

ABSTRACT

Seeing the importance of Generation Z in today's world, it is regrettable that the Indonesian population's awareness and understanding of financial planning are still inadequate. West Java Province, for example, falls into the category of provinces with a low financial literacy index, as its score of 37.43% is significantly lower than the national index. In addition, Generation Z, which has contributed to Indonesia's development, spends between 18.69% to 70.59 % of their pocket money on food, snacks, and entertainment. This is one of the causes of financial and welfare problems, such as a lack of saving behaviours.

This study aims to look into the influence of financial literacy and pocket money on the saving behaviour of Generation Z in Bandung Raya. This study evaluates Generation Z's ability to manage their personal money based on multiple dimensions of financial literacy, including knowledge, attitudes, abilities, and behaviour.

This study employs a quantitative approach by accumulating data through the distribution of questionnaires to respondents. Purposive sampling was utilized to determine the sample size, with 400 respondents chosen using the Slovin formula.

After processing the data, it was found that financial literacy and the pocket money have a significant influence on the saving behaviour of Generation Z in the Bandung Raya, both simultaneously and partially. According to the findings of this study, a high level of financial literacy and a sufficient amount of pocket money have a strong relationship with increased saving behaviour.

The findings of this study will hopefully motivate Generation Z in the Bandung Raya to improve their financial literacy and manage pocket money properly through a practical education and training approach supported by a continuing collaboration between the Bandung Raya regional government and the Financial Services Authority (OJK).

Keywords: Financial literacy; generation z; pocket money; saving behaviour.