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The Role of Financial Planning in Moderating the Influence of Financial Literacy, Education Level, Income Level and Lifestyle on Investment Decisions of Generation Z in Malang City

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ABSTRACT: This study aims to analyze the role of financial planning in moderate the influence of financial literacy, education level, income level, and lifestyle on investment decisions of generation Z in Malang City. This study uses a quantitative descriptive method with a sample size of 100 respondents, namely generation Z in Malang City. In determining the sample, the researcher used the purposive sampling method, namely a data collection technique by giving questionnaires to respondents and documentation. The analysis method used by the researcher is the validity and reliability test, the classical assumption test, the f test (simultaneous) and the multiple linear regression test Moderated Regression Analysis (MRA).
Multiple linear regression test results Moderated Regression Analysis (MRA) shows that the financial literacy variable (X1) , level of education (X2) income level (X3) and lifestyle (X4) together have a significant influence on the investment decisions of generation Z in Malang City. This is indicated by the sig value of 0.000 < 0.05. Partially financial literacy (X1) has a significant positive effect on investment decisions of generation Z in Malang City. This is indicated by the sig value of 0.000< 0.05. Education level variable (X2) has a significant negative effect on investment decisions of generation Z in Malang City. This is indicated by the sig value of 0.000 < 0.05. Income level variable (X3) has a positive influence on investment decisions of generation Z in Malang City. While the lifestyle variable (X4)This is indicated by a sig value of 0..000 >0.05. The results of the interaction test analysis show that the financial planning variable is able to strengthen the influence of the financial literacy variable (X1), level of education (X2) income level (X3) and lifestyle (X4) on the investment decisions of generation Z in Malang City. This is indicated by the sig value (X1M 0.009< 0.05 ;X2M 0.026< 0.05 ;X3M 0.033< 0.05 ;X4M 0.005 <0.05). Based on the test results, financial planning is able to strengthen the influence of financial literacy, education level, income level and lifestyle on investment decisions of generation Z in Malang City.

KEYWORDS: Financial Planning; Financial Literacy; Education Level; Income Level; Lifestyle; Investment Decisions

INTRODUCTION

Generation Z, which includes individuals born between 1997 and 2012, grew up in an environment heavily influenced by digital technology. With fast access to information through the internet and social media, this generation has great potential for investment. However, even though they have access to various sources of information, many still face difficulties in making smart investment decisions. Many of them tend to focus more on short-term consumption rather than planning for long-term investment.

Recent research shows that financial literacy is a critical factor influencing investment decisions. According to Lusardi and Mitchell (2014), individuals with high levels of financial literacy tend to make better financial decisions. In addition, a study by Atkinson and Messy (2012) emphasized the importance of formal education in improving financial literacy. However, despite extensive research, there is still a lack of understanding of how factors such as education, income, and lifestyle interact to influence investment decisions, especially among Generation Z.

Although many studies have explored the relationship between financial literacy and investment decisions, the results are still inconsistent. Some studies show that formal education has a significant impact, while others find a weak effect. In addition, the role of financial planning as a mediator in this relationship has not been widely studied. This creates a gap in the literature that needs to be filled to better understand the factors that influence Generation Z's investment decisions.

This study aims to explore the role of financial planning in mediating the influence of financial literacy, education level, income level, and lifestyle on investment decisions of generation Z in Malang City. By understanding the complex relationship between these factors, it is hoped that this study can provide useful insights in developing more effective financial education programs and supporting generation Z to become smarter and more responsible investors.

LITERATURE REVIEW

Investment decisions are corporate expenditures to purchase capital goods and production equipment to increase the ability to produce goods and services in the economy (Sukirno, 2004). Financial planning is a process in which a person or individual seeks to achieve his or her financial goals through the creation and implementation of a comprehensive financial plan (Prita Hapzari Ghozie, 2014). Financial literacy is the ability to control the money you have, so that you can live better and get better results in the future (Otoritas Jasa Keuangan, 2013). Education Level is an activity carried out by a person in developing his/her abilities, attitudes and forms of behavior, both for future life, whether through a particular organization or not (Wirawan, 2016). Income is an indicator for measuring the welfare of an individual or society, so that this community income reflects the economic progress of a society (Lumintang, 2013). states that lifestyle is a person's pattern of living in the world which is expressed through their activities, interests and opinions (Sangadji & Sopiah, 2013).

The influence of financial literacy on investment decisions.

In the study (Upadana & Herawati, 2020) stated that financial literacy has a positive effect on students' investment decisions. So it can be concluded that the higher the financial literacy of students, the better the students' investment decisions. (Dewi & Purbawangsa, 2018) also stated that financial literacy has a significant positive effect on individual investment decision behavior. This means that the higher the level of financial literacy, the better the individual's investment decision behavior.

H_1: Financial literacy has a significant positive influence on investment decisions of generation Z in Malang City.

The influence of education level on investment decisions.

If a person is highly educated, then that person will be able to manage his wealth as a source for investment. In addition, investment will help someone in running a business and paying off debts (Valina Puby, 2015). In this case, education greatly influences investment decisions, but not all education has a positive effect on investment decisions. It depends on how a person is able to manage his finances for investment.

H_2: Education level has a significant positive effect on investment decisions of generation Z in Malang City.

The influence of income level on investment decisions.

Based on the results of the discussion of the research conducted by (Tri Yundari & Dwi Artati, 2021) that Income has a positive and significant effect on investment decisions. This shows that the better the income, the more it is followed by an increase in investment decisions. In line with the results of research conducted by (Mertha et al, 2018) income has a significant positive effect on individual investment decision behavior. This means that the higher a person's income, the better the individual's investment decision behavior.

H_3: Income level has a significant positive effect on investment decisions of generation Z in Malang City.

The influence of lifestyle on investment decisions.

(Putri, 2018) stated that lifestyle influences investment decisions in productive age employees. This happens because lifestyle shapes a person's behavior in spending money and using their time. When they are working and earning income, not only are basic needs met but they also have the desire to meet tertiary needs.

H_4: Lifestyle has a significant positive influence on investment decisions of generation Z in Malang City.

The influence of financial planning on investment decisions.

Financial planning has a positive effect on investment decisions, this is in line with research conducted by (Upadana & Herawati, 2020) which states that financial planning has a positive effect on investment decisions. The objects of research taken by Upadana were students at Udayana University and Ganesha University of Education Bali. These results show that both students and existing UMKM stated that financial planning is one of the variables considered in deciding to invest in the midst of the Covid-19 pandemic which has resulted in economic uncertainty.

H_5: Financial planning has a significant positive influence on investment decisions of generation Z in Malang City.

The influence of financial literacy on investment decisions with financial planning as a moderating variable.

(Warsono, 2010) stated that financial literacy is the extent of knowledge and implementation of a person or society in managing their personal finances. Individuals who have good financial literacy will make the right choices in dealing with financial problems that have been faced. Financial literacy occurs when an individual has a set of skills and abilities that result in the individual being able to utilize existing financial resources to achieve the desired goals (Houston, 2010). If someone is good at managing their financial resources, financial planning in the family can run well and the results can be felt in the future. If someone has less knowledge about finance, this condition becomes a serious problem for individuals and society.

H_6: Financial planning can influence the relationship between financial literacy and investment decisions of generation Z in Malang City.

The influence of education level on investment decisions with financial planning as a moderating variable.

(Rahma Masdar & Zaiful, 2011) explained that one of the reasons why many people do not carry out personal financial planning is because of the lack of education about personal finance in the formal education level that people receive, education about finance only stops at the basic level, namely the recommendation to save, but is not continued with other skills that will support a person's decisions in finance.

H_7: Financial planning can influence the relationship between education level and investment decisions of Generation Z in Malang City.

The influence of income level on investment decisions with financial planning as a moderating variable.

This is proven by research (Rahma Masdar & Zaiful, 2011) showing that income levels affect family financial planning, low family income so that spending priorities are only on basic needs. There is still no planning carried out by the family, marked by the family's lack of prosperity in meeting basic needs.

H_8: Financial planning can influence the relationship between income levels and investment decisions of Generation Z in Malang City.

The influence of lifestyle on investment decisions with financial planning as a moderating variable.

Research by (Azizah & Indrawati, 2015), (Pulungan & Febriaty, 2018), and (Putri & Lestari, 2019) states that lifestyle has a positive influence on financial behavior, where the higher the lifestyle of students, the higher their consumptive behavior. This shows that lifestyle is related to the way a person plans their finances. Where a luxurious lifestyle tends to be wasteful, on the other hand a simple lifestyle shows frugal behavior (Parmitasari et al., 2018). So the lower a person's lifestyle, the better their level of financial planning.

H_9: Financial planning can influence the relationship between lifestyle and investment decisions of generation Z in Malang City.

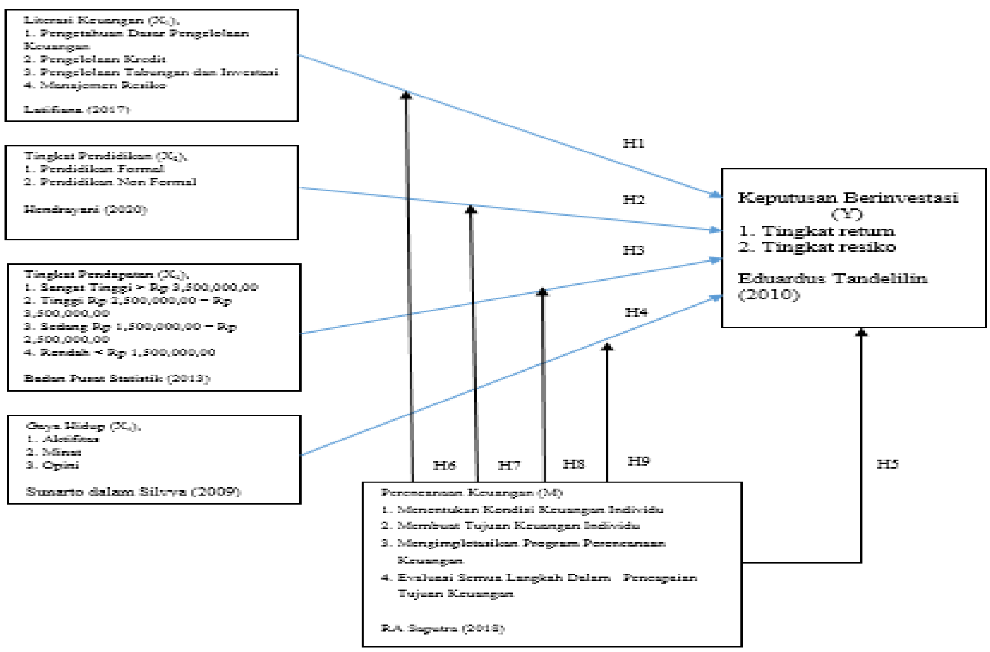

Figure 1 Research model

Source: Processed by Researcher (2025)

RESEARCH METHOD

This study uses a quantitative descriptive method with a sample size of 101 respondents, namely generation Z in Malang City. This design aims to understand the relationship between the variables studied, namely financial literacy, education, income, lifestyle, financial planning, and investment decisions.

Data were collected through a questionnaire consisting of a number of closed and open questions. This questionnaire is designed to measure financial literacy, education level, income level, lifestyle, financial planning, and investment decisions. The questionnaire will be tested for validity and reliability before being distributed.

Descriptive Statistics: Used to provide an overview of the characteristics of respondents, including the frequency distribution, mean, and standard deviation of each variable studied. Validity and Reliability Test Before further analysis, the questionnaire will be tested to ensure that the instruments used are valid and reliable. Multiple Regression Analysis: Used to test the effect of financial literacy, education, income, and lifestyle on investment decisions. This regression model will also be used to test the moderating effect of financial planning. Research data processing This will be done using statistical software such as SPSS.

Characteristics Based on Gender

Tabel 1. Frequency Distribution of Respondents by Gender

No.	Gender	Total	Percentage
1.	Female	53	52,5%
2.	Male	48	47,5%
	TOTAL	**101**	**100%**

Source: Processed by Researcher (2025)

it can be seen that the comparison between male and female respondents is not that big, only a difference of 5 people more female respondents with a total of 53 people. Based on these data, it shows that the research sample is dominated by women.

Characteristics Based on Age

Tabel 2. Frequency Distribution of Respondents by Age

No.	Age	Total	Percentage
1	17-20 years	63	62,4%
2	21-25 years	38	37,6%
	TOTAL	**101**	**100%**

Source: Processed by Researcher (2025)

It is known that respondents aged 21-25 years were 38 respondents, that the majority of respondents came from Generation Z of Malang City aged 17-20 years with a total of 63 respondents or 62.4% of the total.

Characteristics Based on Last Education

Tabel 3. Frequency Distribution of Respondents Based on Last Education

No	Last Education	Total	Percentage
1.	Middle School	0	0%
2.	High School	50	49,50%
3.	Diploma	4	4,0%
4.	(S1/D4)	47	46,5%
	TOTAL	**101**	**100%**

Source: Processed by Researcher (2025)

It is known that the respondents with the highest education level are high school, as many as 50 people, followed by the highest education level is Bachelor's degree (S1/D4) as many as 47 people. The highest education level is Diploma as many as 4 people.

Characteristics Based on Income Sources

Tabel 4. Frequency Distribution of Respondents Based on Income Source

No	Source of Income	Total	Percentage
1.	Parental Gifts	56	55,4%
2.	Salary	28	27,7%
3.	Business Results	14	13,8%
4.	Investment Results	3	2,9%
	TOTAL	**101**	**100%**

Source: Processed by Researcher (2025)

It is known that the respondents with the most income came from parental gifts as many as 56 people or 55.4%, then followed by income from salaries as many as 28 people. Income from business results 14 people. And the smallest is from investment results as many as 3 people.

Characteristics Based on Income Level

Tabel 5. Frequency Distribution of Respondents Based on Income Level

No	Income Level	Total	Percentage
1.	> Rp 3.500.000	17	16,8 %
2.	Rp 2.500.000 s/d Rp 3.500.000	11	10,9 %
3.	Rp 1.500.000 s/d Rp 2.500.000	22	21,8 %
4.	< Rp 1.500.000	28	27,7 %
5	No Income	23	22,8 %
	TOTAL	101	100 %

Source: Processed by Researcher (2025)

the most respondents with income levels < Rp 1,500,000 as many as 28 people or 27.7%, then followed by no income as many as 23 people. Income levels of Rp 1,500,000 to Rp 2,500,000 as many as 22 people. Next is the income level > Rp 3,500,000 as many as 17 people. And the smallest is the income level of Rp 2,500,000 to Rp 3,000,000 as many as 11 people.

Characteristics Based on Investment Decisions

Tabel 6. Frequency Distribution of Respondents Based on Investment Decisions

No	Type of Investment	Total	Presentase
1.	Gold	42	41,5%
2.	Deposits	9	8,9%
3.	Mutual Funds	14	13,8%
4.	Bonds	2	1,9%
5.	Stocks	28	27,7%
6.	Cryptocurrency	6	5,9%
	TOTAL	**101**	**100%**

Source: Processed by Researcher (2025)

respondents invested the most in gold as many as 42 people or 41.5%, then followed by stock investment as many as 28 people. Mutual fund investment as many as 14 people. Deposit investment was chosen by 9 respondents. Respondents chose cryptocurrency investment as many as 5 people. And the smallest is the type of bond investment as many as 2 people.

RESULT

The results of the Moderated Regression Analysis (MRA) multiple linear regression test show that the variables of financial literacy (X1), education level (X2), income level (X3) and lifestyle (X4) together have a significant effect on investment decisions of generation Z in Malang City. This is indicated by a sig value of 0.000 <0.05. Partially, financial literacy (X1) has a significant positive effect on investment decisions of generation Z in Malang City. This is indicated by a sig value of 0.000 <0.05. The education level variable (X2) has a significant negative effect on investment decisions of generation Z in Malang City. This is indicated by a sig value of 0.000 <0.05. The income level variable (X3) has a positive effect on investment decisions of generation Z in Malang City. While the lifestyle variable (X4) is indicated by a sig value of 0.000> 0.05. The results of the interaction test analysis show that the financial planning variable is able to strengthen the influence of the financial literacy variable (X1), education level (X2), income level (X3) and lifestyle (X4) on the investment decisions of generation Z in Malang City. This is indicated by the sig value (X1M 0.009 <0.05; X2M 0.026 <0.05; X3M 0.033 <0.05; X4M 0.005 <0.05). Based on the test results, financial planning is able to strengthen the influence of financial literacy, education level, income level and lifestyle on the investment decisions of generation Z in Malang City.

Tabel 7. Statistical Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,371	1,636		2,672	,009
	Literasi Keuangan	,275	,046	,322	6,002	,000
	Tingkat Pendidikan	-,213	,047	-,247	-4,535	,000
	Tingkat Pendapatan	,230	,047	,286	4,895	,000
	Gaya Hidup	,367	,068	,307	5,366	,000
	Perencanaan Keuangan	,100	,047	,102	2,144	,035
	Literasi Keuangan*Perencanaan Keuangan	,021	,008	,153	2,659	,009
	Tingkat Pendidikan*Perencanaan Keuangan	,027	,012	,127	2,261	,026
	Tingkat Pendapatan*Perencanaan Keuangan	,027	,013	,136	2,168	,033
	Gaya Hidup*Perencanaan Keuangan	,047	,016	,170	2,853	,005

a. Dependent Variable: Keputusan Investasi

Source: Processed by Researcher (2025)

DISCUSSION

This study found that financial literacy, education level, income level, and lifestyle significantly influence investment decisions of Generation Z in Malang City. Financial planning is proven to be a moderating variable that strengthens the relationship between these variables and investment decisions. Specific findings indicate that: Financial literacy has a significant positive effect on investment decisions. Education level also improves an individual's ability to plan and manage investments. Higher income levels encourage better investment behavior. A consumptive lifestyle can hinder investment, while a lifestyle exposed to positive information encourages investment interest.

The results of this study indicate the importance of financial literacy as a foundation in making investment decisions. Generation Z who have high financial literacy tend to be able to understand the risks and potential benefits of investment, thus making more mature decisions. In addition, higher education provides the insight needed to plan finances effectively, while sufficient income ensures the availability of resources to invest. A lifestyle that tends to be consumptive indicates that financial habits and consumption patterns must be managed properly to support long-term goals.

The results of this study support the theory of Consumer Behavior, which explains that investment decisions are influenced by the level of literacy and financial behavior of individuals. In accordance with research by Lusardi & Mitchell (2014), financial literacy was found to be a key factor influencing investment decision making. This finding is also in line with research by Chen & Volpe (1998), which states that better financial education improves investment understanding. In the context of lifestyle, this finding is relevant to research by Kotler & Keller (2012), which shows that a person's lifestyle influences their financial activities. This study also complements previous studies such as those conducted by Prabowo (2023), which found that access to information through technology influences the investment behavior of Generation Z. With these results, the study contributes to the existing literature by emphasizing the importance of integrating financial literacy, education, and income in supporting investment decisions of the younger generation.

CONCLUSION

This study has shown that financial literacy, education level, income level, and lifestyle have a significant influence on investment decisions of generation Z in Malang City. The results of the study confirm the importance of financial literacy and education in shaping an individual's understanding of investment. In addition, financial planning is proven to function as a moderation that strengthens the relationship between these variables and investment decisions. These findings indicate that generation Z who have good financial knowledge and thorough planning are more able to make smart and responsible investment decisions.

Financial Literacy Improvement: A more structured and comprehensive financial education program is needed for generation Z. Schools and educational institutions must integrate financial literacy into the curriculum to equip students with the necessary knowledge.

Financial Planning Training: Organizations and government institutions can hold workshops or seminars on practical financial planning, so that generation Z can learn how to manage their finances well.

Financial Application Development: Third parties, such as fintech, can develop applications that help generation Z plan and manage their investments in a more interactive and engaging way.

Further Research: Further research is recommended that includes a larger and more diverse sample and explores other factors that may influence Gen Z's investment decisions, such as social media and peer influence.

Investment Awareness Campaign: An awareness campaign is needed to encourage Gen Z to be more active in investing and understand the importance of investing for their financial future.

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