



# Financial Literacy In Gen Z Generation (Case Study at Bina Taruna University Gorontalo)

Fitria Akibun\*, Henro Prayitno, Ria Anggita Z, Nur Mutmaina Otto

Fakultas Administrasi dan Ilmu Sosial, Universitas Bina Taruna, Gorontalo

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\*Correspondence: Fitria Akibun

Email: [fitria.unbita@gmail.com](mailto:fitria.unbita@gmail.com)

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**Abstract:** This study aims to assess the level of financial literacy among Generation Z students at Bina Taruna Gorontalo University, focusing on personal financial management, the influence of social media on financial decisions, and the use of financial applications and tools. The research method employed is a quantitative approach with a descriptive design, involving data collection through surveys distributed to students. The findings reveal that the majority of students frequently create monthly budgets (42.9%) and have the habit of comparing prices before making purchases (71%), indicating a relatively good level of financial awareness. However, there is still a lack of saving habits, as more than half of the students do not have savings (52.4%). The influence of social media on students' financial decisions is quite significant, with 52.4% of students acknowledging its impact. The use of financial applications is also relatively low, with only 38% of students using them frequently. In conclusion, financial literacy among students at Bina Taruna Gorontalo University needs to be improved, particularly in the areas of saving and utilizing financial applications. An intensive financial education program is required to better equip students with the skills to manage their personal finances wisely.

**Keywords:** Financial Literacy, Generation Z, Bina Taruna Gorontalo University, Social Media, Financial Applications

## Introduction

In the era of fast-paced globalization and driven by advances in information technology, challenges and opportunities in the financial world are increasingly complex. One important aspect that needs to be considered is financial literacy, which is the knowledge and skills of individuals in managing personal finances wisely. Good financial literacy will equip individuals with the ability to make the right financial decisions, understand financial products available in the market, and plan for the future in a more structured manner. In this context, the generation most affected by these changes is Generation Z, those born between 1997 and 2012, who are now entering young adulthood and mostly in higher education.

Generation Z is facing new challenges when it comes to financial management, as digital technology is rapidly evolving and access to a wide range of financial services is increasingly accessible through electronic devices. Many of them have grown up with

exposure to a wide range of investment options, debt, and digital financial products, all of which are easily accessible through mobile apps and online platforms (Vlašić, 2022a).

However, despite the ease of access to financial information and services, financial literacy among this generation is not necessarily proportional to the access they have. Ignorance or lack of understanding on how to manage money efficiently can lead to the risk of bankruptcy, reduced quality of life, as well as financial hardship in the future. One indicator of the success of higher education is not only seen in terms of academics, but also

Students' ability to manage their finances independently and intelligently. As higher education institutions, universities have an important role in improving financial literacy among their students, especially for those who are at the educational level who are preparing to enter the world of work and independent life. Therefore, it is important to explore the level of financial literacy among students at various universities, especially in the specific context at Bina Taruna University Gorontalo, which is the research object in this study. Bina Taruna University Gorontalo, as one of the leading higher education institutions in Gorontalo area, has the responsibility to prepare its students not only in academic aspects but also in the ability to live independently, including the ability to manage finances. Given the importance of financial literacy in everyday life, especially for students who are in the transition phase towards the professional world, it is important to know the extent of financial literacy of generation Z at Bina Taruna University Gorontalo (Annisa, 2023a).

This study aims to explore the level of financial literacy among Bina Taruna University students, as well as the factors that influence it, such as understanding of basic financial concepts, use of financial products, and their financial behavior in daily life. With this background, this research is expected to provide deeper insights into the importance of financial literacy education for generation Z, especially students of Bina Taruna University Gorontalo, as well as its contribution to curriculum development and educational policies that can help them prepare for future economic challenges (Nag, 2022).

### **Theoretical review Digital technology**

Digital technology has become a major driving force in the transformation of various aspects of human life. In recent decades, rapid advances in information and communication technology (ICT) have brought about significant changes in the way we interact, work, learn, shop, even in terms of how we manage our daily lives. Digital technologies, which include a wide range of data-driven and hardware-based tools and systems (such as computers, smart phones, the internet, software applications, and cloud systems), are not only changing the face of the global economy, but also the mindsets and behaviors of individuals and groups around the world (Rahmadia, 2023a).

One of the hallmarks of the digital era is the ability to access information instantly, communicate with people around the world, and conduct financial or business transactions without geographical restrictions. Digitalization, which includes the transformation from analog systems to digital data-based systems, has created huge opportunities in various sectors, ranging from education, health, commerce, entertainment, to the industrial sector. This phenomenon has also given rise to various new innovations, such as artificial

intelligence (AI), big data, blockchain, and the internet of things (IOT), which further expand the scope and potential applications of digital technology in almost every line of human life. In the social and economic context, digital technology has had a tremendous impact, both positive and negative (Soepriyanto, 2022). On the one hand, these technologies have improved operational efficiency, accelerated the innovation process, and made access to resources and services easier. However, on the other hand, the high reliance on digital technology has also created new challenges, such as threats to privacy and data security, and a digital divide between those who have access and those who do not.

In education, for example, digital technologies enable more flexible and accessible learning methods anytime and anywhere, opening up greater opportunities for individuals to acquire new skills without having to rely on the conventional education system (Vlašić, 2022b). However, the use of digital technologies in education also demands a deeper understanding of how to utilize such technologies effectively, as well as addressing the issue of dependency on electronic devices that can affect the quality of social interactions and mental health.

The development of digital technology also has implications for the business world, where companies are now utilizing technology to increase productivity, expand markets, and provide a more personalized and integrated consumer experience. In the financial sector, for example, the use of fintech technology has changed the way people access banking, investment and payment services. With the emergence of digital platforms such as e-commerce, digital wallet applications, and electronic payment systems, financial transactions can now be done more quickly and easily, although there are new challenges related to digital financial literacy among the public (Fur, 2022). Given these developments, it is important to look at how digital technology is not only a tool, but also a profound transforming factor in people's lives. For this reason, an understanding of digital technology is not only necessary for technology professionals, but also for the general public.

By every individual, especially in facing a future that is increasingly dependent on technology. Therefore, research and studies on the impact and potential of digital technology will continue to be relevant, especially to prepare people to utilize this technology wisely and reduce the risks that may arise. (Tapscott & Tapscott, 2016)

### **Social life**

Generation Z, which includes those born between 1997 and 2012, grew up amidst the rapid advancement of digital technology and social media. As the first generation to be fully raised in an internet-connected world, their social lives are heavily influenced by digital platforms such as Instagram, TikTok, Twitter and YouTube. For Gen Z, communication is not just limited to face-to-face conversations, but also involves virtual interactions that allow them to stay connected with friends, family and even strangers around the world (Patrisia, 2023). Gen Z's social life is also influenced by values that are more inclusive, environmentally conscious and open to diversity. They are more likely to voice opinions on social and political issues, and are more sensitive to issues such as diversity, social justice and climate change. However, while technology allows them to build relationships more

easily, new challenges are emerging, such as social media addiction, self-image anxiety, and difficulties in establishing deep face-to-face relationships. Overall, Gen Z's social life is a mix of a highly connected digital world and a real world full of challenges in building authentic relationships (Rahmadia, 2023b).

## **Social media**

### **Existence media social media in Generation Z's life has an impact**

Social, psychological and economic significance. Platforms such as Instagram, TikTok, Twitter, Snapchat and YouTube are where they spend most of their time, whether to socialize, seek entertainment or obtain information. Social media gives them instant access to a wide range of content, from global news to viral pop culture trends. Moreover, social media also plays an important role in shaping Generation Z's mindset, perceptions and values (Vlašić, 2022c).

One of the defining characteristics of Generation Z's use of social media is the very high level of connectedness with friends, family, and even people they don't know in person. Activities such as sharing statuses, pictures, videos, and following the progress of certain people or brands become part of normal social interaction.

For them, social media is a space where they can express themselves, share experiences, and develop a wider social network. With easy access to various platforms, they can connect with communities that share similar interests, as well as learn and grow through the various information channels provided by social media. However, while social media offers many benefits, its impact on Generation Z is not entirely positive (Hinduan, 2024). Overuse of social media can affect their mental health, especially in terms of anxiety, depression and feelings of self-dissatisfaction due to constant social comparison

Many of them feel pressured to meet certain standards or expectations displayed on social media, which often do not reflect reality. This can affect their self-confidence, as well as increase stress due to social pressure to look perfect. On the other hand, social media has also had a significant impact on the economy, especially with the rise of influencer marketing and e-commerce. Generation Z are becoming consumers who are heavily influenced by recommendations from influencers or peers they follow on social media platforms. (Boyce & Collins, 2020).

They not only rely on social media for entertainment and information, but also as a tool to make purchasing decisions, be it products, services or even investments. This phenomenon makes social media one of the important elements in marketing and business strategies aimed at Gen Z. In addition, social media also serves as a platform for education and self-development. Many apps or platforms offer courses, tutorials, and useful information to develop skills or knowledge. Gen Z utilizes social media as a means to learn, gain new insights, or even build their personal brand. With a lot of creativity, they can use social media to introduce themselves, express their interests, or even develop small businesses that can generate income. In this context, it is important to understand how social media plays a role in shaping Generation Z's identity and behavior, as well as how they respond to the influences coming from social media in their lives (Doyle, 2019).

Understanding these dynamics is also highly relevant for designing policies, educational programs or communication strategies that can help them make wise and healthy use of social media. Therefore, research on social media use among Generation Z is essential, both to explore its positive and negative impacts, as well as to provide deeper insights into how they interact with the virtual world. (Anderson & Jiang, 2018)

## Methodology

This research uses a quantitative approach with a descriptive or correlational design. Research Instrument (Questionnaire) To measure financial literacy, a questionnaire is the main instrument used. This questionnaire contains a series of questions designed to evaluate Gen Z's understanding and skills in financial aspects (Azzam, 2024).

## Result and Discussion

In this study, we analyzed the financial literacy of university students using data collected through questionnaires related to various aspects of personal financial management. The data obtained includes monthly budget management, the influence of social media on financial decisions, savings ownership, the use of financial applications or tools, and the habit of comparing prices before buying goods. The following are the results of the data analysis obtained and the discussion (Annisa, 2023b).

Financial literacy is one of the essential skills that every individual, especially the younger generation, needs to have in order to achieve better financial well-being. Generation Z, which is currently involved in higher education, has different habits and mindsets related to financial management compared to previous generations. In this digital era, they are not only influenced by their surroundings but also by technological advancements and the ubiquity of social media.

Dominating everyday life (Vijayalakshmi, 2022). Bina Taruna University Gorontalo was the location to research financial literacy among Generation Z students, who are generally at a productive age and starting their journey in managing personal finances. This study aims to explore students' understanding and habits in managing their finances, focusing on several important aspects such as monthly budgeting, the influence of social media on financial decisions, savings ownership, the use of financial applications, and the habit of comparing prices before buying goods. By using a survey approach to Bina Taruna Gorontalo University students, this study aims to provide an overview of the level of financial literacy possessed by generation Z on campus, as well as the factors that influence decision-making.

their finances. The results of this study are expected to provide important insights regarding the need for financial literacy education among university students, so that it can help them to manage personal finances more effectively and wisely in the future. This research is motivated by the fact that university students are often faced with various financial challenges, both in the form of managing daily expenses, urgent needs, and long-term financial planning. Therefore, it is important to know the extent to which students understand basic concepts in financial management such as budgeting, setting aside funds



for savings, and the ability to compare prices before making purchases. In addition, with the strong influence of social media, which is one of the main channels of information for generation Z, it is important to know how social media (Kovács, 2024).

influence their financial decisions. The discussion on the use of financial applications and financial management tools is also relevant in the context of growing digitalization, which allows students to more easily organize and manage their money through technology platforms. Thus, through this research, it is hoped that a clearer picture of the financial literacy level of Bina Taruna Gorontalo University students can be obtained, as well as the important role of financial literacy education that can have a positive impact on their personal financial management in the future (Rashid, 2024).

**Table 1.** Social Media Users

No.	Aspects Examined	Research Results	Discussion
1.	Monthly Budgeting	- Neutral: 38, - Frequent: 42, - Never: 14,3%	The majority of college students budget frequently, which shows good habits in personal finance management. However, there is still uncertainty for others.
2.	Social Media's Influence on Financial Decisions	- Moderate Influence: 52,4% - No Effect: 47,6%	Social media has a considerable influence on financial decision-making. This points to the role of social media in shaping students' financial decisions.
3.	Savings Ownership	- Yes: 47,6 % - No: 52,4%	Most university students have no savings, indicating a low habit. This needs to be addressed with deeper education on the importance of saving
4.	Use of Financial Applications/Tools	- Frequent: 38% - Never: 23%	The use of financial applications is still relatively low, although some students have started using them. This shows the importance of further education on financial applications
5.	Comparing Prices Before Buy	- Frequent: 71% - Neutral: 26%	The habit of comparing prices is already very high, which shows good financial awareness among students. However, there is still potential increase this awareness.

This table simplifies the results of research and discussion on financial literacy in Bina Taruna Gorontalo University students, and provides an overview of the results (Hermansyah, 2024).

## Conclusion

Based on the results of the data analysis, it can be concluded that the level of financial literacy among university students shows a fairly good awareness of some aspects of personal financial management, such as budget planning and price comparison. However, there are still some areas that need more attention, such as saving habits and the use of financial tools or applications. The influence of social media on financial decisions is also a major concern, with most students feeling the impact, although some are unaffected.

## Advice

Therefore, to improve financial literacy in college students, further education is needed on the importance of sound financial planning, as well as an introduction to various financial tools or applications that can help them manage their personal finances more effectively (Kicová, 2024).

Program Financial education based on practical understanding and technology should be introduced more intensively among students to encourage them to become smarter in managing finances and preparing for a more financially stable future (Wang, 2024).

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