

## **2. LITERATURE REVIEW**

### **2.1 Self Regulation Theory**

Carver and Scheier (1981, 1982) state that there is a self-regulation model that explains the existence of a feedback cycle in the monitoring and supervision process. Self-regulation practitioners compare reality with certain standards; if reality does not match the applicable standards, actions are taken to correct the discrepancies. This comparison process can be repeated periodically until the action is successful. As an example of the condition described by Baumeister, R. (2014), this can be illustrated through someone who is saving money. That person has a financial goal to save a certain amount each month, and they compare their actions to that standard. In this process, the person must refrain from other expenditures in order to achieve that target. In this context, the theory relates to individual self-control—the process of achieving long-term financial goals through self-control. When someone succeeds, their financial decisions will adjust. When there is a failure in self-control, it can affect the use of BNPL; this leads to unwise financial behavior in using BNPL, even though the individual has adequate financial literacy.

### **2.2 Behavioral Finance Theory**

Investors, according to behavioral finance theory, put their emotions and mental short cuts ahead of logic when making judgments. Investors often make bad choices, even when they have enough knowledge, according to this idea. The key factor in this theory relates to excessive confidence bias; this causes an investor to overestimate their own knowledge and, ultimately, underestimate potential risks. As a result of this bias, a person may engage in excessive trading, take unnecessary risks, or ignore advice from experts in the field. (Dhandapani, D., & Chinnadurai, K., 2026) In other words, having adequate financial literacy especially related to investments is not enough; a person's thoughts and emotions can influence their financial decisions, particularly in terms of investing. In this context, a person's self-control in shaping healthy financial behavior can lead to sound and wise financial decisions.

### **2.3 Financial Literacy**

One definition of financial literacy is the capacity to comprehend and make reasonable use of basic financial concepts in one's day-to-day life. A person's financial health and happiness may be enhanced by increased financial knowledge, say Lusardi and Mitchell (2013). A person's ability to manage and make sound financial choices is influenced by their level of financial literacy, as explained by Laily (2013). A greater level of financial literacy is associated with better money management practices, including better budgeting, saving, investing, and handling debt.

### **2.4 Self-Control**

One definition of self-control is the capacity to manage one's own feelings, wants, and actions for the benefit of one's own long-term objectives. According to Herlindawati (2015), self-control is a key component of sound

financial management as it enables people to rein in their spending and refrain from making hasty purchases. Similarly, Apsari (2013) argues that self-control affects how individuals manage their financial resources and prioritize their needs over momentary desires. Therefore, self-control is considered an important factor in developing positive financial behavior.

## **2.5 Buy Now Pay Later (BNPL)**

Buy Now Pay Later (BNPL) is a payment method that allows consumers to obtain products or services immediately while deferring payment to a future period. According to Taylor and Amjad (2020), the convenience and flexibility offered by BNPL services can encourage impulsive buying behavior. Anisa and Saepuloh (2022) found that the use of BNPL has a positive influence on consumption behavior among Generation Z. However, Fernando and Sulistyaningsih (2024) reported that BNPL services can also provide benefits if used responsibly, especially in supporting financial flexibility.

## **2.6 Financial Behavior**

Financial behavior refers to a person's actions in managing financial resources, including budgeting, saving, investing, and controlling expenses. Wiyanto et al. (2019) explain that good financial behavior can be reflected through responsible saving and investment decisions. Herdjiono et al. (2016) further emphasize that financial behavior is not only influenced by financial knowledge but also by psychological and emotional factors that shape financial habits.

## **2.7 Financial Decision-Making**

Financial decision-making refers to the process of selecting financial alternatives that best support an individual's financial goals. According to Baiq Fitrianti (2018) and Aminatuzzahra (2014), financial decision-making is closely related to how individuals manage and allocate their financial resources. Susanto et al. (2025) also state that financial management practices influence investment and financial decisions among Generation Z. Therefore, financial decision-making is considered an important outcome of financial literacy, self-control, and financial behavior.

## **2.8 Relationship Between Variables and Hypothesis Development**

### **2.8.1 Hypothesis Group Based on Self-Regulation Theory**

The development of hypotheses regarding self-control is based on the Self-Regulation Theory proposed by Carver and Scheier (1981, 1982), which explains the existence of a feedback cycle in behavior monitoring. In this theory, individuals compare their actions with long-term financial standards or goals; if there is a discrepancy, self-control acts as a corrective mechanism to realign those behaviors. This is in line with Baumeister's (2014) view, where effective self-control allows individuals to resist short-term consumption desires in order to achieve financial stability. Therefore, this study predicts that strong self-control will directly shape healthy financial behavior and result in more rational financial decisions, both directly and thru behavioral mediation, thus formulated:

H2: "Self-control has a positive effect on financial behavior.

H5: Self-control has a positive effect on financial decision-making.

H9: Financial behavior mediates the relationship between self-control and financial decision-making."

### **2.8.2 Hypothesis Group Based on Behavioral Finance Theory**

Although financial literacy provides a foundational understanding of finance, Behavioral Finance Theory argues that individuals often do not act rationally due to other influences, namely emotions and cognitive biases. Dhandapani and Chinnadurai (2026) explain that knowledge alone will not be sufficient if individuals are trapped in conditions of overconfidence, bias or impulsivity. This indicates the conclusion that financial literacy requires a 'filter' in the form of disciplined financial behavior to produce a sound decision. Thus, financial behavior serves as a bridge that can transform knowledge into real actions, which underpins the formulation:

H1: "Financial literacy has a positive effect on financial behavior.

H4: Financial literacy has a positive effect on financial decision-making.

H8: Financial behavior mediates the relationship between financial literacy and financial decision-making."

### **2.8.3 Hypothesis Group based on failure in self-regulation**

The phenomenon of using Buy Now Pay Later (BNPL) is closely related to the possibility of a failure in self-regulation. The ease of access to digital credit can blur a person's financial standards, triggering consumer behavior that ultimately ignores the long-term risks of such actions. From a behavioral finance point of view, BNPL has the potential to amplify shoppers' emotional biases, which, if left unchecked, may lead to poor financial decision-making. This line of thinking leads to the following hypothesis:

H3: "BNPL usage has an effect on financial behavior.

H6: BNPL usage has an effect on financial decision-making.

H10: Financial behavior mediates the relationship between BNPL usage and financial decision-making."

### **2.8.4 The Relationship Between Behavior and Financial Decisions**

Lastly, as the core of the mediation model, financial behavior is considered a manifestation of self-regulation and emotional control in managing resources. Consistent behavior in budgeting and expenditure control is the main foundation for achieving sound financial decisions. Therefore, the following hypothesis is proposed:

H7: Financial behavior has a positive effect on financial decision-making.

### 3. RESEARCH METHODOLOGY

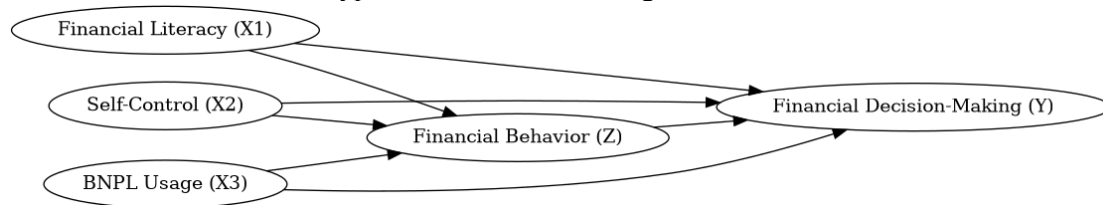
Using financial behavior as a mediator, this quantitative study investigates how financial literacy, self-control, and BNPL use affect financial decision-making among millennials. Because it permits the measurement and statistical analysis of correlations between variables, the quantitative method was selected.

Individuals from Generation Z residing in the Jabodetabek region (Jakarta, Bogor, Depok, Tangerang, and Bekasi) who are acquainted with or have used the Buy Now Pay Later (BNPL) service make up the population of this research. A purposive sampling strategy was used to determine the sample. In order to be eligible to participate, respondents had to belong to Generation Z, live in the Jabodetabek region, and have some familiarity with or experience of BNPL services. In all, 163 respondents were considered for the study since they fulfilled the inclusion criteria. Using the PLS-SEM analysis rules, particularly the 10-times rule, the sufficiency of this sample size was assessed. Follow this rule: for every dependent construct, you need a sample size that is at least ten times larger than the greatest number of structural routes leading to it. A minimum of 30 respondents is needed for this study model since there can be no more than three predictor structural routes (Financial Literacy, Self-Control, and BNPL Usage) that lead to the dependent variable. Hence, 163 respondents is a sufficient and trustworthy sample size to assess the suggested model's complexity.

A Google Forms-based online survey was used to gather primary data. The questionnaire consisted of statements related to financial literacy, self-control, BNPL usage, financial behavior, and financial decision-making. Responses were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

In this study, five different factors are considered. The factors that are considered independent in this analysis are financial literacy (X1), self-control (X2), and BNPL use (X3). Z is a financial behavior variable that mediates the relationship between financial decision-making (Y) and other financial outcomes. The reflective indicators used to assess all components have been modified from earlier studies to better fit the setting of Generation Z.

PLS-SEM in conjunction with SmartPLS 4 software was used to evaluate the assembled data. Both the measurement model and the structural model are evaluated in the study. Factors such as discriminant validity, AVE, composite reliability, Cronbach's alpha, and outer loading are used to evaluate the measurement model. Measures such as R-square, path coefficient analysis, and mediation testing are used to evaluate the structural model. The significance of the putative correlations was assessed using a bootstrapping approach using 5,000 sub-samples. The p-value must be less than 0.05 for the hypothesis to be deemed significant.



**Figure 1.** Conceptual Model of the Study

**Source:** Authors (2026)

### 4. RESULT AND DISCUSSION

#### 4.1 Result

Analyzing convergent validity, indicator reliability, and internal consistency reliability allows one to assess the measurement model. We use outer loading values to measure indicator reliability and Cronbach's Alpha and Composite Reliability to measure internal consistency dependability. The evaluation of convergent validity is done using the Average Variance Extracted (AVE) method.

Based on the findings, it can be concluded that all constructions are reliable and valid. All three of these variables Financial Literacy (0.802), Self-Control (0.730), and BNPL (0.799) have Cronbach's Alpha values that are higher than the essential minimum of 0.70. Financial Behavior, on the other hand, remains below the cutoff at 0.623. Unlike monetary behavior, which has a score of 0.633, the Composite Reliability ( $\rho_c$ ) ranges from 0.739 to 0.803, suggesting acceptable internal consistency. Moreover, with AVE values ranging from 0.557 to 0.725, all over 0.50, acceptable convergent validity is confirmed.

Further examination of the structural model may be undertaken based on these results, which demonstrate the reliability and validity of the measurement model. The coefficient of determination ( $R^2$ ), path coefficients, and mediation analysis are then used to assess the structural model. The correlation coefficient between financial behavior and financial literacy, self-control, and BNPL use is 0.467, which means that these three variables explain 46.7% of the difference in financial behavior. At the same time, Financial Decision-Making has a  $R^2$  value of 0.387, which means that Financial Literacy, Self-Control, BNPL Usage, and Financial Behavior Explain 38.7% of the Variance in Financial Decision-Making. It is clear from these findings that the model is quite effective at explaining the data.

**Table 4.1. Construct Reliability and Validity**

|                    | <b>Cronbach's alpha</b> | <b>Composite reliability (rho_a)</b> | <b>Composite reliability (rho_c)</b> | <b>Average variance extracted (AVE)</b> |
|--------------------|-------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|
| BNPL               | 0.799                   | 0.803                                | 0.862                                | 0.557                                   |
| Financial Behavior | 0.623                   | 0.633                                | 0.841                                | 0.725                                   |
| Financial Literacy | 0.802                   | 0.803                                | 0.870                                | 0.627                                   |
| Self-Control       | 0.730                   | 0.739                                | 0.847                                | 0.649                                   |

**Table 4.2. R-Square Values**

|                         | <b>R-square</b> |
|-------------------------|-----------------|
| Finance Decision Making | 0.387           |
| Financial Behavior      | 0.467           |

**Table 4.3. Collinierity Statistics (VIF) - Inner Model (VIF)**

|                                               | <b>VIF</b> |
|-----------------------------------------------|------------|
| BNPL -> Finance Decision Making               | 2.100      |
| BNPL -> Financial Behavior                    | 2.062      |
| Financial Behavior -> Finance Decision Making | 1.875      |
| Financial Literacy -> Finance Decision Making | 2.050      |
| Financial Literacy -> Financial Behavior      | 1.754      |
| Self-Control -> Finance Decision Making       | 2.100      |
| Self-Control -> Financial Behavior            | 1.989      |

In the table above is the VIF (Variance Inflation Factor) test on the inner model used to ensure there are no multicollinearity issues between the independent variables (predictors). And in this case, the VIF test function is performed to check for the presence of Common Method Bias (CMB) indications. This can be interpreted that the variables being studied are different and do not excessively overlap with each other when influencing the dependent variable.

Based on Table 4.3, most of the VIF values indicate that each path is below the recommended threshold of 5. The VIF values for the predictor to the dependent variable and mediator paths range from 1.754 to 2.100. In this case, it indicates that there are no serious multicollinearity issues among the variables, and it can be inferred that this research model does not have Common Method Bias issues.

**Table 4.4. Q-Square Values**

|                         | <b>Q<sup>2</sup>predict</b> |
|-------------------------|-----------------------------|
| Financial Behavior      | 0.421                       |
| Finance Decision Making | 0.345                       |

The Q-Square test is used as a measure to determine how well a research model predicts the value of indicators (questionnaire statements) on the dependent variable. In Table 4.4, it is explained that this study illustrates the results of the predictive relevance or Q-Square test. Based on the explanatory guidelines from PLS-SEM, a model can be said to have good predictive power if Q<sup>2</sup> is greater than 0. In this case, the results in the table show that all indicators have positive Q<sup>2</sup> values ranging from 0.345 to 0.421. This proves that the model has strong predictive relevance, making it accurate and suitable for predicting behavior and financial decision-making among Generation Z.

**Table 4.5 F-Square**

|                                               | <b>f-square</b> |
|-----------------------------------------------|-----------------|
| BNPL -> Finance Decision Making               | 0.046           |
| BNPL -> Financial Behavior                    | 0.018           |
| Financial Behavior -> Finance Decision Making | 0.002           |
| Financial Literacy -> Finance Decision Making | 0.064           |
| Financial Literacy -> Financial Behavior      | 0.169           |
| Self-Control -> Finance Decision Making       | 0.019           |
| Self-Control -> Financial Behavior            | 0.056           |

The f-square test determines how much of an effect a single independent variable has on a dependent one. The PLS-SEM assessment standards state that f-square values of 0.02, 0.15, and 0.35 indicate modest, medium, and large effects, respectively. The preceding table explains that the effect on the journey from financial literacy to financial behavior is moderate, with a value of 0.169. In this situation, the influence of respondents' financial literacy on their conduct is substantial. Next, a small influence can be seen in the path of the financial literacy variable toward financial decisions with a value of 0.064, followed by self-control toward financial behavior with a value of 0.056, and BNPL toward financial decisions with a value of 0.046. Meanwhile, the very small influence or almost negligible impact is below 0.02, as seen in the path of self-control toward decision-making with a value of 0.019, the use of BNPL toward financial behavior with a value of 0.018, and financial behavior toward financial decisions with a value of 0.002.

**Table 4.6. Discriminant Validity - Fornell- Larcker Criterion**

|                         | <b>BNPL</b> | <b>Finance Decision Making</b> | <b>Financial Behavior</b> | <b>Financial Literacy</b> | <b>Self-Control</b> |
|-------------------------|-------------|--------------------------------|---------------------------|---------------------------|---------------------|
| BNPL                    | 0.746       |                                |                           |                           |                     |
| Finance Decision Making | 0.544       | 1.000                          |                           |                           |                     |
| Financial Behavior      | 0.546       | 0.444                          | 0.852                     |                           |                     |
| Financial Literacy      | 0.608       | 0.551                          | 0.627                     | 0.792                     |                     |
| Self-Control            | 0.666       | 0.510                          | 0.573                     | 0.588                     | 0.805               |

**Table 4.7. Discriminant Validity - Heterotrait-Monotrait Ratio**

|                         | <b>BNPL</b> | <b>Finance Decision Making</b> | <b>Financial Behavior</b> | <b>Financial Literacy</b> | <b>Self-Control</b> |
|-------------------------|-------------|--------------------------------|---------------------------|---------------------------|---------------------|
| BNPL                    |             |                                |                           |                           |                     |
| Finance Decision Making | 0.611       |                                |                           |                           |                     |
| Financial Behavior      | 0.765       | 0.565                          |                           |                           |                     |
| Financial Literacy      | 0.751       | 0.613                          | 0.876                     |                           |                     |
| Self-Control            | 0.869       | 0.590                          | 0.840                     | 0.760                     |                     |

**Table 4.8. Discriminant Validity - Cross Loadings**

|                                                                                             | <b>BNPL</b> | <b>Finance Decision Making</b> | <b>Financial Behavior</b> | <b>Financial Literacy</b> | <b>Self-Control</b> |
|---------------------------------------------------------------------------------------------|-------------|--------------------------------|---------------------------|---------------------------|---------------------|
| BNPL menjadi salah satu alternatif pembayaran ketika dana yang saya miliki belum mencukupi. | 0.716       | 0.415                          | 0.283                     | 0.299                     | 0.488               |
| Saya dapat mengendalikan diri saat melihat promo atau diskon yang menarik.                  | 0.579       | 0.499                          | 0.479                     | 0.520                     | 0.827               |
| Saya mampu menahan keinginan membeli barang yang sebenarnya tidak saya butuhkan.            | 0.531       | 0.379                          | 0.397                     | 0.396                     | 0.766               |
| Saya memahami konsekuensi dan kewajiban pembayaran dalam penggunaan BNPL.                   | 0.664       | 0.406                          | 0.382                     | 0.540                     | 0.449               |
| Saya memahami pentingnya memiliki dana darurat untuk kebutuhan yang tidak terduga.          | 0.479       | 0.445                          | 0.453                     | 0.772                     | 0.413               |
| Saya memahami risiko yang dapat muncul dalam pengelolaan keuangan.                          | 0.492       | 0.389                          | 0.536                     | 0.792                     | 0.497               |
| Saya mempertimbangkan dampak jangka panjang sebelum mengambil keputusan keuangan.           | 0.544       | 1.000                          | 0.444                     | 0.551                     | 0.510               |
| Saya mempertimbangkan kondisi keuangan saya sebelum melakukan pembelian.                    | 0.453       | 0.392                          | 0.827                     | 0.441                     | 0.435               |
| Saya mempertimbangkan penggunaan BNPL dalam berbagai transaksi pembelian.                   | 0.746       | 0.416                          | 0.438                     | 0.456                     | 0.585               |
| Saya mencari informasi terlebih dahulu sebelum mengambil keputusan keuangan.                | 0.524       | 0.508                          | 0.504                     | 0.803                     | 0.505               |
| Saya mendahulukan kebutuhan dibandingkan keinginan dalam menggunakan uang.                  | 0.477       | 0.368                          | 0.876                     | 0.616                     | 0.534               |
| Saya mengetahui berbagai produk keuangan seperti tabungan, deposito, maupun investasi.      | 0.424       | 0.395                          | 0.492                     | 0.798                     | 0.442               |

|                                                                                                 |       |       |       |       |       |
|-------------------------------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| Saya menilai layanan BNPL dapat membantu memenuhi kebutuhan ketika dana yang tersedia terbatas. | 0.787 | 0.362 | 0.515 | 0.499 | 0.523 |
| Saya menilai layanan BNPL memudahkan proses transaksi pembelian.                                | 0.809 | 0.434 | 0.392 | 0.452 | 0.434 |
| Saya tidak mudah membeli sesuatu hanya karena sedang senang atau sedih.                         | 0.496 | 0.341 | 0.501 | 0.496 | 0.821 |

Using the Fornell-Larcker Criterion HTMT and Cross Loadings, the discriminant validity of this study model is assessed in the table above. Table 4.6 shows that as compared to the correlation values with other constructs, the diagonal Fornell-Larcker values for each construct are much higher. The findings are further supported by Table 4.7, where the HTMT ratio values range from 0.876 (the highest) to 0.90 (the threshold). This is confirmed by the absence of overlap between variables in the eyes of the respondents, thus the model is declared to have very good discriminant validity.

**Table 4.9 Model Fit - SRMR**

|      | <b>Saturated model</b> | <b>Estimated model</b> |
|------|------------------------|------------------------|
| SRMR | 0.082                  | 0.082                  |

In this model test, it is evaluated using the SRMR metric. Based on the table above, the obtained value is 0.082, which indicates a good fit and is accepted according to empirical data.

**Table 4.10. Hypothesis Testing Results**

| <b>Hipotesis</b>                                                       | <b><math>\beta</math></b> | <b>P values</b> | <b>Result</b> |
|------------------------------------------------------------------------|---------------------------|-----------------|---------------|
| H1 (Financial Literacy → Financial Behavior)                           | 0.397                     | 0.001           | Supported     |
| H2 (Self Control → Financial Behavior)                                 | 0.244                     | 0.043           | Supported     |
| H3 (BNPL → Financial Behavior)                                         | 0.143                     | 0.125           | Not Supported |
| H4 (Financial Literacy → Finance Decision Making)                      | 0.283                     | 0.029           | Supported     |
| H5 (Self-control → Finance Decision Making)                            | 0.155                     | 0.142           | Not Supported |
| H6 (BNPL → Financial Decision Making)                                  | 0.244                     | 0.008           | Supported     |
| H7 (Financial Behavior → Finance Decision Making)                      | 0.044                     | 0.648           | Not Supported |
| H8 (Financial Literacy → Financial Behavior → Finance Decision Making) | 0.018                     | 0.667           | Not Supported |
| H9 (Self Control → Financial Behavior → Finance Decision Making)       | 0.011                     | 0.670           | Not Supported |
| H10 (BNPL → Financial Behavior → Finance Decision Making)              | 0.006                     | 0.708           | Not Supported |

The hypothesis testing was carried out using the bootstrapping procedure with the criterion that the p-value <0.05. According to the results in table 4.10, “the direct influence analysis shows that financial literacy and self-control have a positive and significant effect on financial behavior (H1 and H2 are accepted), but the BNPL variable does not have a significant effect on financial behavior (H3 is rejected). In financial decision-making, the results show that financial literacy and the use of BNPL have a positive and significant effect (H4 and H6), but self-control is proven not to have a significant effect on financial decision-making (H5 and H7), thus H8 are rejected.”

In the submission of the indirect influence analysis, it was proven that financial behavior does not mediate the relationship between financial literacy, self-control, or the use of BNPL on financial decision-making. In this case, the mediation hypotheses H8, H9, and H10 are rejected.

## 4.2 Discussion

There is a good correlation between financial conduct and both financial literacy and self-control, according to the study's findings. Those members of Generation Z who are financially literate and disciplined are more likely to practice appropriate money management skills, such creating and sticking to a budget, according to this finding. They are able to withstand the digital era's consumer temptations because of their high literacy rate and self-control. At the same time, there is little evidence that using BNPL services would substantially alter people's spending habits. Thus, it is clear that BNPL facilities are just a means of payment and do not affect people's financial behaviors or habits in any way.

New research shows that BNPL and financial literacy have a direct, beneficial, and substantial effect on financial decision-making. This shows that adequate financial knowledge directly helps Generation Z in making appropriate and rational financial decisions. Additionally, the availability of BNPL facilities has also been proven to directly encourage their financial decisions, where the payment flexibility offered by BNPL facilitates them in executing transaction decisions. On the contrary, self-control was not found to have a significant direct influence on financial decision-making, but rather only impacted the formation of daily behavioral habits.

The most interesting finding of this study is that financial behavior has been proven not to significantly affect financial decision-making. Furthermore, the mediation effect analysis shows that financial behavior no longer serves as a mediator variable in the relationship between financial literacy, self-control, or the use of BNPL and financial decision-making. This indicates that for Generation Z in the Jabodetabek area, final financial decisions (such as large fund allocations or investments) are more directly driven by their understanding of financial literacy and the availability of digital credit facilities (such as BNPL), rather than their daily financial routines or behaviors.

## 5. CONCLUSION

This study aims to examine the influence of financial literacy, self-control, and the use of Buy Now Pay Later (BNPL) on financial decision-making among Generation Z, by testing the role of financial behavior as a mediating variable. Empirical evidence suggests that BNPL and financial literacy positively affect financial decision-making in a direct and statistically meaningful way. Contrarily, BNPL has little effect on financial conduct, although financial literacy and self-control are crucial factors in forming good financial behavior.

Another crucial conclusion from this study is that financial behavior has been proven not to influence financial decision-making, thus failing to act as a mediating variable for the entire tested path. This indicates that although Generation Z may have good daily financial behaviors, their final financial decisions are more directly driven by strong financial literacy and the utilization of digital credit facilities that provide transaction ease. These findings emphasize that in the digital era, knowledge of financial instruments and the ability to adapt to technologies like BNPL are the key factors that directly shape Generation Z's financial decisions, regardless of their daily financial behavior routines.

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