

ABSTRACT

This study investigates the impact of locus of control on financial management behavior among 418 Generation Z individuals in Jakarta. Using purposive sampling method, this research consider the mediating roles of financial attitude and financial self-efficacy. Given the increasing prevalence of online loans and default rate among Generation Z in Jakarta, understanding these dynamics is crucial. This research employs multiple linear methodology as the primary approach which is then developed into parallel mediation analysis, parallel mediation model is characterized as a causal framework in which a minimum of two mediating variables are hypothesized to mediate the impact on the outcome variable. Data for this research were collected through a survey conducted through a questionnaire.

The results reveal significant influence between locus of control and financial management behavior, mediated by financial attitude and financial self-efficacy. The hypotheses predict that a higher locus of control positively influences financial attitude and financial self-efficacy, leading to better financial management behavior. Additionally, financial attitude and financial self-efficacy are expected to mediate the relationship between locus of control and financial management behavior.

These findings contribute to the understanding of financial management behavior among Generation Z in Jakarta, offering insights for policymakers and educators to enhance financial management skills within this demographic. The study underscores the necessity for targeted financial education programs that address psychological determinants, fostering better financial decision-making and stability among Generation Z.

Keyword: *Behavioral Finance, Theory of Planned Behavior, Financial Management Behavior, Locus of Control, Financial Attitude, Financial Self-Efficacy*