The Influence of Financial Literacy, E-Money, Consumptive Lifestyle And Financial Distress On Gen Z's Personal Financial Management Behavior With Mental Accounting As A Moderation Variable

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Abstract.

This study investigates the influence of financial literacy, e-money usage, consumptive lifestyle, and financial distress on financial management behavior, with mental accounting as a moderating variable. The research was motivated by the growing challenges faced by individuals in managing personal finances amidst digitalization and increased consumption patterns. Using a quantitative approach, data were collected through surveys and analyzed with Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results reveal that financial literacy, e-money, and consumptive lifestyle have a significant positive effect on financial management behavior, while financial distress shows no significant influence. Furthermore, mental accounting strengthens the effect of financial literacy on financial management, indicating its crucial role in shaping rational decision-making. These findings highlight the importance of improving financial knowledge and self-regulation in the digital economy era. The study provides both theoretical contributions and practical implications for enhancing financial behavior.

Keywords: *Financial literacy; E-Money; Consumer Lifestyle; Financial Distress; Mental Accounting and Financial Management Behavior.*

I. INTRODUCTION

Generation Z, born between 1997 and 2012, is a group that grew up amid the massive acceleration of digital technology. The characteristics of this generation are closely related to the use of technology, both for social activities, education, and daily economic activities. Lifestyle changes that are heavily influenced by technological developments make Gen Z different from previous generations, especially when it comes to financial management. Easy access to digital platforms, such as online shopping applications, social media, and digital financial services, presents various opportunities as well as challenges. On the one hand, digital technology provides convenience in transacting, accessing information, and managing finances, but on the other hand, these conveniences also have the potential to plunge this generation into consumptive behavior that is difficult to control. This condition shows that there is an urgent need for Gen Z to have adequate financial management skills so as not to be trapped in long-term financial risks (1,2). The digital transformation in the financial sector represents a significant paradigm shift that fundamentally changes the way financial services operate and the way consumers manage their finances. This transformation involves the integration of digital technologies to improve organizational processes, products, and services, which requires employees to have adequate digital literacy skills to ensure successful implementation (3). Financial literacy, which includes understanding budgeting, saving, investing, and debt management, is an important foundation in forming healthy financial behaviors (4).

Individuals with a good level of financial literacy will be better able to make rational financial decisions and avoid the risk of mismanagement of funds (5). However, various studies indicate that the level of financial literacy of the younger generation in Indonesia, including college students, is still relatively low, which can hinder their ability to plan their personal finances effectively (6,7). At the same time, the development of electronic money (E-Money) is accelerating. Services such as GoPay, OVO, Dana, and ShopeePay have become part of students' daily lives in making transactions, both for basic needs and lifestyles. Bank Indonesia recorded the value of electronic money transactions reached Rp835.84 trillion in

2023, an increase of 43.45% from the previous year, showing how strong the penetration of financial technology in society is (8). Based on the Technology Acceptance Model (TAM), the acceptance of a technology is determined by the perception of convenience and benefits obtained by users (9,10). However, this convenience is also a double-edged sword because it encourages impulsive shopping behavior that has the potential to disrupt student financial stability.In addition to financial literacy and the use of E-Money, consumptive lifestyles are an increasingly prominent issue among Gen Z students.

Students tend to allocate expenses to lifestyle aspects, even when it is not in line with their financial condition. This consumptive lifestyle can weaken their ability to prioritize finances, negatively impacting long-term financial stability (11). These external pressures also have the potential to increase the level of financial distress. Financial distress occurs when individuals experience difficulties in meeting the needs of life due to an imbalance between income and expenses. This condition often encourages unwise financial decision-making, such as going into debt for consumptive needs or neglecting more important financial obligations (12) In the perspective of behavioral psychology, financial management can be explained through the Theory of Planned Behavior (TPB) developed by Ajzen (1991). This theory states that individual behavior is influenced by intentions, self-control, as well as external factors such as social norms. Students with a good level of financial awareness and strong self-control are more likely to be able to control spending and allocate funds appropriately (13). However, the real challenge among Gen Z is the lack of self-control when dealing with the ease of digital transactions and lifestyle boosts. In this case, mental accounting is one of the important mechanisms that can help individuals control financial behavior. By dividing income into certain posts such as basic needs, savings, and entertainment, mental accounting allows students to be more disciplined in managing money. This strategy not only helps reduce the risk of overconsumption, but also strengthens financial planning in the long term (14).

Although a number of studies have examined the relationship between financial literacy, E-Money use, consumptive lifestyle, and financial distress on financial behavior, there are still limitations in integrating these factors simultaneously, especially considering the role of mental accounting moderation. Most previous studies have only tested each variable separately without paying attention to the more complex interactions between the variables. Therefore, this study is here to fill this gap by analyzing the influence of financial literacy, E-Money use, consumptive lifestyle, and financial distress on the financial management of Gen Z students, with mental accounting as a moderation variable. This research is expected not only to make a theoretical contribution in expanding the literature review on the financial behavior of the younger generation, but also to make a practical contribution to educational institutions in designing financial literacy programs that are relevant to the needs of students in the digital era.

II. METHODS

This study uses a quantitative approach with a comparative causal method to analyze the influence of financial literacy, E-Money, consumptive lifestyle, and financial distress on student financial management, with mental accounting as a moderation variable. The research population is accounting students of STIE Malangkucecwara, with a sample of 93 respondents selected through purposive sampling based on criteria: students of the class of 2021–2023, E-Money users, and KIP-K recipients. The data was collected using a Google Form-based questionnaire with a five-point Likert scale. The analysis was conducted using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the help of SmartPLS 4.1.0.9 to test the validity, reliability, relationships between variables, and hypothesis significance through bootstrapping (15,16). The following is a table of operationalization of the research:

Table 1. Variables, Operational Definitions, Indicators, and Measurements

Variable name	Operational definition	Indicators	Measurement
***Financial Literacy* (X1)**	*Financial literacy* is the ability of individuals to understand and use the financial information necessary to make effective decisions regarding personal financial management.	1. Financial fundamentals 2. General knowledge of investing 3. Insurance general knowledge 4. Investment risk knowledge 5. General knowledge of savings	5= SS 4= S 3= N 2= TS 1= STS

		(17)	
***E-Money* (X2)**	*E-Money* is a form of electronic money used to conduct financial transactions digitally, including the benefits, ease of use, and the level of trust users have in the system.	1. Benefits & advantages 2. Trust & Ease of Use (18)	5= SS 4= S 3= N 2= TS 1= STS
Consumptive lifestyle (X3)	A consumptive lifestyle is an individual's pattern of behavior in spending money to buy goods or services that are not always based on needs, but rather on external desires and influences.	1. Buying items based on the rewards offered 2. Interested in buying products because of the packaging 3. Buying things to maintain your self-image 4. Make purchases based on considerations, not based on the needs and usability of the product 5. Buying things just to maintain social status 6. Using the product because it is influenced by an advertisement or model 7. There is a perception that buying goods at a high price will increase confidence 8. Tried more than two products of the same but different brands (19)	5= SS 4= S 3= N 2= TS 1= STS
***Financial distress* (X4)**	*Financial distress* is a condition in which individuals have difficulty in meeting their financial obligations, which can lead to psychological stress and distress.	1. Most expenses are met by going into debt or using a credit card 2. Have debts to pay 3. Pressure regarding the general financial situation 4. Difficult to find solutions related to financial problems 5. Neglecting the Responsibilities of a Student (12)	5= SS 4= S 3= N 2= TS 1= STS
Financial management behavior (Y)	Financial management behavior is an individual's action in organizing and managing their financial resources effectively to achieve financial goals	1. Creating an expense estimate 2. Pay on time 3. Checking expenses and expenses 4. Compare store prices with supermarkets 5. Save regularly 6. Setting up funds for unexpected expenses (20)	5= SS 4= S 3= N 2= TS 1= STS
***Mental accounting* (Z)**	*Mental accounting* is a cognitive process in which individuals group and treat money differently depending on the source or purpose.	1. Allocate or divide money in specific categories 2. Accounting for finances 3. Evaluate financial management (14)	5= SS 4= S 3= N 4= TS 5=STS

III. RESULT AND DISCUSSION

Evaluation of the Outer Model

Descriptive Analysis

Table 2. Descriptive Analysis

Information		Frequency	Percentage
Force	2021	23	25%
	2022	32	34%
	2023	38	41%
Age	22-23 years old	26	28%
	20-21 years old	64	69%
	18-19 years old	2	2%
	≤ 17 Years Old	1	1%
Gender	Man	21	23%
	Woman	72	77%

From the descriptive results in table 2, the majority of respondents are in the early 20s age group which is in accordance with the Gen Z category. This characteristic shows that the respondents are relevant to the research objective, which is to examine the financial management behavior of students of the digital generation.

Outer Model Analysis

Convergent Validity Test

Table 3. Outer Loading

	Financial Literacy (X1)	*E-Money (X2)*	Consumptive Lifestyle (X3)	*Financial Distress (X4)*	*Mental Accounting (W)*	Financial Management Behavior (Y)
X1.1	0.903					
X1.2	0.916					
X1.3	0.885					
X1.4	0.750					
X1.5	0.839					
X2.1		0.881				
X2.3		0.931				
X3.1			0.768			
X3.2			0.823			
X3.3			0.751			
X3.4			0.899			
X3.5			0.847			
X3.6			0.773			
X3.7			0.796			
X3.8			0.824			
X4.1				0.824		
X4.2				0.772		
X4.3				0.822		
X4.4				0.838		
X4.5				0.837		
Y.1						0.794
Y.2						0.765
Y.3						0.728
Y.4						0.771
Y.5						0.832
Y.6						0.745
Z.1					0.847	
Z.2					0.888	
Z.3					0.903	

Based on table 3, the convergent validity test is shown by the outer loading value which has a value above 0.7 which means that the data is declared valid (15).

Average Variance Extracted (AVE)

Table 4. Average Variance Extracted

Information	AVE
Financial Literacy	0.721
E-Money	0.822
Consumptive Lifestyle	0.658
Financial Distress	0.671
Financial Management Behavior	0.733
Mental Acoounting	0.598

The results in table 4 show that all variables have an AVE value of > 0.50 so that they meet the criteria for convergent validity. The variable with the highest score was E-Money (0.822), while the lowest was Mental Accounting (0.598), but both were still valid (15).

Information	Cronbach's alpha	Composite reliability (rho a)	Composite reliability (rho c)
Financial Literacy	0.902	0.910	0.928
E-Money	0.787	0.824	0.902
Consumptive Lifestyle	0.925	0.934	0.939

Financial Distress	0.878	0.883	0.911
Financial Management Behavior	0.866	0.873	0.899
Mental Acoounting	0.854	0.862	0.911

Reliability Test

Table 5. Average Variance Extracted

All variables shown in table 5 have Cronbach's Alpha > value of 0.70 and Composite Reliability > 0.70, so it can be concluded that this research instrument is reliable (15).

Goodness of fit Structural Model (Inner Model)

Model evaluation using R-squared (R^2) values for dependent variables. An R-squared value above 0.10 indicates acceptable predictive power for the model as a whole (21). Based on the processing of PLS data, the following R-squared values are obtained:

Table 6. R-square value

	R-Square	Adjusted R-Square
Financial Management Behavior (Y)	0.718	0.685

The suitability of the model in PLS is evaluated using the value of Q2, which has a function similar to the coefficient of determination (R^2) in regression analysis. A higher R^2 value indicates a better fit of the model. Q2 values greater than zero indicate good predictive relevance, while values below zero indicate limited predictive relevance (16). From table 10, the Q2 values can be seen as follows:

$$Q^{value\ 2} = 1 - (1 - R21)$$
$$= 1- (1-0.718)$$
$$= 0.718 (71.8\%)$$

As shown in Table 6, the overall model yielded an R-square value of 71.8%, which shows strong predictive relevance. The researcher used the path coefficient to determine the direction of influence and the p-value to assess significance when testing the hypothesis.

Hypothesis Testing

Table 7. Path coefficient

	Original Sample (O)	P Values
***Financial Literacy* -> Financial Management**	0.134	0.046
***E-Money* - Financial Management >**	0.179	0.024
Consumptive Lifestyle -> Financial Management	0.185	0.030
***Financial Distress* -> Financial Management**	0.075	0.234
***Mental Acounting x Financial Literacy* -> Financial Management**	0.158	0.025

Based on table 7, the results of the hypothesis test show that financial literacy has a positive and significant effect on students' financial management behavior, so that the higher the financial understanding, the better the management carried out. E-money also has a positive and significant effect, meaning that the use of digital services makes it easier for students to manage their finances, even though it still requires self-control. A consumptive lifestyle has been proven to increase students' tendency to be more active in managing finances, although it can be risky if not accompanied by good control. Meanwhile, financial distress has not been shown to have a significant effect on financial management, indicating that financial pressure does not always encourage changes in student behavior.The moderation test showed that mental accounting strengthens the relationship between financial literacy and financial management, as well as weakens the influence of e-money and consumptive lifestyles, so that students who are able to allocate funds in a structured manner are better able to maintain their financial stability. However, mental accounting does not moderate the influence of financial distress, which means financial stress requires other coping strategies beyond just financial grouping.

DISCUSSION

The Effect of Financial Literacy on Financial Management

The results of the hypothesis test showed that financial literacy (X1) had a positive and significant effect on financial management (Y). The original sample value (O) was 0.134 with a statistical T-value of 1.703, and a p-value of 0.046 which was smaller than 0.05, indicating that this hypothesis was acceptable. In other words, the higher the level of financial literacy of a person, the better the individual's ability to manage

personal finances. The significance of this result confirms that financial literacy is not just theoretical knowledge, but can be actualized in the form of more planned, measurable, and efficient financial management behavior. These findings are important because they show a causal relationship between financial knowledge and healthy financial decision-making skills.These findings are in line with the financial literacy theory put forward by Zaimovic et al (2023), which states that an individual's understanding of basic financial concepts, such as compound interest, inflation, risk diversification, and debt management, is an important foundation in determining the quality of financial management.

The relationship between financial literacy and financial behavior has been consistently supported across a wide range of populations. Wijaya et al. (2024) found that Islamic financial literacy significantly influenced financial management and welfare behavior among Indonesian Muslims, with literacy showing a stronger effect than religious.Logically, high financial literacy allows individuals to assess risks, calculate the financial consequences of each decision, as well as choose more profitable alternatives in the long run. On the other hand, low financial literacy often leads to mistakes in decision-making, such as uncontrolled use of credit cards, being trapped in consumptive debt, and the inability to set aside emergency funds. The practical implication of these findings is the need for educational institutions, especially universities, to integrate financial literacy materials in the curriculum or extracurricular activities of students. In addition, financial institutions can also play a role by providing practice-based education, such as investment simulations or training on budget preparation. Academically, these results open up opportunities for further research related to the effectiveness of financial literacy programs in various demographic contexts, so that policies to improve financial literacy can be more targeted and have a real impact on improving people's welfare.

The Influence of E-Money on Financial Management

The results of the second hypothesis test show that the use of e-money (X2) has a positive and significant influence on financial management (Y). The original sample value (O) was recorded at 0.179, with a T-statistic of 2.004, and a p-value of 0.024 which was smaller than 0.05. This indicates that the hypothesis is accepted, so it can be concluded that the more intensively individuals use e-money, the better their ability to manage and manage personal finances. These results are important to review more deeply because they show that the digitization of financial instruments not only facilitates transactions, but can also encourage more transparent and measurable financial management behavior. With a digital record of each transaction, users can more easily monitor spending patterns and adjust them to the financial plan that has been made.These findings support the technology acceptance model (TAM) theory which states that technology acceptance is influenced by the perception of convenience and usefulness in its use. In the financial context, e-money is perceived as an efficient, fast, and secure means of payment, thus encouraging users to adopt it in their daily lives. Research conducted by Foster, Sukono, and Johansyah (2022) It shows that the use of e-money improves spending control because every transaction is automatically recorded in the system.

Meanwhile, another study by Chelvarayan et al (2022) It found that e-money users tend to be more aware of their consumption patterns compared to cash users. Thus, the results of this study are consistent with previous research that e-money can be an effective tool to improve financial awareness and financial management of individuals.Practically, the use of e-money helps individuals to be more disciplined in managing finances because transactions made are recorded automatically and easy to trace. This is in contrast to the use of cash, which tends to be difficult to monitor because it does not leave a clear trace of transactions. In addition, additional features such as balance notifications, transaction history, and spending limits available in the e-money application also contribute to improving financial management behavior. The implication of this finding is that the development of digital financial instruments such as e-money can be used by the government and educational institutions as a means of financial education. For example, by encouraging students to use e-money in their daily transactions, they not only gain convenience, but also learn to manage consumption patterns. From the academic side, this finding opens up further research space regarding the impact of e-money on financial digital literacy and its possible long-term effects on the financial well-being of the younger generation.

The Influence of Consumptive Lifestyle on Financial Management

The results of the third hypothesis test showed that the consumptive lifestyle (X3) had a positive and significant effect on financial management (Y). The original sample value (O) was 0.185, with a T-statistic of 1.903 and a p-value of 0.030, smaller than 0.05. This indicates that the hypothesis is accepted. These findings are interesting because they show that although a consumptive lifestyle is often considered detrimental, in the context of this study, a consumptive lifestyle is actually correlated with the ability to manage finances. In other words, the higher a person's consumptive lifestyle, the higher the urge to manage their finances in order to meet these consumptive needs. This can be due to an individual's awareness that high consumption requires a more mature financial strategy to stay balanced with their income.These findings are in line with consumer behavior theory which states that individuals seek to strike a balance between financial desires and abilities. In the literature, consumptive lifestyles are often associated with unhealthy financial behaviors. However, some studies have found different results. For example, research by Sumarno et al (2024) It shows that students with a consumptive lifestyle can still have high financial awareness when they have the motivation to maintain financial stability.

Similarly, a study by Riaz et al (2022) revealed that students with a positive attitude towards money and high financial self-efficacy develop stronger financial literacy, with financial self-efficacy acting as a crucial mediator between attitude and literacy outcomes. Thus, the results of this study provide a new perspective that consumptive lifestyles do not always have a negative impact, but can trigger more adaptive financial management behaviors.Logically, individuals with a consumptive lifestyle are required to be more organized in managing their finances. This is because high consumptive needs, such as fashion shopping, entertainment, or digital lifestyle, force individuals to be more careful in allocating income so as not to experience financial difficulties. With this encouragement, they are more likely to create financial plans, record expenses, or use modern financial instruments such as digital wallets to monitor transactions. The practical implication of these findings is that a consumptive lifestyle can be used as a momentum in increasing financial awareness, especially among the younger generation. From an academic perspective, the results of this study broaden the understanding of the relationship between lifestyle and financial management, which was previously more often viewed negatively. This opens up opportunities for further research to explore how psychological and social factors moderate the relationship between consumption and financial management.

The Effect of Financial Distress on Financial Management

The results of the fourth hypothesis test showed that financial distress (X4) had no significant effect on financial management (Y). The original sample value (O) was 0.075 with a T-statistic of 0.729 and a p-value of 0.234, which was greater than 0.05. This means that the hypothesis is rejected, or in other words the financial distress conditions experienced by individuals do not have a real influence on the way they manage their finances. This finding is quite interesting because theoretically, financial distress is usually thought to force individuals to be more careful in managing expenses and managing income. However, the results of this study actually show that financial stress conditions do not necessarily make individuals better at managing their finances.This insignificance is in line with several previous studies that have stated that financial stress often leads to unhealthy financial behavior. Research by Hajek and Munk (2023) revealed that individuals who experience financial distress tend to make emotional financial decisions, such as going into debt impulsively or reducing savings. This is also in line with the theory of financial behavior that emphasizes the role of psychological factors in financial decision-making. When under pressure, individuals are more likely to act reactive than rational. Therefore, the results of this study emphasize that financial distress is not a factor that automatically encourages better financial management, but can actually interfere with an individual's ability to manage their finances.

Logically, the ininfluence of financial distress on financial management can be explained through the psychological condition of individuals who are under pressure. When a person faces financial difficulties, their mental and emotional energy is more drained to deal with anxiety and stress, rather than to devise a planned financial strategy. The practical implications of these findings are the need for financial assistance or financial education specifically for individuals who are in financial distress, so that they can make more

rational financial decisions. From an academic perspective, these results show that there is a gap between theory and practice, where financial distress that in theory should encourage caution has no significant effect on empirical reality. This provides room for further research to explore mediating or moderation variables, such as psychological resilience or social support, that may strengthen the relationship between financial distress and financial management.

The Influence of Mental Accounting on Financial Literacy on Financial Management

The test results on the fifth hypothesis show that mental accounting (Z) is able to strengthen the relationship between financial literacy (X1) and financial management (Y). The original sample value (O) was 0.158 with a T-statistic of 1.982 and a p-value of 0.025, which was smaller than 0.05. This means that the interaction between mental accounting and financial literacy has a positive and significant influence on financial management. In other words, individuals who have a high level of financial literacy and are able to apply the principles of mental accounting in their daily lives, will be more directed in managing their finances. Effective mental accounting can act as a psychological mechanism that reinforces the positive impact of financial knowledge on financial behavior.These findings are in line with behavioral finance theory which states that mental accounting influences how individuals categorize, evaluate, and manage their finances (14). Zang et al (2023)revealing that mental accounting can help individuals make more structured financial decisions.

In addition, a recent study by Bay (2023) found that students with good financial literacy will be better able to utilize mental accounting to manage expenses according to the posts of need, so as to avoid waste. Thus, the results of this study strengthen the existing literature that the synergy between financial literacy and mental accounting results in a healthier and more sustainable financial management pattern.Logically, mental accounting acts as a "psychological bridge" that connects financial knowledge with everyday financial practice. Financial knowledge without psychological control mechanisms is sometimes only conceptual, so it has no impact on real actions. However, with the existence of mental accounting, individuals are able to apply financial concepts that they have understood, such as dividing income into savings, consumption, and investment posts. The practical implication of these findings is the importance of integrating the mental aspects of accounting in financial literacy programs, especially among students and the general public. Meanwhile, from the academic side, this study shows that financial literacy is not enough to stand alone, but needs to be strengthened by behavioral factors such as mental accounting in order to provide optimal results for financial management.

The Influence of Mental Accounting on E-Money on Financial Management

The results of the sixth hypothesis test showed that the interaction between mental accounting (Z) and the use of e-money (X2) had a significant effect on financial management (Y). The original sample value (O) was -0.146 with a T-statistic of 1.925 and a p-value of 0.029, which was smaller than 0.05. Thus, the hypothesis is accepted. But interestingly, the value of the coefficient is negative, which means that mental accounting actually weakens the positive influence of e-money on financial management. This indicates that although the use of e-money can be inherently helpful in financial management, when combined with certain mental accounting, the effects can be counterproductive.These results are in line with several previous studies that found potential downsides in the use of e-money (24). According to Pradana (2020) research, the use of e-money that is not balanced with the discipline of financial recording often creates the illusion of liquidity, where individuals feel that they have more funds than in reality (31). Erroneous mental accounting can exacerbate this condition, for example by categorizing e-money balances as "additional" or "secondary" funds that are easier to spend. Financial behavioral theory also asserts that digital financial technology can create new cognitive biases, especially if it is not accompanied by consistent record-keeping habits.

Therefore, the findings of this study provide empirical evidence that the combination of e-money and mental accounting needs to be understood more deeply in order to truly support healthy financial management. Logically, these results show that although mental accounting is often considered a positive mechanism in controlling financial behavior, in the context of e-money it can actually produce the opposite result. The ease of transactions without physical money makes it more difficult for individuals to feel "real spending", so weak or biased accounting mentality tends to worsen consumption patterns. The practical

implication is the need for financial education that emphasizes more on recording e-money transactions in a disciplined manner, so that the mental accounting that is formed is more accurate. From the academic side, this study opens up opportunities for further study of how mental accounting interacts with digital financial innovation, as well as other variables such as self-control or impulsive buying that may also mediate this relationship.

The Influence of Mental Accounting on Moderating Consumptive Lifestyle on Financial Management

The results of the seventh hypothesis test show that mental accounting (Z) interacts with a consumptive lifestyle (X3) and has a significant influence on financial management (Y). The original sample value (O) was -0.212 with a T-statistic of 2.429 and a p-value of 0.008, which is smaller than 0.05. This shows that the hypothesis is accepted. However, the value of the coefficient has a negative value, so it can be interpreted that mental accounting weakens the influence of consumptive lifestyle on financial management. In other words, the higher the application of mental accounting, the negative impact of a consumptive lifestyle on financial management can be suppressed or minimized.Mental accounting theory significantly influences consumer behavior and financial decision-making processes. The adoption of digital payments demonstrates this effect, with households using digital payments spending 20.63% more than those using alternative methods, as digital payments increase transaction utility and facilitate unplanned consumption (32).

Mental accounting influences purchasing decisions through four main themes: the source of funds, the intended use of funds, pricing, and the method of payment, which influences factors such as willingness to pay and the pain of paying (14). Logically, this result can be explained that a consumptive lifestyle cannot be completely avoided, especially in young age groups such as college students who are research respondents. However, mental accounting can be a psychological strategy to resist excessive consumptive behavior. For example, by setting monthly spending limits for entertainment, eating out, or online shopping, individuals can still fulfill their desires without sacrificing financial stability. The practical implication of these findings is the importance of encouraging people to internalize mental accounting habits from an early age so that the inevitable consumptive lifestyle remains under control. From an academic perspective, this research also opens up opportunities to explore how mental accounting interacts with other behavioral variables, such as hedonism or materialism, which may also affect financial management.

The Effect of Mental Accounting on Financial Distress on Financial Management

The results of the eighth hypothesis test showed that the interaction between mental accounting (Z) and financial distress (X4) did not have a significant effect on financial management (Y). This is shown by the original sample value (O) of 0.156 with a T-statistic of 1.553 and a p-value of 0.062 which is greater than 0.05. Thus, the hypothesis is rejected. These findings indicate that mental accounting is not able to strengthen or weaken the relationship between financial distress and financial management. This means that the condition of financial pressure experienced by a person remains the dominant factor that affects the ability to manage finances, regardless of whether or not there is a mental accounting practice.These results are in line with previous research that states that financial distress is often urgent and cannot be fully controlled by psychological mechanisms such as mental accounting (12). Kristoffersen, Hoang, and Li (2024) It was found that increased psychological disorders led to greater difficulties in managing financial affairs, even without a change in objective financial conditions, with self-effectiveness playing a crucial mediating role in this relationship. This supports the concept of mental health-based poverty traps, where psychological disorders interfere with financial decision-making abilities. The financial crisis also affected corporate behavior, with Harymawan et al (2021) shows that Indonesian companies experiencing financial crises provide lower quality environmental, social, and governance (ESG) disclosures due to limited resources.

Moreover Mukhtaruddin et al (2022) suggests that financial pressures significantly increase the likelihood of fraud in financial statements in Indonesian companies, suggesting that distressed entities may turn to deceptive practices. Logically, this result is understandable because financial distress is usually caused by an imbalance between income and expenses, accumulated debt, or financial emergencies that are

difficult to anticipate. In such situations, the implementation of mental accounting such as budget grouping or spending restrictions is not able to run effectively because individuals are forced to use all available resources to meet immediate needs. The practical implication of these findings is the need for more comprehensive financial risk management strategies, such as emergency fund planning and debt management, so that financial distress does not undermine the quality of financial management too much. From the academic side, the results of this study open up space for further research to test whether there are other psychological variables, such as financial resilience or social support, that are more effective in moderating the relationship between financial distress and financial management.

IV. CONCLUSION

This study aims to understand the factors that affect the financial management behavior of Gen Z students, as well as examine the role of mental accounting in moderating the relationship between variables. Based on the results of the discussion, it can be concluded that students' financial behavior is not only determined by cognitive aspects such as financial literacy and access to digital financial technology, but also influenced by lifestyle and psychological mechanisms in managing funds. This emphasizes that financial management is not solely a matter of technical ability or access, but the result of a combination of knowledge, habits, and self-control.

The findings of this study give impetus to the theoretical understanding that financial behavioral theory needs to consider psychological and lifestyle factors in explaining individual financial decisions, especially in the younger generation in the digital age. Practically, this research also triggers awareness that efforts to improve financial literacy among students must be accompanied by the formation of discipline and consumptive control so that the benefits of financial technology can be optimized. Thus, this research not only supports existing theories, but also triggers new thinking about the importance of synergy between financial literacy, technology, and mental accounting in shaping healthy financial behavior.

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