

CHAPTER I

INTRODUCTION

1.1 Object Overview

Indonesia is ranked four among every country on Earth in terms of population (Worldometer, 2024). Indonesia's population in 2023 at the end of 31st of December is 278.672.104 million according to Population Today (2024). This concept of population, simply meaning the total number of people residing in a country at a specific time, is a fundamental demographic indicator that influences a nation's socioeconomic development. A large population like Indonesia's can offer various economic advantages. Given that Indonesia is a diverse nation with a sizable population, population policy regulations are crucial. (data.goodstats.id, 2023).

The Central Bureau of Statistics (BPS) released statistical data that reveals the composition of Indonesia's population by age group. The data is the result of the 2020 Population Census and provides a more in-depth explanation of the structure of Indonesia's future generations.

Table 1.1
Indonesia Population Census Result Based on Generation, 2020

No	Generation	Population (in Million)	Percentage (%)
1	Pre-Boomer (Before 1946)	5.03	1.87
2	Baby Boomer (1946-1964)	31.01	11.56
3	Generation X (1965-1980)	58.65	21.88
4	Millennial (1981-1996)	69.38	25.87
5	Generation Z (1997-2012)	74.93	27.94
6	Post Gen Z (After 2013)	29.17	10.88
Total		268.17	100

Source: Badan Pusat Statistik (2021)

The data that was made public indicates that 74.93 million people, or 27.94% of the population, are members of Generation Z. Of this amount, generation Z in South Sumatra has a total number of 2,416,606 (BPS Sumatra Selatan, 2021). This generation is still in their young age to early teens, that is the generation born between 1997 and 2012 (pskp.kemdikbud.go.id, 2021). Generation Z's dominance provides hope for potential progress and change in the future and are the future

leaders of the Indonesian nation (TribunSumsel, 2021). Millennials, born between 1981 and 1996, were followed by around 69.38 million people. Millennials make up the second largest demographic, accounting for 25.87%. Generation X, born between 1965 and 1980, follows with about 58.65 million individuals. In the older age group, Baby Boomers who were born between 1946 to 1964 have a population of around 31.01 million. Post Generation Z and Pre-Boomers, with approximately 29.17 million and 5.03 million respectively (BPS, 2021).

Table 1.2
Indonesia Distribution of Population Based on Region, 2022

Rank	Region	Population (Thousand)	Percentage (%)
1	West Java	49,405.8	17.91
2	East Java	41,150.0	14.92
3	Central Java	37,032.4	13.42
4	North Sumatra	15,115.2	5.48
5	Banten	12,252.0	4.44
6	DKI Jakarta	10,680.0	3.87
7	South Sulawesi	9,225.8	3.34
8	Lampung	9,176.6	3.32
9	South Sumatra	8,657.0	3.13
10	Remaining 29 Provinces	83,079.2	30.12
Total		275,773.8	100

Source: BPS North Sulawesi (2022), Processed by Author (2024)

According to BPS North Sulawesi (2022), Indonesia's population distribution in 2022 is heavily concentrated on the island of Java. West Java, East Java, and Central Java are the top three provinces on Java, home to a substantial portion of the country's population. Nevertheless, the country has a more diversified demography than Java. South Sumatra, for example, ranks ninth out of 38 provinces, accounting for 3.13% of Indonesia's total population in 2022. The statistic emphasizes Java's population dominance while also recognizing pockets of high population density in other regions like South Sumatra.

South Sumatra has a total of 8.46 million population in September 2020, it is a Province in Indonesia that consists of 17 regions, namely, Banyu Asin, Empat Lawang, Lahat, Lubuk Linggau, Muara Enim, Musi Banyuasin, Musi Rawas, Ogan Ilir, Ogan Komering Ilir, Ogan Komering Ulu Selatan, Ogan Komering Ulu Timur, Pagar Alam, Palembang, Penukal Abab Lematang Ilir, and Prabumulih (BPS

Sumatra Selatan, 2021). The details of the population distribution in South Sumatra can be seen on the figure 1.1 below.

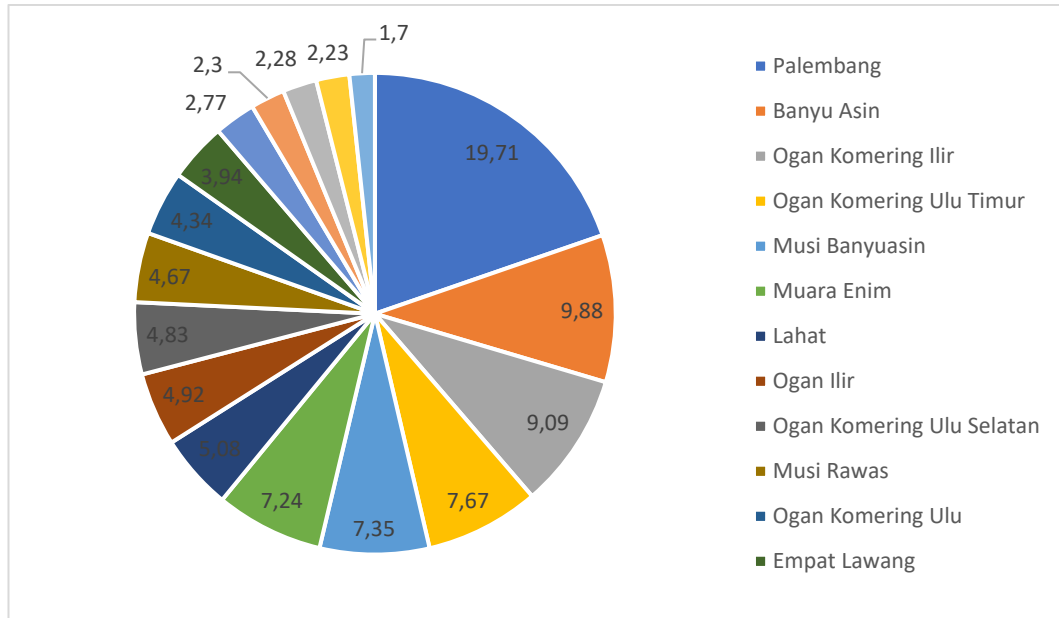


Figure 1.1 Distribution of South Sumatra Population by Region, 2020

Source: BPS Sumatera Selatan (2021)

According to the 2020 census statistics, out of a total of 2.41 million residents in South Sumatra, 28.54% are Generation Z, indicating that the makeup of the Province’s population is dominated by Generation Z compared to other generations (BPS Sumatra Selatan, 2021). As a result, Generation Z residents of the South Sumatra Province area were chosen as the object of this study. Below is the detailed information regarding the total distribution of each generation in South Sumatra Province.

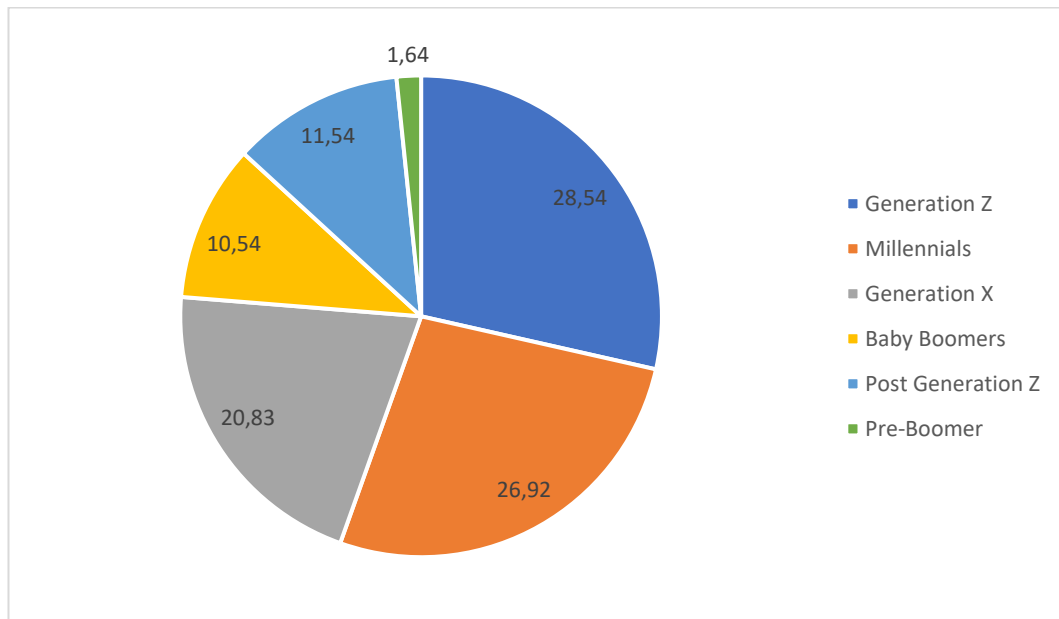


Figure 1.2 Population Composition by Generation, 2020

Source: BPS Sumatera Selatan (2021)

Generation Z is currently one of the most influential demographics in the world. With the huge potential they bring, Gen Z personalities are more diversified and global in nature, influencing the culture and attitudes of most people. One element that jumps out is Gen Z's ability to incorporate technology advancements into all facets of their lives, they utilize technology as easily as they breathe (pskp.kemdikbud.go.id, 2021). Generation Z has grown up in an era where digital technology has become a part of everyday life. Public policy observer from Sriwijaya University, Andreas Leonardo, said that Generation Z is the future leader of Indonesia, according to him, this generation will face the challenges of digital-based globalization (TribunSumsel, 2021).

Generation Z is vulnerable in terms of consumption by actively engaging in online shopping and digital consumption and most Gen Z accesses social media for more than three hours a day (goodstats.id, 2023). For information, product selection, and payment, they mostly rely on smartphones and tablets. They are highly informed and make pragmatic and analytical decisions, often conducting their research and reading reviews before making a purchase (Paczka, 2020). As

much as 98% of Generation Z owns a smartphone, so it is only natural that they make purchases through this device (doku.com, 2023).

Given that Generation Z makes up most of the population in South Sumatra Province and that it presents both opportunities and challenges, the writer is encouraged to concentrate their research on this group in South Sumatra, as they represent as one of the largest demographic groups that can benefit Indonesia as part of the nation.

1.2 Research Background

A notable change in financial behaviour has been brought about by Indonesia's inclusion into the global economy through trade, foreign investment, and technological advancements. Exposure to a broader range of products and services has not only raised knowledge of financial planning and investment prospects but has also spurred an increase in consumer spending. The convenience of digital payment systems and credit availability can lead to impulsive spending, but the intricacies of modern financial products need financial knowledge to prevent problems. On the bright side, globalization has created opportunities to diversify investment portfolios beyond traditional approaches, resulting to higher financial returns (gramedia.com, 2021). However, challenges remain, easy credit can lead to debt accumulation, and the rise of online financial services brings the risk of scams. Unequal distribution of benefits, where some struggle to compete in the global market, further complicates the financial landscape. Due to this, financial management is crucial for individuals because it empowers them to take control of their financial well-being.

Indonesia is experiencing a unique demographic window, with a sizable youth population. Over 70% of its population are between the ages of 15 and 64, providing an excellent chance for economic growth. Within this youthful demographic, Generation Z, born between 1997 and 2012, is the biggest group, accounting for 27.94% of the overall population. Places them ahead of even Millennials, highlighting their importance in determining Indonesia's future (BPS, 2021). Unlike earlier generations, Generation Z grew up following of the 1998 political changes, which cultivated a more open and technologically native

worldview. Their expertise in technology puts them as significant drivers of innovation and entrepreneurship, with the potential to revolutionize Indonesia's economy. Moreover, their social conscience and increased understanding of global concerns make them a formidable force for constructive changes (pskp.kemdikbud.go.id, 2021). Additionally, Gen Z's political engagement and choices will have a big impact on the country's future (feb.upstegal.ac.id, 2024).

Unlike earlier generations, Gen Z values flexible, purpose-driven professions, which makes the gig economy and remote work appealing, yet job security and financial stability remain critical (froyonion.com, 2023). This is where FinTech becomes important. Gen Z, as digital natives who are familiar with mobile applications, is an ideal target for FinTech start-ups that provide budgeting apps, micro-investment platforms, and mobile loans (investortrust.id, 2023). Traditional financial institutions may not meet their needs, but FinTech bridges the gap by providing accessibility through mobile solutions, financial literacy tools incorporated inside applications, and alternative credit scoring systems for financial inclusion.

The rise of the digital world has prepared the door for the growth of Financial Technology firms (investortrust.id, 2023). As internet and mobile phone usage have increased, customer preferences have evolved toward quick, online financial solutions. Traditional institutions, sometimes hampered by legacy infrastructure and cumbersome procedures, struggled to adapt. This void provided a tremendous opportunity for FinTech start-ups. FinTech start-ups used technology to provide innovative solutions for the digital generation. Easy-to-use smartphone apps have replaced paper forms and in-person visits, making financial services such as payments, money transfers, and even micro-investing more accessible (Verihubs, 2022). This is evident with the findings of Erlangga & Krisnawati (2020) stating that fintech payments have grown rapidly and students in the Bandung area have adopted the technology as a medium of transaction for their daily needs.

FinTech firms benefit from the massive amounts of data created in the digital age. It allows businesses to develop financial products and services that are more carefully customized to the needs and preferences of a diverse group of

clienteles. Essentially, the expansion of the digital world led to a need for quicker, easier, and more accessible financial services, fintech businesses responded to this need by providing creative, technologically advanced solutions. With user-friendly mobile apps of FinTech, Gen Z can now manage their money on the go, make payments seamlessly, and even explore micro-investing opportunities (Ulam Labs, 2024). The move to digital money allows consumers to actively engage in the financial ecosystem. However, it is critical to recognize that convenience alone may not automatically translate into better saving behaviour.

While Indonesia boasts a young and productive population, a closer look reveals a shortcoming, its national saving rate. Despite recent increases, statistics show Indonesia lags behind some of its regional peers.

Table 1.3
Gross Domestic Savings Ranking Based on Countries 2022

Rank	Country	Gross savings (% of GDP)
1	Brunei Darussalam	50%
2	China	46%
3	Singapore	43%
4	Vanuatu	41%
5	Indonesia	37%

Source: The World Bank (2022), Processed by Author

According to World Bank data, Indonesia's gross domestic savings reach 37% of GDP in 2022. Unfortunately, this percentage pales in compared to nations like Singapore, which has hovered around 43%, and Brunei Darussalam, which has recently reached 50%. This disparity shows that a large proportion of Indonesians, particularly Generation Z, may not be saving as much as their peers in neighbouring nations. To successfully encourage Generation Z to save for the future and assist Indonesia's long-term economic growth, authorities and financial institutions must first understand the inequalities in saving behaviour.

A financial behaviour survey was conducted in Indonesia from September 6 to September 12, 2021, on 5,204 respondents by the Katadata Insight Center (2021). The purpose of this survey is to look at the financial situations, financial habits, and investing attitudes of Generation Z and Generation Y. The results of this survey include an assessment of Generation Z's saving habits and their financial

management behaviour. 1,692 respondents were shown seven statements, and they were asked to select the one that best characterized each one.

As per the first assertion, 46.2% of participants purchased necessities only. Then, 24.8% of all respondents could set aside money especially for necessary or fixed costs like utilities or rent. It is unfortunate, though, because just 21% of Generation Z respondents first saved money, and 40.4% of respondents said they hardly ever saved money. Just 19.1% of Generation Z keeps accounts for savings and accounts for everyday necessities separate, and 17.7% of respondents always allocate their money to tiny categories like entertainment, bills, and consumption. The next statement's results show that just 16.5% of respondents consistently keep thorough spending records, with the remaining 33.1% rarely do so. According to the last statement, 6.4% of all respondents consistently buy the desired but superfluous item. As a result of the distribution of special savings funds, it was observed that a bigger proportion of Generation Z did not allocate savings expressly and instead saved spare monies. According to the results, 56.6% of respondents said they rarely or never set aside funds from the outset. Furthermore, Generation Z buys things before the fixed expenditure allocation.

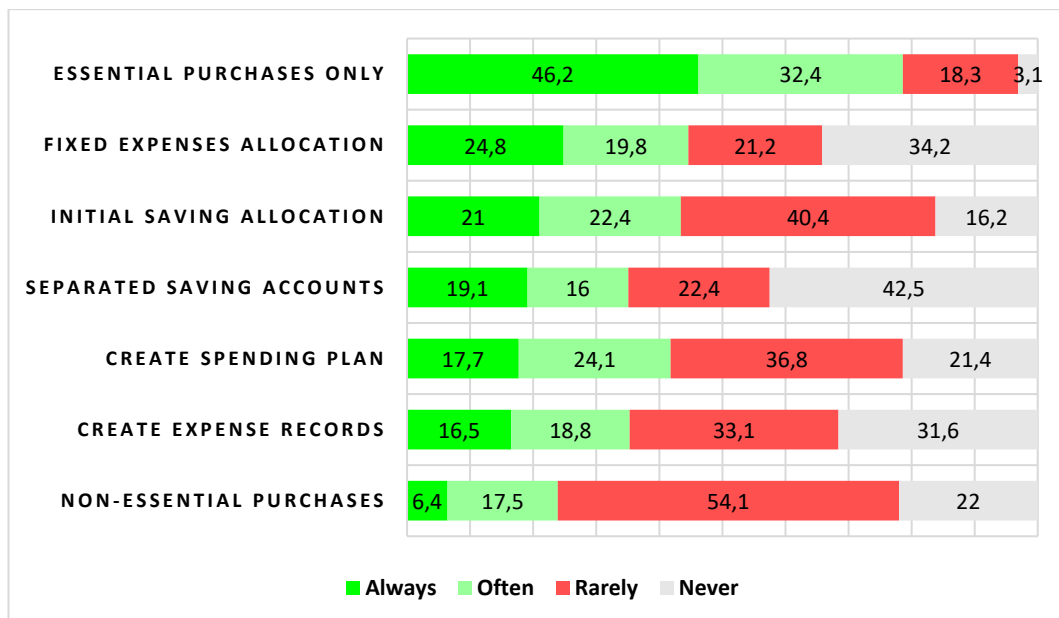


Figure 1.3 Gen Z Financial Management Behaviour

Source: Katadata Insight Center (2021), Processed by Author

In connection with this situation, it is evident that Generation Z prioritizes consumption above conserving when allocating their financial resources. This aligns with the results of a research carried out by Evita et al. (2023), the study explores how Generation Z in Indonesia consumes media during the pandemic era, considering the influence of Industry 4.0. the research finds that social media and messaging apps are their primary sources of information, with entertainment consumption being the main focus.

Table 1.4
Indonesia Financial Literacy Rate Compared to Top Countries, 2022

Rank	Indonesia in 2022	Top Countries in 2022	Financial Literacy	Gap
1	49%	Denmark, Sweden, Norway	71%	22%
2		Canada	68%	19%
3		United Kingdom	67%	18%
4		Germany, Netherlands	66%	17%
5		Australia	64%	15%

Source: Yahoo Finance (2022), Processed by Author

Indonesia's financial literacy rate stood at just 49%, according to the OJK in 2022. It represents a significant disparity when compared to developed economies. Denmark, Sweden, and Norway lead the pack with a rate of 71%, while other developed nations like Canada (68%), the United Kingdom (67%), Germany and Netherlands (66%), and Australia (64%) boast considerably higher financial literacy rates (Yahoo Finance, 2022).

The National Survey on Financial Literacy and Inclusion (SNLIK) 2022 findings show that the financial literacy index of the Indonesian population has increased to 49.68% from 38.03% in 2019. In 2022, the financial inclusion index increased to 85.10% from 76.19% in the previous SNLIK period in 2019. It shows that, from 38.16% in 2019 to 35.42% in 2022, the gap between the literacy and inclusion levels is narrowing (OJK, 2022). Although, even if the gap is decreasing, it is still necessary to improve financial literacy and inclusion perpetually. Relevant with the comparison between top countries mentioned before, it is clear that Indonesia needs a significant improvement regarding financial literacy.

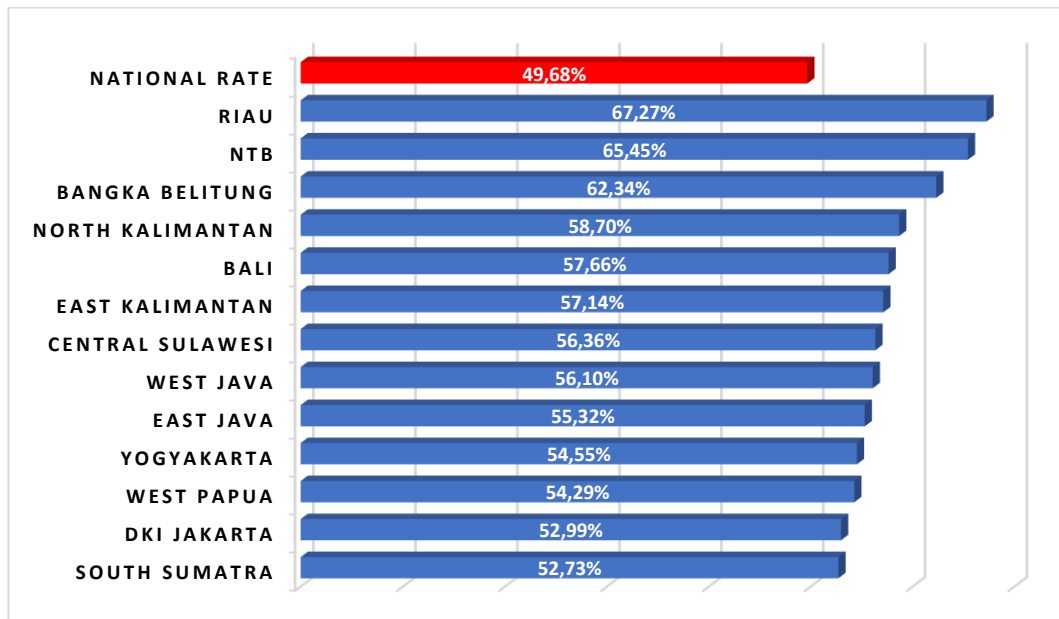


Figure 1.4 Financial Literacy Index by Province, 2022

Source: OJK (2022), Processed by Author

The financial literacy landscape in Indonesia demonstrates an intriguing interplay between regional differences and national prosperity. While the nation has a 49.68% financial literacy rating in 2022, which is a good indication, a closer survey reveals considerable geographical differences. Provinces with high financial literacy rates are Riau (67.27%) and NTB (65.45%). In comparison, South Sumatra ranks 13th, with a rate of 52.73%. This regional disparity highlights the necessity for targeted measures to narrow the knowledge gap. Recognizing this issue and highlighting the discrepancy in financial literacy rankings between Indonesia and the Top Countries, the OJK has set an ambitious national target, aiming for 93% financial inclusion and 65% financial literacy by 2027 (cnbcindonesia.com, 2023). To ensure Indonesia reaches this ambitious target, provinces like South Sumatra must evolve from passive recipients to active contributors to reach the target that OJK envisioned.

The Financial Services Authority (OJK) revealed ten provinces that have certain online loan debt or outstanding in 2024 examining the data on P2P lending statistics published by the OJK in January.

Table 1.5
Provinces That Have Certain Online Debt or Outstanding, 2024

Rank	Region	Amount	NPL (TWP90)
1	West Java	Rp. 16.55 T	3,77%
2	DKI Jakarta	Rp. 11.17 T	3,40%
3	East Java	Rp. 7.54 T	2,80%
4	Banten	Rp. 5.03 T	2,40%
5	Center Java	Rp. 4.74 T	2,69%
6	North Sumatra	Rp. 1.78 T	1,87%
7	South Sulawesi	Rp. 1.24 T	1,89%
8	South Sumatra	Rp. 1.1 T	2,80%
9	Bali	Rp. 1 T	1,63%
10	Lampung	Rp. 941.32 B	2,75%

Source: OJK (2024), Processed by Author

West Java has the biggest online loan debt in Indonesia. In January 2024, outstanding online loans in West Java were Rp16.55 trillion. The OJK reported that outstanding loans in West Java accounted for 36.05% of total outstanding loans in the Java area, totalling Rp45.91 trillion. In sum, West Java supplied 27.40% of Indonesia's total outstanding loans of Rp60.42 trillion in the first month of the year. West Java had a 90-day default rate (TWP90), also known as non-performing loans, of 3.77%. This figure is greater than the overall online loan default rate of 2.95%. Following, the OJK announced that DKI Jakarta ranked second highest, with outstanding debts totalling Rp11.17 trillion. However, outstanding loans in this region declined by 1.15% on an annualized basis, from IDR 11.3 trillion. Meanwhile, the NPL percentage for online loans at DKI Jakarta reached 3.40% in January of this year. East Java ranked third, with outstanding loans of Rp7.54 trillion and a TWP90 of 2.80%. Banten came in fourth place, with outstanding online loans of Rp5.03 trillion and TWP90 of 2.40%.

Central Java is sixth in terms of online loan debt, with Rp4.74 trillion and an NPL of 2.69%. Sixth, North Sumatra had outstanding online loans of Rp1.78 trillion and an NPL of 1.87%. Meanwhile, South Sulawesi Province took seventh place, with outstanding loans of Rp1.24 trillion and an NPL percentage of 1.89%. Furthermore, OJK found that South Sumatra had the most outstanding loans, totalling Rp1.1 trillion, with TWP90 conditions of 2.80%. Furthermore, Bali and Lampung were the regions with the most outstanding debts at the start of the year.

In summary, Bali has outstanding online loans surpassing Rp1 trillion and an NPL percentage of 1.63%. Meanwhile, Lampung has outstanding loans of IDR 941.32 billion and TWP90 at 2.75% (finansial.bisnis.com, 2024).

The financial conduct of Generation Z faces an intriguing paradox. They are inundated with financial information and are, on the one hand, digital natives. However, they struggle with challenges of self-control that have the potential to ruin their financial security. Compulsive spending on experiences is encouraged by cultural fads like "you only live once" (YOLO) and "fear of missing out" (FOMO), which put short-term satisfaction ahead of long-term financial stability. This might be the result of awareness and application gaps rather than a lack of fundamental financial understanding. Although they may comprehend the idea of investing, they may not be as convinced of the significance of accumulating wealth for long-term objectives like retirement or a down payment on a home (avrist.com, 2020). Nowadays, many e-commerce platforms have the option to defer payment or pay later. As a result, many members of Generation Z and Millennials are prone to taking on debt when they want something, "I'll do it now, I'll pay later." (voaindonesia.com, 2024).

Table 1.6
Debt Amount and Recipients Number Based on Age, 2023

Age	Month (2023)	Number of Recipients	Debt Amount
<19	April	65,246	Rp. 164.29 B
	May	64,112	Rp. 158.75 B
	June	72,142	Rp. 168.87 B
19-34	April	10,527,202	Rp. 26 T
	May	10,636,142	Rp. 26.2 T
	June	10,914,970	Rp. 26.87 T
35-54	April	6,072,888	Rp. 16.7 T
	May	6,319,669	Rp. 17.38 T
	June	6,489,965	Rp. 17.98 T
>54	April	648,331	Rp. 1.8 T
	May	665,014	Rp. 1.95 T
	June	686,354	Rp. 1.99 T

Source: Siardata Lampung (2023), Processed by Author

The Financial Services Authority (OJK) indicated that the younger generation, comprised of Generation Y and Z, is fonder of utilizing online lending financial services, with 60% of loans going to those aged 19 to 34. According to

OJK, in June 2023, there were 10.91 million active online loan recipient accounts aged 19-34 years old, with a loan value of IDR 26.87 trillion. Looking backward, the number of online loan beneficiaries climbed by 2.6% over the previous month, reaching 6.32 million. The number likewise climbed by 25.9% from the previous year, reaching 8.67 million beneficiaries. In second position were borrowers aged 35-54 years, with 6.49 million loans totalling IDR 17.98 trillion in June 2023. The number climbed by 2.7% every month and 43.5% per year. Furthermore, 686,354 people over the age of 54 received online loans, totalling IDR 2 trillion. The figure climbed by 3.2% from May 2023 but plummeted 54.3% on an annual basis. Meanwhile, there were 72,142 online loan beneficiaries under the age of 19, with a total distribution of IDR 168.87 billion as of June 2023. The number of recipients increased 12.5% monthly, but fell 86.5% on an annually basis (diskominfotik.lampungprov.go.id, 2023).

The fact that some Gen Z views debt more leniently is regrettable. Unlike previous generations, who view debt as a high risk, some Gen Z view debt as a necessary risk that is essential to maintain their lifestyle. This might make it difficult to achieve financial stability when paired with a propensity to put off important financial tasks like conserving money and creating a budget (avrist.com, 2020). Research by Looi et al. (2022) demonstrates that young adults in Malaysia are, in fact, the primary demographic now imprisoned by debt. There are several factors that make millennials and gen Z spendthrift and difficult to save, such as internet access that allows us to see a wider world and e-commerce that democratizes the purchase of goods between cities, provinces and even countries (suarasurabaya.net, 2022).

The cornerstone of sound financial management, financial literacy gives people the knowledge, abilities, and self-assurance to successfully navigate the financial world. To enable people to make informed decisions, especially about finances, it comprises understanding basic concepts like budgeting, investing, debt, and saving (Yong & Tan, 2017). By examining their existing condition, financially educated people may create realistic objectives, such as arranging a dream vacation or saving for retirement. They can then select the most appropriate savings vehicles,

such as bank accounts or mutual funds, based on risk tolerance and future needs. Customers may use this information to make informed investment decisions by comparing potential benefits and risks to their financial goals. Most importantly, financial literacy empowers Gen Z to avoid financial pitfalls. Understanding the implications of impulse purchases, high-interest debt, or deceptive financial products safeguards them from costly mistakes (LinkedIn, 2023). This aligns with the findings of a research study conducted by Hartono and Isbanah (2022), the research investigates how financial literacy influences Indonesian economics students' saving habits with the result of financial literacy itself is directly linked to better saving habits. Similarly, Ali & Marwat (2021) conducted study examining how financial literacy influences saving habits. They find a positive connection, where greater financial literacy leads to better saving behaviour. On the other hand, however, Siboro & Rochmawati (2021) stated that financial literacy negatively influences saving behaviour.

Another element that is believed to play a role in shaping the financial behaviour of individuals is self-control. Within the domain of financial decision-making, self-control is posited as a crucial factor shaping individual financial behaviour. It acts as a cognitive brake, regulating impulsive choices and prioritizing long-term financial goals over immediate gratification (Biljanovska & Palligkinis, 2018). Individuals with strong self-control are better equipped to resist the allure of excessive spending, meticulously follow savings plans, and make well-informed investment decisions. This translates to behaviours like sticking to budgets, diligently paying off debt, and accumulating wealth for future goals. Conversely, a lack of self-control can manifest in impulsive purchases, difficulty managing credit card debt, and a predisposition towards short-sighted financial choices that undermine long-term well-being (conovercompany.com, 2023). For instance, individuals with lower self-control may struggle to resist payday loans with predatory interest rates, jeopardizing their financial stability.

The phenomenon is consistent with the research conducted by Looi et al. (2022) with the result of self-control having an influence in regards of university student's saving behaviour in Malaysia. However, in a study by Alshebami &

Aldhyani (2022), it was discovered that self-control negatively moderated the relationship between financial literacy and saving behaviours. The study examined how several variables, including self-control as one of them, affected the level of saving behaviour among Saudi young adults. Furthermore, Jooda et al. (2022) investigate the mediating role of impulsive purchasing in the connection between Generation Z's saving decisions, materialism, and financial behaviour. The results imply that impulsive purchases may not significantly affect saving decisions, suggesting that self-control may not have a direct effect on saving behaviour in this group of people.

This research is motivated by the inconclusive findings in past studies on saving behaviour. While some research shows a clear positive influence of financial literacy on saving, others find self-control to be the key factor, and some report mixed results with one factor impacting saving behaviour but not the other. This inconsistency warrants further investigation to understand the relative importance and potential interaction between financial literacy and self-control in shaping saving behaviour. This research will present a new angle by concentrating on South Sumatra's Generation Z. The unique combination of a distinct population group, a new time frame, and the scarcity of prior research in this region makes this study a fresh contribution to the field. With reference to the above-described rationale and phenomena, the researcher plans to carry out more research under the title "**THE INFLUENCE OF FINANCIAL LITERACY AND SELF CONTROL ON SAVING BEHAVIOR OF GENERATION Z IN SOUTH SUMATRA**".

1.3 Problem Formulation

Globalization is transforming the financial environment in Indonesia. There are advantages and disadvantages to this, such as easier access to financial services and goods and higher debt levels. A large part of the Indonesian population is Generation Z, who are digitally native and have different financial priorities than previous generations. The reality is that Generation Z tends to be more impulsive when it comes to consumptive activities like entertainment, shopping, etc. than when it comes to saving money for the future. Due to a poor level of financial literacy compared to top countries, which exacerbates financial and welfare

concerns, while Gen Z in Indonesia is increasingly engaged in financial activities, the overall knowledge and understanding have not grown at the same rate.

The Indonesian government is working to improve financial literacy among its citizens, with a goal of 65% by 2027. It is crucial because financial literacy can help individuals in avoiding debt and making wiser financial decisions. Increasing financial literacy in Indonesia faces a number of obstacles, including regional differences and a lack of self-control among certain individuals. If this saving behaviour is accompanied by self-control and the understanding of financial literacy, it will assist people, especially members of Generation Z, in their financial activities.

The preceding facts also demonstrate that the theoretical influence of financial literacy and self-control on saving behaviour is still being debated. Based on research by Rachma et al. (2019) & Faisal et al. (2023) shown that all two variables affect saving behaviour. On the other hand, Siboro & Rochmawati (2021) stated that financial literacy has a weak negative impact on saving behaviour and Jooda et al. (2022) implies that self-control have no direct influence on saving behaviour. Considering the phenomena in the research field are inconsistent, the research questions can be written as follows:

1. How does financial literacy significantly influence the saving behaviour of Generation Z in South Sumatra?
2. How does self-control significantly influence the saving behaviour of Generation Z in South Sumatra?
3. How do financial literacy and self-control have a simultaneous influence on the saving behaviour of Generation Z in South Sumatra?

1.4 Research Objective

The following goals are the focus of this study, which is based on the issue formulation described:

1. To analyse whether there is a significant influence of financial literacy on the saving behaviour of Generation Z in South Sumatra.
2. To analyse whether there is a significant influence of self-control on the saving behaviour of Generation Z in South Sumatra.

3. To analyse whether there is a significant influence of financial literacy and self-control simultaneously on the saving behaviour of Generation Z in South Sumatra.

1.5 Research Benefits

This research is predicted to produce the following benefits:

1.5.1 Theoretical Benefits

This research will contribute to a deeper comprehension of the variables influencing Generation Z's savings behaviour, especially in South Sumatra. The study's focus on South Sumatra gives a more in-depth knowledge of possible differences in saving behaviour among Indonesian regions. The goal of this study is to improve financial literacy understanding and the awareness of self-control, with a focus on the relevance of saving behaviour, and to serve as a useful resource and reference point for future research in the financial sector and associated fields.

1.5.2 Practical Benefits

Policymakers or governments and financial institutions can use the findings to guide the creation of focused financial literacy, self-discipline and saving promotion programs that are suited to the needs and traits of Gen Z in South Sumatra. Teachers and relevant institutions may utilize the study to create instructional materials and initiatives that can potentially help Gen Z in South Sumatra become more financially literate and self-responsible. Hopefully, the findings of this study can help Gen Z in South Sumatra make more educated financial decisions, build healthy saving habits, and attain better financial stability in the future.

1.6 The Systematics of Mini-Thesis Writing

This section provides an outline of how the mini thesis will be organized. The methodical preparation of the mini thesis writing comprises of Chapters I–V, with the structure described as follows:

a. CHAPTER I INTRODUCTION

This chapter gives a clear and short summary of the research's content. This chapter covers a variety of topics, including an overview of

the research object, the context of the research, problem formulation, research aims, research advantages, and the format of the mini thesis writing.

b. CHAPTER II LITERATURE REVIEW

This chapter explains the theoretical framework in detail, starting with broad research and moving on to more particular research. It starts with a research framework and ends with a research hypothesis.

c. CHAPTER III RESEARCH METHODOLOGY

This chapter's main goal is to examine the strategies, tactics, and procedures used in data collection and analysis that can help solve the current research issues.

d. CHAPTER IV RESULT AND DISCUSSION

This chapter provides a thorough and organized description of the study, including a discussion of the conclusions that are consistent with the stated problem and the goals of the investigation. Research results are presented in this chapter along with debates and analysis.

e. CHAPTER V CONCLUSION

The general research results are presented in this chapter. These conclusions address the research challenges and then offer recommendations on the advantages of the study.