ABSTRACT

The productive age group in Bandung City faces challenges in managing personal finances wisely, marked by high levels of consumption and dependence on online loans. Low financial literacy and psychological factors such as locus of control contribute to the financial behavior of individuals within this age group. This phenomenon is essential to study considering the large proportion of the productive population in Bandung and its impact on financial well-being.

This research aims to analyze the influence of internal locus of control on financial behavior and examine the moderating role of financial literacy in this relationship. The study focuses on the productive age population in Bandung City who have a strong potential to develop responsible and healthy financial behavior.

This study employs a quantitative method with a causal research approach using primary data collected through questionnaires. The research sample consists of 404 respondents aged 15–64 years in Bandung. Data analysis was conducted using moderated regression analysis (MRA) Process Hayes to examine the relationships among variables.

The results show that internal locus of control significantly influences financial behavior, financial literacy also has a significant effect, and it moderates the influence of locus of control on financial behavior. These findings emphasize the importance of psychological strength and financial education in shaping healthy financial behavior.

This study contributes to the literature in financial management and economic psychology and offers practical recommendations for financial institutions and government programs in financial literacy. It is expected that the findings can encourage the enhancement of financial literacy among the productive age population in Bandung.

Keywords: *Locus Of Control, Financial Literacy, Financial Behavior, Productive Age.*