

ABSTRACT

The advancement of technology and the ease of access to information, online loans have become an increasingly popular financing alternative, especially among Millennials and Generation Z. Despite offering various conveniences, the use of online loans does not come without significant financial risks. In this context, financial literacy, financial behavior, and risk perception play important roles in influencing individuals' decisions to utilize online loan services. This study focuses on analyzing how these three factors affect the use of online loans in West Java, aiming to provide deeper insights into the financial behavior of young generations and its implications for financial risk management.

This research aims to examine the influence of financial literacy, financial behavior, and risk perception on the use of online loans among Millennials and Generation Z in West Java. The study employs a quantitative method by distributing questionnaires to 250 respondents who have used online loans. Data were collected through online questionnaires and analyzed using the SPSS program. The analysis included a series of tests, such as validity tests, reliability tests, multiple linear regression, classical assumption tests, and hypothesis testing, which comprised t-tests, f-tests, and the coefficient of determination.

The results of the study indicate that financial literacy has a significant influence on the use of online loans. Individuals with better financial literacy tend to make wiser decisions regarding online loans. Financial behavior also has a significant impact, with respondents who have good financial behavior being more capable of managing online loans efficiently. Risk perception is also found to have a significant influence on the decision to use online loans, where individuals who understand the risks tend to be more cautious in using these services.

Keywords: *Financial Literacy, Financial Behavior, Risk Perception, Online Loans, Millennials, Generation Z.*