

ABSTRACT

Excessive consumption activities carried out by Generation Z can reflect how well they are in managing finances. Their technologically literate characteristics make it easier for this generation to get what they want through virtual media. Good understanding of financial knowledge in this generation is not enough to know financial management behavior. Low saving behavior is seen in their habit of still prioritizing fulfilling current desires rather than in the future. The understanding of financial literacy which can at the same time assess indicators of financial knowledge and attitudes of this generation is still relatively mediocre. The existence of a link between the state of parental income and their establishment in providing pocket money for their children can affect the financial arrangements of Generation Z. Moreover, their population dominates when compared to other generations in Indonesia and the city of Bandung.

This study aims to determine the effect of financial knowledge (X₁) and financial attitude (X₂) on financial management behavior (Y) through parental income (Z) in generation Z in Bandung. Quantitative research methods used and measurements that utilize a Likert scale with a population of Generation Z in the city of Bandung as many as 395,762 people aged 15 – 24 years. The sampling technique used is purposive sampling and questionnaires as the primary data source with a target sample of 400 respondents. This research uses Structural Equation Modeling (SEM) data analysis method processed with SmartPLS.

The results of the study explain that there is a significant influence on the financial knowledge and financial attitude variables on financial management behavior with parental income as an intervening variable in Generation Z in Bandung City. Financial knowledge has an effect of 0.017, financial attitude has an influence of 0.144, while financial knowledge, financial attitude, and parental income contributes an influence of 0.482 on financial management behavior. It is hoped that the results of this study can improve understanding of financial knowledge and financial attitudes that will affect financial management behavior through parental income.

Keywords: *Financial Knowledge, Financial Attitude, Financial Management Behavior, Parental Income, Z Generation.*