ALWADIAH 1 (1) (2026)
Al-Wadiah: Jurnal Ekonomi, Bisnis dan Akuntansi Syari'ah
https://journal.iaihnw-lotim.ac.id/index.php/alwadiah/home

The Role of Financial Technology in Personal Financial Management and Unemployment Behavior in Generation Z

Vina Auliatul Maula[1*], Khairul Eva Saputri[2], Mashuri Ramdani[3]

----
*Correspondence:
Vina Auliatul Maula
vnauliaa@gmail.com

[1,2]Accounting Study Program, Sekolah Tinggi Ilmu Ekonomi Mahaputra Riau, Indonesia

[3]International Master of Business Administration, School of Management, College of Business and Law, Adelaide University, Australia

Received: January 18, 2026
Revised: May 24, 2026
Accepted: June 15, 2026
Published: June 29, 2026

DOI:
https://doi.org/10.51806/alwadiah.v1i1.76

Abstract
This research examines the influence of Financial Technology (FinTech) on personal financial management and its association with unemployment behavior among Generation Z. Utilizing a quantitative, explanatory research design, the study analyzes data through Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with Generation Z respondents in Pekanbaru City. The results indicate that FinTech has a positive and significant impact on personal financial management and is significantly related to unemployment behavior. Additionally, unemployment behavior significantly affects personal financial management and partially mediates the relationship between FinTech and financial management outcomes. Theoretically, this research contributes to the literature by integrating financial technology perspectives with the dynamics of the youth workforce. Policy implications underscore the importance of enhancing digital financial literacy and formulating employment policies tailored to Generation Z. The study's originality lies in identifying unemployment behavior as a contextual mediator of FinTech's impact on personal financial management within a comprehensive empirical framework. Overall, the findings confirm that FinTech plays a strategic role in shaping Generation Z's financial behavior in the context of job-market uncertainty.

Keywords: financial management, financial technology, gen Z, unemployment

Introduction

The advancement of Financial Technology (FinTech) has substantially transformed the global financial sector over the past decade. FinTech refers to the application of innovative technologies to deliver financial services and products that are faster, more efficient, and more inclusive than those provided by traditional financial systems. Examples include digital payment services, e-wallets, peer-to-peer lending, and robo-advisors. Since the mid-2010s, FinTech adoption has accelerated globally, particularly among younger generations who are more proficient with digital technology (Agarwal et al., 2024). FinTech not only expands access to financial services but also shapes individual approaches to personal finance, including planning, budgeting, investing, and debt management. Generation Z (born 1997–2012), having grown up with digital technology, exhibits distinctive patterns in personal financial behavior. This cohort relies heavily on digital applications for daily transactions, such as e-wallets, online purchases, digital investments, and personal budgeting tools (Elsalonika & Ida, 2025). This reliance indicates a structural shift in personal financial management, with technology becoming central to financial behavior. Prior research (Dewi, 2025; Purba et al., 2025; Setiawati, 2025) suggests that FinTech adoption improves efficiency and discipline in financial management among Generation Z. Nevertheless, increased FinTech use also presents challenges, including greater consumption risks, debt accumulation, and inadequate structured savings habits (Satrio et al., 2025).

Macroeconomic factors, such as youth unemployment rates, play a significant role in shaping individual financial behavior. According to The Washington Post (2024), global and regional data indicate that young people, including Generation Z, often face economic uncertainty and stigma related to job instability. In this context, unemployment behavior—whether arising from personal choice or structural labor-market factors—has important implications for motivation and financial priorities. *The prevalence of the gig economy,* fluctuating job markets, and flexible work preferences among Generation Z further complicate the relationship between employment conditions and personal financial decisions (Haq, 2022). These dynamics can also lead to disguised unemployment, in which individuals appear unemployed even while participating in alternative forms of work. Although this phenomenon is increasingly observed among young people, its prevalence varies. Effective personal financial management is therefore critical for Generation Z to address or prevent unemployment behavior.

While extensive literature explores the relationships among financial literacy, FinTech use, and financial behavior in younger cohorts (Elsalonika & Ida, 2025; Purba et al., 2025; Setiawati, 2025), systematic analysis of the interconnected roles of FinTech, personal financial management, and unemployment behavior in Generation Z remains limited. Addressing this gap is essential, given the dynamic labor market and high FinTech adoption among Generation Z, which can inform financial inclusion policies, educational strategies, and job creation programs tailored to their needs. Contemporary management research increasingly conceptualizes personal financial management as the result of multidimensional interactions among individual capabilities, institutional contexts, and the digital environment. From *behavioral finance* and *technology acceptance perspectives, FinTech serve*s not only as a transactional tool but also as a mechanism for shaping financial behavior (Sarstedt et al., 2020). For Generation Z, FinTech implementation can establish new pattern*s in personal financial management, as ease of access, real-time* feedback, and financial gamification influence how individuals plan, allocate, and assess their financial resources (Xiao & O'Neill, 2016).

The unemployment phenomenon among Generation Z is increasingly interpreted not solely as a labor-market failure but as part of a nonlinear strategy influenced by preferences for flexibility, digital entrepreneurship, and participation in *the gig economy* (Agarwal, S. et al., 2024; Ashford, S. et al., 2018). This context presents complex managerial implications: unemployment or job instability may increase reliance on FinTech for financial management, while also elevating the risk of financial imbalance if not accompanied by adequate planning. *The novelty* of this research lies in its conceptual integration of FinTech, personal financial management, and unemployment behavior among Generation Z within a comprehensive management analysis framework. In contrast to previous studies (Ashford, S. et al., 2018; Gomber, P. et al., 2018; Gozman et al., 2018), which examined these relationships in isolation, this research positions unemployment behavior as a contextual factor that can either strengthen or weaken FinTech's influence on personal financial management practices.

This approach extends the management literature by conceptualizing financial technology as both an operational innovation and a strategic factor that interacts with labor-market dynamics and Generation Z's characteristics. The study investigates the role of FinTech in Generation Z's personal financial management and its relationship with unemployment behavior. By integrating perspectives on financial technology and employment dynamics, this research aims to broaden academic understanding of the factors shaping young people's financial behavior and to provide managerial and policy recommendations for governments, financial institutions, and FinTech service providers to support Generation Z's economic well-being.

Method

This study uses a quantitative approach with an explanatory research design that aims to examine the causal relationship between financial technology (FinTech), personal financial management, and unemployment behavior in Generation Z. The quantitative approach was chosen because it is suitable for testing latent variable-based theoretical models and allows for empirical generalization of findings (Hair et al., 2022). Cross-sectional data collection was used for a specific time period. The study population comprised Generation Z individuals aged 18–27 years residing in Pekanbaru. This age group was chosen because it represents individuals who have access to FinTech services and are in a crucial transition phase into the workforce. The sample size was determined based on the minimum sample size for Structural Equation Modeling (SEM). Referring to (Hair et al., 2022).

Results and Discussion

Data analysis was performed using Structural Equation Modeling based on Partial Least Squares (SEM-PLS) with SmartPLS. Evaluation of the measurement model showed that all indicators had outer loadings above 0.70, Average Variance Extracted (AVE) values above 0.50, and Cronbach's alpha and composite reliability values exceeding 0.70. These findings indicate that the constructs of Financial Technology, Personal Financial Management, and Unemployment Behavior have met the criteria for convergent validity and reliability recommended in the SEM-PLS literature.

Table 1. Evaluation of the Outer Model

Construct	**Indicator**	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Financial Technology	FT1	0.82			
Financial Technology	FT2	0.85			
Financial Technology	FT3	0.79	0.88	0.91	0.63
Personal Financial Management	MKP1	0.81			
Personal Financial Management	MKP2	0.84			
Personal Financial Management	MKP3	0.78	0.86	0.90	0.60
Unemployment Behavior	PP1	0.80			
Unemployment Behavior	PP2	0.83			
Unemployment Behavior	PP3	0.77	0.85	0.89	0.58

Table 2. Path Coefficients and Hypothesis Tests

Hypothesis	**Track**	**Coefficient (β)**	**t-statistic**	**p-value**	**Decision**
H1	FT → MKP	0.36	5.12	<0.001	Accepted
H2	FT → PP	0.42	6.03	<0.001	Accepted
H3	PP → MKP	0.31	4.47	<0.001	Accepted

Based on the table above, the research results indicate that Financial Technology is positively and significantly associated with Generation Z's personal financial management. This finding supports the argument that FinTech has evolved beyond a transactional tool to become a mechanism that shapes individual financial behavior. For Generation Z, as *digital natives*, frequent interaction with digital financial applications influences how they plan, manage, and evaluate daily financial decisions. Theoretically, this can be explained by the *technology-enabled financial behavior approach*, which posits that financial technology reduces cognitive and structural barriers to financial management (Lustein, D. et al., 2019). Features such as automated transaction recording, cash flow visualization, and real-time notifications enable individuals to continuously monitor their finances, even without advanced financial literacy. In this context, FinTech partially compensates for limitations in formal financial competency, particularly among younger age groups.

These findings align with research suggesting that FinTech adoption increases engagement in financial planning and supports more informed economic decision-making (Agarwal et al., 2024; Venkatesh et al., 2016). However, this positive relationship is contextual and should not be generalized normatively. Behavioral finance literature indicates that FinTech use can also promote excessive consumption and risk-taking if not accompanied by self-control and a long-term financial perspective (Satrio et al., 2025). Therefore, the results do not imply that FinTech inherently improves financial management quality, but rather that, for Generation Z, FinTech can contribute positively when used as a planning and control tool rather than solely for instant consumption. The study also finds a significant association between FinTech and Generation Z's unemployment behavior. This represents a key empirical contribution, as most prior FinTech research has focused on financial inclusion and consumption, with limited attention to employment dynamics.

This relationship should not be interpreted as evidence that FinTech increases unemployment. Instead, the findings suggest that access to and use of FinTech influence individuals' perceptions of economic risk and job instability. From a behavioral economics perspective, FinTech can provide *a perceived financial buffer, reducing* short-term economic stress and enabling Generation Z to tolerate periods of unemployment or job instability (Haq, 2022). This is consistent with research by Tomlinson, M. (2021) and Wood, A.J., et al. (2019) on *boundaryless careers* and *the gig economy,* which show that younger generations increasingly view unemployment as a transitional phase in career exploration rather than a structural failure. In this context, FinTech serves as an *enabling infrastructure* that supports career flexibility through ease of transactions, access to alternative platform-based income, and financial management during job uncertainty. However, the positive relationship between FinTech and unemployment behavior has ambivalent implications. While this flexibility can enhance individual autonomy in career decisions, a high tolerance for unemployment may delay human capital accumulation and long-term income stability (Philippon, T., 2019).

Thus, these results should be interpreted as reflecting the structural transformation of the digital labor market, rather than as normative recommendations for unemployment behavior. Significantly related to Generation Z's personal financial management. This relationship confirms that job insecurity not only impacts psychological and social aspects but also influences individual financial management strategies. In the context of Generation Z, awareness of the risk of unemployment encourages the adoption of more adaptive and defensive financial strategies. *In a finance framework*, income uncertainty increases the preference for liquidity and emergency savings and encourages control over non-essential spending (Xiao & O'Neill, 2016). The findings of this study support the argument that personal financial management serves as an adaptation mechanism to labor market risks, particularly among younger age groups facing relatively high job instability. It is important to emphasize that this relationship is not linear or universal. Unemployment behavior accompanied by low financial literacy or self-control can actually worsen financial conditions. Therefore, the results of this study emphasize the importance of distinguishing between unemployment as a structural condition and unemployment as an economic behavior accompanied by risk awareness and financial management strategies.

An indirect effect test was conducted to further examine the relationship between financial technology and personal financial management (indirect effect = 0.13; $p < 0.001$). This result confirms that the influence of financial technology on Generation Z's financial management operates both directly and through changes in individual attitudes and perceptions related to unemployment.

Table 3. Mediation Test (Bootstrapping Indirect Effect)

Mediation Path	Indirect Effect	t-statistic	p-value	Conclusion
FT→ PP→MKP	0.13	3.89	<0.001	Significant Partial Mediation

The mediation analysis in Table 3 shows that unemployment behavior partially mediates the relationship between Financial Technology and personal financial management. This finding makes a significant theoretical contribution by demonstrating that FinTech's impact on Generation Z's financial behavior is not solely direct but also occurs through changes in attitudes and perceptions of employment conditions. This partial mediation suggests that FinTech enhances perceived financial control, enabling individuals to manage their finances more adaptively amid job-market uncertainty.

Consequently, financial technology and employment dynamics are interconnected domains influencing Generation Z's financial behavior. This result advances the management literature by integrating FinTech, unemployment behavior, and financial management within a unified empirical framework.

Conculsion

This study examines the role of Financial Technology (FinTech) in personal financial management and its association with unemployment behavior among Generation Z. Employing the SEM-PLS method, the findings reveal that FinTech has a positive and significant effect on Generation Z's personal financial management. Digital financial technology enhances individuals' capacity to plan, control expenses, and make daily financial decisions. The results also indicate that FinTech significantly influences unemployment behavior, reflecting a relationship between its use and individual attitudes toward employment conditions. Furthermore, unemployment behavior significantly affects personal financial management and partially mediates the relationship between FinTech and financial management. This demonstrates that FinTech's impact on Generation Z's financial management is both direct and mediated by individual adaptation to job uncertainty. The study makes an empirical contribution by identifying unemployment behavior as a contextual factor in personal financial management. Based on these findings, several recommendations are offered. FinTech service providers should develop products and features that support planned financial management, such as budgeting, savings, and financial education, beyond facilitating transactions. Governments and educational institutions should enhance financial literacy programs tailored to Generation Z and the evolving job market, integrating financial education with job readiness and unemployment risk management. Future research should consider additional variables, such as financial literacy, income, or career orientation, and utilize diverse research methods to achieve a more comprehensive understanding of financial behavior.

Acknowledgments

-

Funding

-

Generative AI Statement

During the preparation of this manuscript (claude) was used exclusively to assist with grammar and sentence structure correction. Subsequently, the entire manuscript was independently reviewed, edited, and re-verified by the author.

Author Contributions

Maula: conseptualization, methodology, data curation, data analysis, writing a script; Saputri: validation, writing script, editing, data analysis, project administration. **Ramdani:** Visualization, data curation, review and editing.

Conflict of Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Reference

Agarwal, S., Ghosh, P., & Chatterjee, R. (2024). Fintech adoption and financial behavior among digital natives. *Journal of Business Research*, *168*, 114021. https://doi.org/10.1016/j.jbusres.2024.114021.

Agarwal, S., Qian, W., Yeung, B. Y., & Zou, Y. (2024). Financial technology, financial inclusion, and household financial behavior. *Journal of Financial Economics*, *153*(2), 103–125. https://doi.org/10.1016/j.jfineco.2023.09.004

Ashford, S. J., Caza, B. B., & Reid, E. M. (2018). From surviving to thriving in the gig economy: A research agenda for individuals in the new world of work. *Research in Organizational Behavior*, *38*, 23–41. https://doi.org/10.1016/j.riob.2018.11.001

Dewi, A. K. (2025). Financial Literacy and Digital Savings Behavior of Gen Z in the Fintech Era: A Systematic Literature Review. *Journal of Banks and Financial Institutions*. https://doi.org/10.70764/gdpu-jbfi.2025.1(2)-09

Elsalonika, A. & Ida. (2025). Perilaku keuangan Generasi Z: Peran penerapan financial technology, literasi keuangan, dan efikasi diri. *Jurnal Manajemen Bisnis Dan Kewirausahaan*, *9*(2), 365–379. https://doi.org/10.24912/jmbk.v9i2.32838

Gomber, P., Koch, J.-A., & Siering, M. (2018). Digital finance and FinTech: Current research and future research directions. *Journal of Business Economics*, *87*(5), 537–580. https://doi.org/10.1007/s11573-017-0852-x

Gozman, D., Liebenau, J., & Mangan, M. (2018). The innovation mechanisms of FinTech start-ups: Insights from SWIFT's innotribe competition. *Journal of Management Information Systems*, *35*(1), 145–179. https://doi.org/10.1080/07421222.2018.1440768

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage.

Haq, R. L. A. (2022). Preferensi pengangguran dan dinamika karir Generasi Z. *PSI Journal*, *7*(1), 45–58.

lustein, D. L., Kozan, S., & Connors-Kellgren, A. (2019). Unemployment and underemployment: A narrative analysis about loss. *Journal of Vocational Behavior*, *110*, 119–210. https://doi.org/10.1016/j.jvb.2018.06.008

Philippon, T. (2019). *On FinTech and financial inclusion*. NBER. https://doi.org/10.3386/w26330

Purba, I. B. G. I. W., Mandasari, I. C. S., & Sumiartini, A. R. (2025). The Effect of Fintech Use on Personal Financial Management With Trust as a Mediating Variable in Generation Z. *Al-Kharaj: Journal of Islamic Economic and Business*. https://doi.org/10.24256/kharaj.v7i4.8390

Sarstedt, M., Ringle, C. M., & Hair, J. F. (2020). Partial Least Squares Structural Equation Modeling. In *Handbook of Market Research* (pp. 587–632).

Satrio, J. S., Supeni, R. E., & Wijayantini, B. (2025). Analisis Literasi Keuangan, Layanan Fintech dan Gaya Hidup terhadap Perilaku Keuangan Gen Z. *MASTER: Jurnal Manajemen Dan Bisnis Terapan*.