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Financial Wellness of Generation Z in the Digital Era: Integrating Digital Financial Literacy, Financial Behavior, and Self-Control

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ABSTRACT

The development of digital financial services offers convenience while introducing new risks to Generation Z's financial well-being. This study aims to integrate digital financial literacy, financial behavior, and self-control to understand the financial wellness of Generation Z in the digital era. Using a narrative literature review approach, the study synthesizes 30 scholarly publications from 2010 to 2026. The findings indicate that digital financial literacy enhances individuals' understanding of financial products, benefits, and risks. Meanwhile, self-control helps individuals regulate consumption impulses and maintain financial discipline. Financial behavior potentially serves as a mediating mechanism linking these capabilities to financial wellness. The review also highlights the importance of contextual factors, including income, employment, living costs, and social environments. This study contributes by developing an Integrated Financial Wellness Framework that combines cognitive, behavioral, and psychological dimensions. Further empirical testing is needed to validate the proposed relationships across different Generation Z contexts.

ABSTRAK

Perkembangan layanan keuangan digital memberikan kemudahan sekaligus menghadirkan risiko baru bagi kesejahteraan finansial Generasi Z. Penelitian ini bertujuan mengintegrasikan digital financial literacy, financial behavior, dan self-control dalam memahami financial wellness Generasi Z di era digital. Penelitian menggunakan pendekatan narrative literature review melalui sintesis tematik terhadap 30 publikasi ilmiah periode 2010–2026. Hasil kajian menunjukkan bahwa literasi keuangan digital berperan dalam meningkatkan pemahaman terhadap produk, manfaat, dan risiko layanan keuangan. Sementara itu, pengendalian diri membantu individu mengelola dorongan konsumsi dan mempertahankan kedisiplinan finansial. Perilaku keuangan berpotensi menjadi mekanisme penghubung antara kedua kemampuan tersebut dan kesejahteraan finansial. Kajian ini juga mengidentifikasi pentingnya faktor kontekstual, seperti pendapatan, pekerjaan, biaya hidup, dan lingkungan sosial. Kontribusi penelitian terletak pada pengembangan Integrated Financial Wellness Framework sebagai kerangka konseptual yang memadukan aspek kognitif, perilaku, dan psikologis. Kerangka tersebut memerlukan pengujian empiris untuk memastikan hubungan yang diusulkan dalam berbagai konteks Generasi Z.

1. INTRODUCTION

The development of digital technology has transformed how people access, use, and manage financial services. Financial activities that were previously conducted primarily through conventional financial institutions are now increasingly integrated with banking applications, digital wallets, online investment services, and credit-based payment facilities. These changes make it easier for individuals to conduct transactions, save money, and access various financial services without being restricted by time or location. However, such convenience also presents new challenges in personal financial management. Faster access to financial services is not always accompanied by individuals' ability to make appropriate financial decisions. In this context, financial wellness has become an important issue because financial well-being is not solely determined by income levels but also by an individual's ability to meet financial needs, control spending, manage

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financial risks, and plan sustainably for the future.

These changes are particularly relevant to Generation Z, a generation that has grown up alongside the development of the internet, smartphones, and various digital platforms. For this generation, technology is not merely a supporting tool but an integral part of everyday life, including financial decision-making. Purchases through e-commerce, payments using digital wallets, investments through mobile applications, and the use of buy now, pay later (BNPL) services illustrate the increasingly close relationship between technology and personal financial management. On the one hand, these developments provide opportunities for Generation Z to access financial information, develop saving habits, and begin investing at an early age. On the other hand, the convenience of digital transactions may encourage impulsive purchases, excessive consumer borrowing, and financial decisions that do not adequately consider repayment capacity. Therefore, the financial challenges faced by Generation Z cannot be understood solely through the availability of digital services but must also be examined in terms of their ability to use these services responsibly.

This phenomenon highlights the important role of digital financial literacy in the financial lives of Generation Z. Digital financial literacy involves not only the ability to use financial applications but also an understanding of the benefits, costs, risks, security considerations, and consequences associated with financial decisions made through technology. OECD (2020) emphasizes the importance of financial literacy in helping individuals understand financial products, manage risks, and make decisions that support financial well-being. Meanwhile, Morgan et al. (2019) discuss digital financial literacy as an increasingly essential capability alongside the expansion of technology-based financial services. These perspectives suggest that the ability to operate financial applications does not necessarily reflect the ability to manage personal finances effectively. An individual may be accustomed to using digital wallets or online investment platforms without fully understanding transaction fees, investment risks, loan interest rates, or the consequences of late payments. Thus, digital financial literacy should be understood as a capability that connects technological access with the quality of financial decision-making.

Although digital financial literacy is important, financial knowledge does not always translate into appropriate financial behavior. Individuals may understand the importance of saving, preparing budgets, and avoiding excessive consumer debt but still struggle to apply this knowledge in everyday life. Lusardi & Mitchell (2014) explain that financial literacy is an essential component of individual economic decision-making, particularly in relation to long-term financial planning and management. However, the relationship between knowledge and action cannot be separated from individuals' habits and circumstances. In digital environments, purchasing decisions are often made rapidly due to promotional offers, discounts, convenient payment methods, and personalized product recommendations. These conditions demonstrate that financial behavior should be regarded as a central component in understanding Generation Z's financial well-being. Financial behavior reflects how individuals manage expenses, allocate income to savings, use credit, maintain savings, and make investment decisions. In other words, financial literacy provides the foundation of knowledge, whereas financial behavior demonstrates how that knowledge is translated into actual financial decisions.

Another important issue concerns individuals' ability to control consumption desires amid the convenience of digital transactions. Generation Z operates within a consumption environment increasingly shaped by social media, algorithm-driven promotions, lifestyle trends, and payment facilities that allow purchases without requiring full payment at the time of the transaction. Under these circumstances, self-control becomes particularly relevant because individuals must distinguish between needs and wants while considering the long-term consequences of their financial decisions. Strömbäck et al. (2017) demonstrate that self-control is associated with financial behavior and financial well-being. This perspective can be explained through the Behavioral Life-Cycle Hypothesis developed by Shefrin & Thaler (1988), which suggests that financial decisions are influenced not only by rational considerations but also by self-control mechanisms and individuals' tendencies to allocate financial resources. In practice, someone may recognize that an impulsive purchase could disrupt their budget but still proceed because of attractive promotions or social pressure. Therefore, self-control is important for explaining why individuals with relatively strong financial knowledge may nevertheless experience difficulties in achieving financial wellness.

The discussion of financial wellness must also be distinguished from merely possessing money, earning income, or being able to conduct financial transactions. The Consumer Financial Protection Bureau (CFPB, 2015) explains that financial well-being involves individuals' ability to meet current and future financial obligations, feel secure about their financial circumstances, and have the freedom to make choices that

allow them to enjoy life. This perspective indicates that financial well-being encompasses both objective and subjective dimensions. An individual may earn sufficient income but still experience financial stress due to consumer debt, uncontrolled spending, or an inability to meet unexpected expenses. Conversely, someone with limited income may maintain relatively stable financial circumstances by managing expenses, avoiding excessive financial obligations, and developing realistic financial plans. In this review, financial wellness is understood as a state of financial well-being encompassing the ability to meet financial needs, maintain financial stability, manage risks, and sustain a sense of financial security. This understanding emphasizes that Generation Z's financial wellness should be examined through the interaction of financial capabilities, actions, and control over financial decisions.

Previous studies have established an important foundation for understanding financial literacy, financial behavior, self-control, and financial well-being. Lusardi & Mitchell (2014) emphasize the importance of financial literacy in economic decision-making, while Strömbäck et al. (2017) demonstrate the relevance of self-control to financial behavior and well-being. Meanwhile, developments in digital financial literacy, as discussed by Morgan et al. (2019), indicate that technology-based financial services require a broader range of financial competencies. However, these perspectives emphasize different aspects. Financial literacy research primarily focuses on knowledge and the ability to understand financial products, financial behavior research examines individuals' decisions and habits, and self-control research explains how individuals regulate impulses and consider the consequences of their actions. These differences create an opportunity to integrate the three perspectives in understanding Generation Z's financial wellness. The conceptual gap addressed in this review concerns the need for a more integrated explanation of how digital financial literacy, financial behavior, and self-control are interconnected in shaping financial well-being amid the opportunities and risks of digital financial services. Such integration is important to ensure that financial wellness is not understood merely as an outcome of financial knowledge but also as a consequence of financial habits and individuals' ability to manage their decisions.

Against this background, this study aims to examine the development of research on Generation Z's financial wellness in the digital era through a narrative literature review approach. The review seeks to identify the role of digital financial literacy in shaping financial understanding and decision-making capabilities, explain the contribution of financial behavior to financial well-being, and examine the importance of self-control in addressing digital consumption risks. Furthermore, the study integrates Digital Financial Literacy, Financial Behavior, Self-Control, and Financial Wellness into a conceptual framework that provides a more comprehensive explanation of the relationships among these components. The main contribution of this review lies in connecting financial literacy, financial behavior, and self-control perspectives within the increasingly digitalized financial lives of Generation Z. The proposed framework is not intended to represent a statistically validated causal model but rather a conceptual synthesis that can serve as a foundation for future empirical research. Accordingly, this review is expected to advance understanding of young adults' financial well-being while providing a foundation for developing digital financial education, personal financial management strategies, and consumer protection policies within the digital financial ecosystem.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

2.1 Financial Wellness of Generation Z in the Digital Era

The development of digital financial services has expanded the ways individuals manage income, make payments, save money, and plan for their financial needs. These changes have made financial services more accessible while simultaneously requiring stronger financial decision-making capabilities. In this context, financial wellness has become an important concept because an individual's financial condition cannot be assessed solely based on income or asset ownership. Financial well-being also involves the ability to meet financial obligations, manage unexpected expenses, address risks, and maintain a sense of financial security. The Consumer Financial Protection Bureau (CFPB, 2015) explains that financial well-being encompasses the ability to meet current and future financial obligations, feel financially secure, and have the freedom to make choices that allow individuals to enjoy life. This perspective indicates that financial well-being involves both economic capabilities and subjective assessments of financial security and freedom.

The concept of financial wellness is closely related to financial well-being, although the terms may be used differently depending on the research context. Financial well-being generally refers to an individual's perceived financial condition, whereas financial wellness is often used in broader discussions of financial

health and personal financial management. Brüggen et al. (2017) describe financial well-being as a multidimensional concept associated with individuals' perceptions of their ability to maintain a desired standard of living and anticipate future financial needs. Therefore, financial well-being should not be understood merely as an economic condition at a particular point in time but also as an individual's ability to maintain long-term financial sustainability. In this review, financial wellness is used as the central concept encompassing financial stability, the ability to meet financial needs, preparedness for financial risks, and a sense of financial security.

These issues are particularly relevant to Generation Z because this generation conducts financial activities in an environment that is highly interconnected with digital technology. Banking applications, digital wallets, investment platforms, online lending services, and buy now, pay later (BNPL) facilities enable individuals to complete various transactions more quickly. However, convenient access does not necessarily indicate an ability to manage finances responsibly. Generation Z may obtain information about savings and investments through social media while simultaneously encountering consumer promotions, product recommendations, and payment facilities that may encourage unplanned spending. These circumstances illustrate the dual nature of technological development. Technology can help individuals manage their finances, but it may also increase the risk of poorly planned financial decisions when adequate knowledge and self-control are lacking.

Strömbäck et al. (2017) demonstrate that self-control is associated with financial behavior and financial well-being. This finding provides a basis for understanding that individuals' financial circumstances are influenced not only by economic resources but also by how they make decisions. In the context of Generation Z, financial wellness should be understood through the relationship between the ability to comprehend digital financial services, financial management habits, and the capacity to regulate consumption impulses. Therefore, this review positions financial wellness as a condition that can be understood through the integration of digital financial literacy, financial behavior, and self-control. These three concepts are used to explain how Generation Z navigates financial opportunities and risks in an increasingly digitalized environment.

2.2 Digital Financial Literacy in Generation Z's Financial Management

Financial literacy refers to the ability to understand financial information and apply it in decision-making. Lusardi & Mitchell (2014) explain that financial literacy plays an important role in economic decisions, including saving, investing, retirement planning, and risk management. Individuals with stronger financial knowledge tend to have a better foundation for evaluating financial alternatives. However, technological developments have expanded the range of financial services, meaning that the capabilities required are no longer limited to understanding interest rates, inflation, savings, or investments. Individuals must also understand how financial applications operate, transaction security, personal data protection, service fees, and the risks associated with digital financial products.

Within this context, digital financial literacy has emerged as an extension of conventional financial literacy. Morgan et al. (2019) emphasize the growing importance of digital financial literacy alongside the expansion of technology-based financial services. Digital financial literacy encompasses knowledge of digital financial products and services, awareness of associated risks, the ability to manage those risks, and an understanding of consumer rights and dispute resolution mechanisms. This perspective suggests that the ability to use technology is not necessarily equivalent to understanding its financial consequences. An individual may easily make payments through an application without fully understanding additional charges, credit terms, or security risks associated with the transaction.

For Generation Z, digital financial literacy is particularly important because financial decisions are frequently made using the same devices employed for communication, entertainment, and consumption. The ease of moving from social media to e-commerce platforms can shorten the time between developing a desire to purchase and completing a transaction. At the same time, financial applications offer features that can support money management, including expense tracking, budgeting tools, payment reminders, and recurring investments. These different possibilities demonstrate that technology primarily provides the tools, while the quality of financial decisions continues to depend on individuals' ability to understand and use them. Therefore, digital financial literacy should include the ability to evaluate information, compare financial products, understand payment obligations, and assess risks before making decisions.

OECD (2020) identifies financial knowledge, behavior, and attitudes as important components in

measuring financial literacy. This perspective suggests that literacy is not merely about possessing information but is also associated with how individuals approach financial decisions. In digital environments, this understanding becomes increasingly important because financial information is widely available, although its quality and credibility vary considerably. Generation Z may encounter investment recommendations or credit-related advice through various forms of digital content without necessarily understanding the underlying analysis or the interests of those providing the information. Therefore, digital financial literacy also requires critical thinking skills when evaluating financial information.

In this review, digital financial literacy is understood as an individual's ability to understand, evaluate, and use digital financial services safely and responsibly. This capability includes knowledge of digital financial products, an understanding of costs and risks, transaction security, and the ability to make choices based on financial needs and circumstances. Digital financial literacy is positioned as a component that can help explain the quality of Generation Z's financial decision-making. However, acquiring financial knowledge is not assumed to automatically produce financial well-being. Knowledge must be translated into consistent financial behavior for its benefits to become evident in everyday life.

2.3 Financial Behavior as a Foundation of Financial Wellness

Financial behavior refers to the actions individuals take to manage financial resources to meet current needs and prepare for future financial requirements. Such behavior can be observed through budgeting, recording expenses, saving, paying financial obligations on time, managing credit, and making investment decisions. In everyday life, financial behavior is important because individuals need not only knowledge of financial management but also the ability to apply that knowledge consistently. Someone who understands the importance of saving may still have no savings if all available income is spent on consumption. Conversely, an individual with limited income may maintain greater financial stability by establishing priorities and managing expenses systematically.

Lusardi & Mitchell (2014) explain that financial literacy is associated with various individual economic decisions. However, financial decisions are also influenced by habits, preferences, and personal circumstances. From a financial behavior perspective, attention is directed not only toward what individuals know but also toward what they actually do. This distinction is important because knowledge and behavior are interconnected but do not necessarily produce identical outcomes. Individuals may understand the risks of consumer debt yet continue to use credit excessively. Similarly, someone may recognize the benefits of long-term investment but fail to develop a consistent habit of allocating funds for that purpose. These circumstances demonstrate that financial behavior is an essential component in explaining how financial capabilities are applied.

Dew & Xiao (2011) developed the Financial Management Behavior Scale to measure individuals' financial management behavior. The instrument encompasses several dimensions, including cash flow management, credit management, savings and investments, and insurance management. This perspective demonstrates that financial behavior extends beyond shopping habits. Effective financial management also involves preparing for future needs and anticipating potential risks. In the context of Generation Z, these dimensions are particularly relevant because many individuals are still pursuing education, beginning their careers, or developing financial independence. At this stage, established financial habits may influence their ability to manage greater economic responsibilities in the future.

Digital technological developments have also transformed financial behavior. Cashless transactions offer greater payment convenience, while financial tracking applications can help individuals monitor their expenses. However, convenient payment methods may also reduce awareness of total spending when transactions are not accompanied by budget monitoring. Digital credit facilities allow individuals to obtain goods before having sufficient funds, but unplanned use may create repayment obligations in subsequent periods. Therefore, financial behavior in the digital era should be understood through a balance between technological utilization and discipline in managing financial resources.

In this review, financial behavior is understood as the actual actions individuals undertake to plan, use, control, and allocate financial resources. The concept encompasses budgeting, expenditure management, saving, credit utilization, and financial planning. Financial behavior is positioned as a component connecting financial capabilities with financial well-being. Digital financial literacy may provide the knowledge required to make informed decisions, but the benefits of that knowledge must be realized through responsible financial habits. Thus, financial behavior represents a central concept in understanding how Generation Z can

develop and maintain financial wellness.

2.4 Self-Control in Managing Digital Financial Risks

Self-control refers to an individual's ability to regulate impulses, delay gratification, and consider consequences before making decisions. In financial management, this ability involves distinguishing between needs and wants, avoiding impulsive purchases, maintaining budgets, and prioritizing long-term financial goals. Self-control is important because financial decisions are not always made through fully rational and deliberate considerations. Individuals may recognize that a particular purchase is unnecessary but still proceed because of attractive promotions or emotional impulses. Under such circumstances, self-control helps explain why financial knowledge does not always translate into appropriate financial actions.

Through the Behavioral Life-Cycle Hypothesis, Shefrin & Thaler (1988) explain that individuals' economic behavior is influenced by self-control mechanisms and how they allocate financial resources. This perspective suggests that individuals may experience conflicts between the desire for immediate satisfaction and the need to maintain future financial well-being. In financial management, such conflicts may arise when individuals must choose between spending money on immediate consumption and saving it for future needs. Therefore, self-control is relevant to understanding financial decisions involving short-term and long-term considerations.

Strömbäck et al. (2017) demonstrate that individuals with stronger self-control tend to exhibit more responsible financial behavior and higher levels of financial well-being. This finding reinforces the view that self-control is an important psychological factor in personal financial management. Meanwhile, Gathergood (2012) examines the relationship between self-control, financial literacy, and consumer over-indebtedness. The study indicates that debt problems cannot be explained solely by limited financial knowledge but are also associated with individuals' ability to regulate consumption decisions. Together, these perspectives suggest that self-control can help explain differences in financial circumstances among individuals with financial knowledge.

In digital environments, the need for self-control becomes increasingly relevant because consumption decisions can be made almost instantly. Social media, limited-time promotions, algorithmic recommendations, and convenient payment methods may encourage consumers to complete transactions without adequate planning. Buy now, pay later services also allow payments to be deferred, meaning that purchasing decisions do not always require immediate cash outflows. Although these services can provide flexibility, their use requires individuals to consider future repayment obligations. For Generation Z, self-control is essential to prevent convenient transactions from developing into consumption habits that exceed their financial capacity.

In this review, self-control is understood as an individual's ability to regulate consumption impulses, delay gratification, maintain planned financial decisions, and consider long-term financial consequences. This concept involves not only the ability to resist purchases but also consistency in maintaining financial priorities. Self-control is positioned as a psychological component that may help explain the relationship between financial knowledge, money management behavior, and financial well-being. However, self-control must also be considered alongside individuals' economic circumstances and consumption environments. Therefore, responsibility for financial wellness cannot be placed entirely on personal discipline without considering income constraints, living expenses, and the characteristics of digital financial services.

2.5 Integrating Digital Financial Literacy, Financial Behavior, Self-Control, and Financial Wellness

Digital financial literacy, financial behavior, self-control, and financial wellness are four interconnected concepts with distinct analytical functions. Digital financial literacy explains individuals' ability to understand and evaluate digital financial services. Financial behavior reflects actual actions in managing income, expenses, savings, credit, and financial planning. Self-control concerns the ability to regulate consumption impulses and maintain responsible financial decisions. Meanwhile, financial wellness represents a state of financial well-being encompassing the ability to meet financial needs, maintain financial stability, manage risks, and sustain a sense of financial security. Lusardi & Mitchell (2014) provide a foundation for understanding the importance of financial literacy, Morgan et al. (2019) extend this discussion to digital environments, and Strömbäck et al. (2017) emphasize the relevance of self-control and financial behavior to financial well-being.

Based on these perspectives, this review develops a conceptual framework integrating Digital Financial Literacy, Financial Behavior, Self-Control, and Financial Wellness in the context of Generation Z. Digital financial literacy is understood as a capability that helps individuals recognize the benefits and risks of technology-based financial products. Financial behavior is then used to understand how this capability is applied in everyday money management. Self-control explains individuals' ability to maintain financial priorities when facing consumption impulses or convenient access to digital credit. Financial wellness is positioned as the financial well-being condition that constitutes the central focus of the review. This integration makes it possible to understand that financial well-being is influenced not only by knowledge but also by actions and the ability to regulate financial decisions.

The relationships among these concepts can be understood through several potential mechanisms. Digital financial literacy can help individuals evaluate the costs, benefits, and risks of financial services before making decisions. Such knowledge may support more deliberate financial behavior, including budgeting, limiting credit utilization, and allocating funds for savings. However, adequate knowledge does not necessarily produce consistent behavior when individuals struggle to control consumption desires. Under these circumstances, self-control may help individuals translate financial knowledge into action. More responsible financial behavior may subsequently be associated with the ability to maintain financial stability and security. Nevertheless, these relationships represent conceptual explanations that must be examined in light of previous research findings and should not be assumed to apply automatically to all individuals.

In addition to the three primary concepts, economic circumstances and characteristics of the digital environment must also be considered. Income levels, employment status, financial responsibilities, living costs, access to financial services, and consumption pressures may influence Generation Z's ability to manage personal finances. Individuals with strong digital financial literacy and self-control may still experience financial difficulties when their income is insufficient to meet basic needs. Conversely, access to safe and affordable financial services may help individuals implement better financial decisions. Therefore, an integrated understanding of financial wellness must recognize that financial well-being emerges through interactions among individual capabilities, financial behavior, and the surrounding economic environment.

This integrative framework serves as the foundation for organizing previous research findings through a narrative literature review approach. The review examines not only Generation Z's financial knowledge but also how that knowledge is translated into financial behavior and how self-control helps individuals address the risks associated with digital transactions. Accordingly, the discussion seeks to explain why convenient access to financial technology may result in different levels of financial well-being among individuals. The conceptual contribution of this review lies in integrating digital financial capabilities, money management behavior, and self-control as three complementary perspectives for understanding Generation Z's financial wellness. The proposed framework represents a conceptual development requiring further empirical testing rather than a statistically validated model of causal relationships.

3. RESEARCH METHOD

3.1 Research Design

This study employs a narrative literature review approach to examine the development of research on Generation Z's financial wellness in the digital era. This approach was selected because it enables the integration of empirical findings and conceptual perspectives on digital financial literacy, financial behavior, and self-control. Unlike quantitative studies that examine relationships among variables through respondent data collection, this review focuses on identifying, organizing, interpreting, and synthesizing findings from previous studies. Snyder (2019) explains that literature reviews can be used to identify developments in knowledge, recognize research gaps, and develop conceptual frameworks. Meanwhile, Green et al. (2006) emphasize that a narrative literature review allows for a broad examination of a topic by connecting various relevant research perspectives. This review covers scholarly publications published between 2010 and 2026. This period was selected to accommodate earlier developments in research on financial literacy, financial behavior, and self-control while examining changes associated with the expansion of digital financial services. Earlier literature is used to establish the conceptual foundation, whereas more recent studies are used to understand developments in Generation Z's financial behavior concerning digital wallets, digital banking services, online investments, and buy now, pay later facilities. To ensure transparency, the review process is designed around identification, screening, eligibility assessment, and the selection of primary publications. The reporting quality of this review also refers to the SANRA principles developed by Baethge et al. (2019),

particularly regarding clarity of objectives, literature searches, scientific reasoning, and the presentation of findings.

3.2 Literature Search Strategy

The literature search is designed to use two primary sources, namely Scopus and Google Scholar, to identify publications addressing financial wellness, digital financial literacy, financial behavior, and self-control. Scopus was selected as a source of indexed scholarly articles, while Google Scholar was used to broaden the search coverage and identify additional relevant publications. The search is limited to publications from 2010 to 2026 and uses combinations of English keywords, including financial wellness, financial well-being, Generation Z, digital financial literacy, financial behavior, financial self-control, digital payment, financial technology, and buy now, pay later. These keywords are combined using the Boolean operators AND and OR to identify studies examining individual concepts as well as relationships among them. The search strategy focuses on journal articles related to personal financial management, particularly among young adults and Generation Z. Publications addressing financial literacy more generally may also be considered if they make a conceptual contribution to understanding financial wellness. Meanwhile, studies on financial technology are prioritized when they explain how digital financial services influence individuals' financial decisions, habits, or financial circumstances. The search also considers variations in terminology because financial wellness and financial well-being are frequently used in closely related discussions. Through this strategy, the review is expected to connect conventional financial research with developments in digital finance.

3.3 Inclusion and Exclusion Criteria

Literature selection is based on predefined inclusion and exclusion criteria to maintain the relevance of publications to the research objectives. The inclusion criteria cover scholarly articles published between 2010 and 2026, addressing at least one of the study's main concepts, and contributing to an understanding of individual financial wellness. Studies focusing on Generation Z are prioritized, although research involving consumers or individuals more generally may also be included when relevant to explaining theoretical foundations or conceptual relationships. Publications that do not address personal financial management, lack relevance to the research concepts, or provide insufficient information for analysis are excluded from the main synthesis.

Table 1. Literature Selection Criteria

Criteria	Inclusion	Exclusion
Publication period	2010–2026	Before 2010 or after 2026
Publication type	Peer-reviewed journal articles	Non-academic publications, news, and promotional materials
Language	English and Indonesian	Publications in other languages
Research focus	Financial wellness, digital financial literacy, financial behavior, or self-control	Studies unrelated to personal financial management
Population	Generation Z, young adults, or relevant individual consumers	Studies exclusively focused on corporate finance without individual-level relevance
Accessibility	Sufficient full-text information for analysis	Inaccessible or insufficient research information
Relevance	Empirical or conceptual contributions to the review objectives	Publications without meaningful conceptual or empirical relevance

These criteria are used to assess publication eligibility during title, abstract, and full-text screening. Publications addressing more than one primary concept receive particular attention because they may provide insights into the relationships among concepts. However, article selection is not based solely on the number of variables examined but also considers the alignment of research objectives, methodological clarity, and the contribution of findings. Policy documents and methodological references may be used as supporting sources but are not included in the number of primary journal articles if they do not meet the criteria presented in Table 1.

3.4 Literature Selection Process

The literature selection process followed four stages: identification, screening, eligibility assessment, and final inclusion. A total of 120 publications were identified through Scopus (n = 45) and Google Scholar (n = 75). After removing 20 duplicate records, 100 publications remained for title and abstract screening. At this stage, 40 publications were excluded because they did not sufficiently address the research focus. The remaining 60 publications underwent full-text eligibility assessment, during which 30 were excluded due to insufficient substantive relevance, limited methodological information, or failure to meet the inclusion criteria. Consequently, 30 primary journal articles were included in the final thematic synthesis, representing 25% of the initially identified publications. The selection process is presented in Figure 1, which illustrates the identification, screening, eligibility assessment, and final inclusion stages.

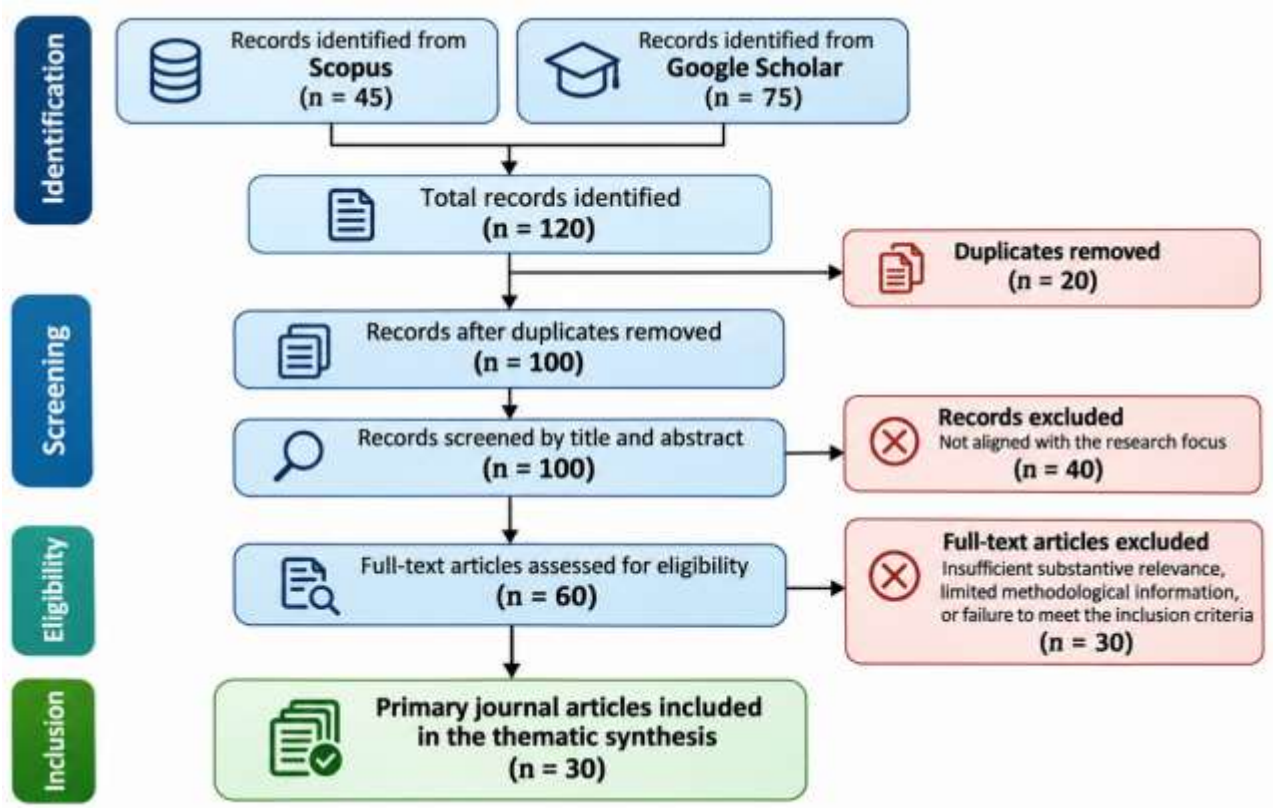


Figure 1. Literature Selection Process (2010–2026)

3.5 Data Extraction and Thematic Synthesis

Publications meeting the eligibility criteria will be analyzed through data extraction and thematic synthesis. Information collected from each article includes author names, publication year, research objectives, research context or respondent characteristics, research methods, primary variables or concepts, and findings relevant to financial wellness. This information is then organized into a literature matrix to facilitate comparisons across studies. The analysis focuses not only on similarities among findings but also on differences in perspectives, research contexts, and potential relationships among concepts. This approach allows the discussion to move beyond descriptive summaries of previous studies toward a more comprehensive conceptual interpretation. The literature synthesis is structured around five main themes. The first theme examines the development of the financial wellness concept and the characteristics of Generation Z's financial well-being. The second theme explores the role of digital financial literacy in financial understanding and decision-making. The third theme addresses financial behavior, particularly budgeting, saving, credit management, and investment decisions. The fourth theme analyzes self-control in relation to impulsive purchasing, digital consumption, and credit-related risks. The fifth theme integrates these three factors to develop a conceptual framework for understanding Generation Z's financial wellness.

Table 2. Proposed Thematic Synthesis Framework

Theme	Analytical focus
1. Financial Wellness among Generation Z	Financial security, financial stability, and future financial preparedness
2. Digital Financial Literacy	Digital financial knowledge, financial decision-making, and digital financial risks
3. Financial Behavior	Budgeting, saving, credit management, and investment behavior
4. Self-Control	Impulsive consumption, delayed gratification, and financial discipline
5. Integrated Financial Wellness Framework	Interrelationships among digital financial literacy, financial behavior, self-control, and financial wellness

The analysis involves reading and comparing findings from each publication, grouping research results according to conceptual similarities, and identifying patterns of relationships emerging from the literature. Findings indicating different or inconsistent relationships are also considered to ensure that the synthesis does not exclusively present evidence supporting the initial framework. Each theme is then interpreted to explain its contribution to understanding Generation Z's financial wellness. The synthesis findings serve as the foundation for developing an Integrated Financial Wellness Framework that connects digital financial literacy, financial behavior, and self-control. This framework is conceptual in nature and is not intended to represent the results of statistical testing of causal relationships.

4. DATA ANALYSIS AND DISCUSSION

4.1 Mapping and Development of Financial Wellness Literature

The development of research on financial wellness reflects a shift in how individual financial well-being is understood. Earlier studies primarily focused on individuals' ability to manage income, control expenses, use credit, and accumulate savings. Subsequent research demonstrated that financial well-being is determined not only by financial knowledge but also by money management habits, psychological characteristics, and economic circumstances. In recent years, the digitalization of financial services has further expanded this discussion, as individuals can conduct transactions, access credit, and invest through digital devices used in everyday life. The literature mapping in this review covers 30 identifiable publications published between 2011 and 2026, within the review period of 2010–2026. These publications are classified into five main themes: Financial Wellness, Digital Financial Literacy, Financial Behavior, Self-Control, and Integrated Financial Wellness. The classification is based on the primary focus and contribution of each study. Several publications involve Generation Z or university students as respondents, while studies involving adults and households are included to strengthen the conceptual foundation and facilitate comparisons across findings. The mapping of publications, research characteristics, key findings, and their relevance to this review is presented in Table 3.

Table 3. Thematic Mapping and Synthesis of 30 Publications on Financial Wellness (2010–2026)

No.	Authors (Year)	Research Context and Method	Key Findings / Contributions	Theme
1	Dew & Xiao (2011)	Development and validation of a financial management behavior scale	Identified cash management, credit, savings, and investment as dimensions of financial behavior	FB
2	Gathergood (2012)	Empirical study of financial literacy, self-control, and consumer debt	Low financial literacy and weak self-control are associated with over-indebtedness	SC
3	Lusardi & Mitchell (2014)	Review of financial literacy theory and empirical evidence	Knowledge of interest rates, inflation, and risk is important for economic decisions and financial planning	DFL
4	Shim et al. (2015)	Longitudinal study involving 1,511 university students	Parental socialization, education, and financial attitudes are associated with the development of financial behavior	FB
5	Drever et al. (2015)	Conceptual study of financial capability development among children and adolescents	Executive functions, socialization, and learning experiences provide a foundation for financial capability	SC
6	Brüggen et al. (2017)	Conceptual review and research agenda	Financial well-being is a multidimensional condition encompassing present and future well-being	FW

7	Strömbäck et al. (2017)	Survey of 2,063 respondents in Sweden	Stronger self-control is associated with saving habits, financial behavior, and financial security	SC
8	Grohmann (2018)	Survey of middle-class individuals in Bangkok	Higher financial literacy is associated with better financial decisions and product use	FB
9	Fu (2020)	Analysis of representative surveys across 11 countries	Financial system structures and opportunities also shape financial well-being	FW
10	Kawamura et al. (2021)	Survey of 5,848 respondents in Japan	Financial literacy does not always lead to cautious decisions; some knowledgeable individuals take excessive risks	DFL
11	Kaiser et al. (2022)	Meta-analysis of 76 randomized experiments involving over 160,000 participants	Financial education improves financial knowledge and behavior	FB
12	Bai (2023)	Survey of 449 university students in China; PLS-SEM	Financial literacy, mental budgeting, and self-control are associated with financial well-being; investment decisions serve as a mediator	IFW
13	Choung et al. (2023)	Online survey of adults in South Korea	Digital financial literacy is positively associated with financial well-being; fraud avoidance is an important component	DFL
14	Hwang & Park (2023)	Meta-analysis of 14 articles	Financial knowledge is associated with behavior and well-being; direct and indirect pathways differ by knowledge type	IFW
15	Van Raaij et al. (2023)	SEM involving 15,773 respondents across 16 countries	Self-control is more closely associated with current financial stress, while future orientation relates to future financial security	SC
16	Sabri et al. (2024)	Survey of 360 young adults in Malaysia; SEM	Financial behavior is an important mechanism linking literacy, socialization, self-control, and well-being	IFW
17	Marchyta et al. (2024)	Survey of 134 university students in Java; PLS	Financial literacy and socialization are positively associated with students' financial well-being	FB
18	Abdurrahman & Nugroho (2024)	Study of digital literacy, fintech, financial confidence, behavior, and well-being	Positions financial behavior and psychological factors as mechanisms linking digital literacy and well-being	IFW
19	Sajid et al. (2024)	Analysis of 43,104 observations from US household surveys	Financial literacy and confidence are associated with well-being directly and through financial behavior	IFW
20	Bhat et al. (2025)	Survey of 475 Indian university students; CFA and SEM	Digital financial knowledge, experience, and skills are associated with impulsivity, self-control, and well-being	DFL
21	Lone et al. (2025)	Study of Indian university students examining digital literacy and well-being	Examines the contribution of digital literacy and differences in relationships by gender and religiosity	DFL
22	Chhillar et al. (2025)	Empirical study of digital literacy, behavior, stress, and well-being	Digital risk management and knowledge are important; demographic characteristics influence relationships	DFL
23	Hafizha & Arifin (2025)	Survey of 185 Generation Z university students; regression	Financial socialization and self-control have significant positive relationships with financial behavior	SC
24	Suprapto et al. (2025)	Survey of 415 Generation Z respondents in Batam; PLS-SEM	Financial literacy and behavior have significant positive effects on well-being; the direct effect of self-control is insignificant	IFW
25	Ramadhini & Zoraya (2025)	Survey of 255 Generation Z respondents in Indonesia; SPSS	Financial behavior and knowledge have significant positive effects; self-control shows no direct effect	FW
26	Mu'awanah & Mardiana (2026)	Study of Generation Z in Pasuruan Regency	Examines digital financial literacy and well-being with financial behavior as a mediator	IFW
27	Aroyo et al. (2026)	Survey of 100 Generation Z respondents in Jambi City; PLS-	Examines financial literacy, self-control, risk tolerance, and the mediating role of investment	IFW

		SEM	decisions in well-being	
28	Un & Airawaty (2026)	Quantitative study of 90 culinary MSMEs in Yogyakarta	Financial literacy and inclusion positively influence MSME performance	FL
29	Febrian et al. (2026)	Survey of 161 Generation Z respondents in Indonesia; SEM-PLS	Financial socialization and self-control are important factors in financial behavior	FB
30	Apsari et al. (2026)	95 K-Pop fans; purposive sampling	FoMO and self-control have positive effects; impulse buying is not significant	SC

Note. FW = Financial Wellness; DFL = Digital Financial Literacy; FB = Financial Behavior; SC = Self-Control; IFW = Integrated Financial Wellness; FL = Financial Literacy.

The mapping presented in Table 3 demonstrates that research on financial wellness has not developed through a single independent approach. Dew & Xiao (2011) established a foundation for measuring financial management behavior, while Gathergood (2012) showed that financial difficulties may be associated with limited knowledge and self-control. Lusardi & Mitchell (2014) subsequently emphasized the importance of financial literacy in economic decision-making. Later, Shim et al. (2015) and Drever et al. (2015) expanded the discussion by demonstrating that financial behavior and capabilities develop through learning, socialization, and the development of self-regulation from an early age. Interest in financial well-being expanded further when Brüggen et al. (2017) conceptualized financial well-being as a multidimensional construct. Strömbäck et al. (2017) added that self-control is associated with financial behavior and financial security. Meanwhile, Grohmann (2018) demonstrated the relationship between financial literacy and financial decisions among middle-class individuals in Asia. However, Fu (2020) emphasized that financial well-being is also influenced by opportunities and characteristics of financial systems. This perspective is reinforced by Kawamura et al. (2021), who showed that individuals with high financial literacy do not always make cautious financial decisions. Together, these findings indicate that knowledge is important but insufficient to explain all variations in financial well-being.

During 2022–2026, research increasingly emphasized relationships among different components. Kaiser et al. (2022) demonstrated that financial education can improve financial knowledge and behavior, while Bai (2023), Choung et al. (2023), and Hwang & Park (2023) expanded discussions concerning investment decisions, digital literacy, and behavioral mechanisms. Van Raaij et al. (2023) further highlighted the importance of distinguishing current financial stress from future financial security. These developments suggest that financial wellness concerns not only individuals' present financial circumstances but also their ability to prepare for the future.

More recent studies have become increasingly relevant to Generation Z. Sabri et al. (2024), Marchyta et al. (2024), Abdurrahman & Nugroho (2024), and Sajid et al. (2024) examined the role of behavior and the mechanisms connecting financial capabilities with well-being. Subsequently, Bhat et al. (2025), Lone et al. (2025), and Chhillar et al. (2025) highlighted the importance of digital financial capabilities, risk management, and psychological characteristics. In Indonesia, Hafizha & Arifin (2025), Suprapto et al. (2025), and Ramadhini & Zoraya (2025) provided evidence that financial behavior and self-control do not always exhibit the same direct relationships with financial well-being. Recent developments are also reflected in studies by Mu'awanah & Mardiana (2026), Aroyo et al. (2026), Un & Airawaty (2026), Febrian et al. (2026), and Apsari et al. (2026). Collectively, these studies address different aspects of financial literacy, financial behavior, consumption control, and investment decisions across distinct research populations, including Generation Z. Overall, the literature mapping highlights the need to integrate digital financial literacy, financial behavior, and self-control within a framework that considers individuals' economic circumstances and digital environments.

4.2 Financial Wellness of Generation Z in the Digital Financial Ecosystem

Financial wellness refers to a condition associated with individuals' ability to meet financial needs, manage obligations, address risks, and maintain financial security. This concept cannot be equated solely with income because individuals may earn sufficient income yet still experience financial stress due to uncontrolled spending and financial obligations. Conversely, individuals with more limited resources may maintain relatively stable financial management by planning expenditures and maintaining financial priorities. In the context of Generation Z, this understanding is particularly important because many individuals are transitioning toward financial independence while navigating an increasingly digitalized financial environment. Brüggen

et al. (2017) provide a foundation for understanding financial well-being as a multidimensional concept related to current financial circumstances and the ability to maintain well-being in the future. This perspective is reinforced by Van Raaij et al. (2023), who distinguish current financial management stress from perceptions of future financial security. Through an analysis of 15,773 respondents across 16 countries, their study showed that self-control is more closely associated with current financial stress, whereas future orientation is more closely associated with anticipated financial security. These findings indicate that financial wellness should be understood across different time dimensions rather than assessed solely through financial circumstances at a particular moment.

However, financial well-being is also influenced by economic opportunities and environmental characteristics. Fu (2020), through research involving 11 countries, demonstrated that structural and institutional factors within financial systems are associated with financial well-being. This finding is important because individuals' ability to achieve financial wellness is not determined solely by financial literacy or personal discipline. The availability of independent information, financial service options, and financial market characteristics may influence opportunities to make beneficial financial decisions. Therefore, Generation Z's financial wellness should be understood alongside income, employment, living costs, and access to safe financial services.

In Indonesia, Ramadhini & Zoraya (2025) examined 255 Generation Z respondents and found that financial behavior and financial knowledge had significant positive effects on financial well-being, while self-control did not demonstrate a significant direct effect. These findings are consistent with Suprapto et al. (2025), who studied 415 Generation Z respondents in Batam and found positive effects of financial literacy and behavior on financial well-being but no significant direct effect of self-control. These differences suggest that psychological capabilities may not necessarily be reflected directly in financial well-being without considering individuals' behavior and economic circumstances. Apsari et al. (2026), through a study involving 95 K-Pop fans, provide an additional perspective on the relationships among fear of missing out (FoMO), self-control, impulse buying, and personal financial management. Their findings indicate that FoMO and self-control have positive and significant effects on financial management, whereas impulse buying does not demonstrate a significant effect. These findings highlight the importance of psychological factors and the ability to regulate personal decisions in shaping financial management behavior. In the context of financial wellness, managing consumption impulses and adjusting financial decisions are relevant considerations, particularly in social environments influenced by digital trends.

This synthesis indicates that Generation Z's financial wellness should be understood through the interaction of multiple factors. Technology may facilitate transactions and access to financial products, but such access does not necessarily improve well-being without the ability to understand risks and manage decisions. Therefore, financial wellness should be examined through the relationships among economic circumstances, digital financial capabilities, financial habits, and self-control.

4.3 Digital Financial Literacy and Changes in Financial Behavior

Digital financial literacy has become increasingly important alongside the growing use of payment applications, digital banking, online investments, and technology-based credit services. This capability involves not only the technical ability to operate applications but also an understanding of transaction costs, investment risks, information security, and the consequences of using financial services. Generation Z may possess strong technological skills without necessarily understanding all the financial risks associated with these services. Therefore, technological proficiency should be distinguished from the ability to make responsible financial decisions. Lusardi & Mitchell (2014) explain that financial literacy plays an important role in individual economic decision-making. Grohmann (2018) demonstrates that financial literacy is associated with decisions regarding financial product use among middle-class individuals in Bangkok. Meanwhile, Kaiser et al. (2022), through a meta-analysis of 76 randomized experiments involving more than 160,000 participants, found that financial education positively affects financial knowledge and behavior. Together, these studies provide a foundation for understanding how improved financial knowledge can support better decision-making. Nevertheless, the relationship between knowledge and financial decisions is not always straightforward. Kawamura et al. (2021), through a survey of 5,848 respondents in Japan, found that higher financial literacy among some individuals was associated with excessive risk-taking and less cautious borrowing. These findings demonstrate that financial knowledge does not always result in safer financial behavior. Individuals may understand financial products yet continue to make risky decisions because they are overly

confident in their capabilities. Thus, financial literacy should be examined alongside behavioral and psychological factors.

In digital environments, Choung et al. (2023) demonstrated that digital financial literacy is positively associated with financial well-being among adults in South Korea. Their study emphasized the importance of financial knowledge and the ability to avoid digital fraud. This finding indicates that digital financial literacy not only helps individuals use financial services but also protects them against transaction-related risks. Accordingly, understanding financial security and consumer protection constitutes an important component of financial wellness in the digital era. Bhat et al. (2025), through a study involving 475 university students in India, demonstrated that digital financial knowledge, experience, and skills are associated with impulsivity and self-control. Their findings indicated negative relationships between dimensions of digital financial literacy and impulsivity, alongside positive relationships with self-control. Furthermore, Lone et al. (2025) examined the relationship between digital financial literacy and financial well-being while considering differences in individual characteristics. Chhillar et al. (2025) also highlighted the importance of knowledge and digital risk management, demonstrating that relationships between literacy and financial outcomes may differ according to demographic characteristics. Together, these studies broaden the understanding of digital financial literacy as encompassing technical, cognitive, and risk-protection dimensions.

However, the ability to understand digital financial services must be translated into responsible financial behavior. Dew & Xiao (2011) established a foundation for understanding cash management, credit, savings, and investment behavior. Shim et al. (2015) demonstrated that changes in attitudes, socialization, and educational experiences are associated with the development of financial behavior among young adults. In Indonesia, Marchyta et al. (2024) found positive relationships between financial literacy, financial socialization, and financial well-being among university students in Java. These findings suggest that financial behavior develops not only through individual knowledge but also through learning environments and social interactions. Therefore, digital financial literacy and financial behavior are complementary components. Digital financial literacy provides the capability to evaluate financial alternatives, while financial behavior reflects how this capability is applied. For Generation Z, integrating these components is necessary because digital financial services may support money management but can also increase financial risks when decisions are not adequately planned.

4.4 Self-Control in Managing Digital Financial Risks

Self-control refers to an individual's ability to regulate impulses, delay gratification, and maintain decisions consistent with long-term goals. In financial management, this capability is associated with limiting spending, avoiding unnecessary credit, and maintaining a commitment to saving. Digital technological developments have made self-control increasingly important because purchasing decisions can be made quickly through promotions, product recommendations, and easily accessible payment facilities. Gathergood (2012) demonstrated that weak self-control is associated with consumer over-indebtedness. This finding suggests that financial difficulties are not caused solely by limited knowledge but may also arise from difficulties regulating consumption decisions. Strömbäck et al. (2017) subsequently found that individuals with stronger self-control tend to demonstrate better saving habits and more responsible financial behavior. Their study also identified relationships between self-control, lower financial anxiety, and greater feelings of financial security.

Drever et al. (2015) provide a developmental perspective suggesting that financial management capabilities are associated with executive functions, learning experiences, and socialization from an early age. This perspective is important because self-control does not develop independently of individual experiences. The ability to regulate decisions can develop through learning, habit formation, and interactions with the surrounding environment. In the context of Generation Z, financial education should therefore address the ability to regulate consumption impulses rather than focusing exclusively on knowledge of financial products. Bai (2023) found positive relationships among financial literacy, mental budgeting, self-control, and financial well-being among university students in China. The study also positioned investment decisions as a mediating mechanism. Meanwhile, Van Raaij et al. (2023) demonstrated that self-control is more closely associated with current financial management stress, whereas future orientation is more closely related to anticipated financial security. These studies suggest that psychological factors may be associated with different dimensions of financial well-being through distinct mechanisms.

In Indonesia, Hafizha & Arifin (2025) found that financial socialization and self-control had significant positive effects on Generation Z's financial behavior. Febrian et al. (2026) also highlighted the importance of self-control and financial socialization in explaining young adults' financial behavior. These studies provide a basis for understanding self-control as a capability that helps individuals implement financial decisions. However, an effect on financial behavior does not necessarily indicate that self-control has a significant direct relationship with financial well-being. This distinction is evident in Suprapto et al. (2025) and Ramadhini & Zoraya (2025), who found no significant direct effect of self-control on financial well-being. These findings do not imply that self-control is unimportant. Rather, they suggest that self-control may be indirectly associated with financial well-being through financial behavior or influenced by contextual factors. Therefore, examining both direct and indirect relationships is necessary to develop a more comprehensive understanding.

Recent research also highlights the relevance of digital consumption risks. Un & Airawaty (2026) found that financial literacy and financial inclusion had positive and significant effects on the performance of 90 culinary MSMEs in Yogyakarta. Meanwhile, Apsari et al. (2026), through a study involving 95 K-Pop fans, found that fear of missing out (FoMO) and self-control had positive and significant effects on personal financial management, whereas impulse buying had no significant effect. These studies highlight the relevance of financial capabilities and psychological factors to financial decisions and management, although their research populations and outcome variables differ. In the investment context, Aroyo et al. (2026) examined financial literacy, self-control, risk tolerance, and investment decisions among Generation Z in Jambi City. Taken together, the latter studies suggest that social pressures and investment decisions represent relevant contexts for understanding self-control in digital financial environments. Overall, self-control can be understood as a self-regulatory capability that helps individuals maintain financial decisions when facing consumption pressures. However, financial well-being is also influenced by economic circumstances and available opportunities. Therefore, self-control should be integrated with digital financial literacy and financial behavior rather than treated as the sole determinant of financial wellness.

4.5 Integrating Digital Financial Literacy, Financial Behavior, and Self-Control into Financial Wellness

The literature synthesis indicates that digital financial literacy, financial behavior, and self-control perform distinct but complementary functions in explaining Generation Z's financial well-being. Digital financial literacy provides the capability to understand financial information and evaluate the risks associated with financial services. Financial behavior reflects how this knowledge is applied through budgeting, saving, credit management, and investment decisions. Meanwhile, self-control helps explain individuals' ability to maintain planned financial decisions when facing consumption impulses. These three components can help explain why individuals with similar access to technology may experience different levels of financial well-being. Hwang & Park (2023) provide important support for the role of financial behavior as a mechanism connecting financial knowledge with financial well-being. Their meta-analysis indicates that objective financial knowledge is primarily associated with well-being through behavior, whereas subjective financial knowledge has both direct and indirect relationships. These findings demonstrate that the ability to understand financial matters should be distinguished from its application in everyday decisions. Thus, financial behavior represents an important mechanism for explaining how financial knowledge may be associated with financial well-being. Similar findings were reported by Sajid et al. (2024), who analyzed 43,104 observations from US household surveys. Their study demonstrated that financial literacy and financial confidence were associated with well-being both directly and through financial behavior. Sabri et al. (2024), through research involving 360 young adults in Malaysia, also highlighted the role of financial behavior as a mechanism connecting financial literacy, socialization, self-control, and well-being. Together, these studies indicate that financial behavior plays an important role in connecting individual financial capabilities with experienced financial well-being.

In the digital context, Abdurrahman & Nugroho (2024) examined the relationships among digital financial literacy, financial technology, financial confidence, financial behavior, and well-being. Their study highlighted the importance of considering mechanisms connecting digital capabilities with financial outcomes. Furthermore, Mu'awanah & Mardiana (2026) specifically examined the relationship between digital financial literacy and Generation Z's financial well-being, with financial behavior as a mediating variable. Both studies are relevant because they position behavior as part of the process through which digital financial capabilities are applied rather than as an independent variable operating in isolation. However, the synthesis

also reveals differences across findings. Suprapto et al. (2025) and Ramadhini & Zoraya (2025) found that self-control did not have a significant direct effect on Generation Z's financial well-being. Conversely, research on financial behavior indicates that self-control may be associated with more responsible financial habits. These differences suggest that self-control may have an indirect relationship with financial well-being through financial behavior, although this relationship requires further empirical testing according to respondent characteristics and research models.

Based on the overall discussion, this review develops an Integrated Financial Wellness Framework that combines cognitive, behavioral, and psychological capabilities. Digital financial literacy is positioned as the ability to understand and evaluate digital financial alternatives. Self-control represents the ability to regulate impulses and maintain financial decisions. Financial behavior reflects the implementation of financial decisions and potentially serves as a mechanism linking these two capabilities with financial wellness. In addition, the framework considers contextual factors, including income, employment status, living costs, access to financial services, and social influences. These conceptual relationships are presented in Figure 2, which illustrates the Integrated Financial Wellness Framework for Generation Z in the Digital Era. The figure demonstrates the relationships among digital financial literacy, self-control, financial behavior, and financial well-being while considering individuals' economic circumstances and digital environments.

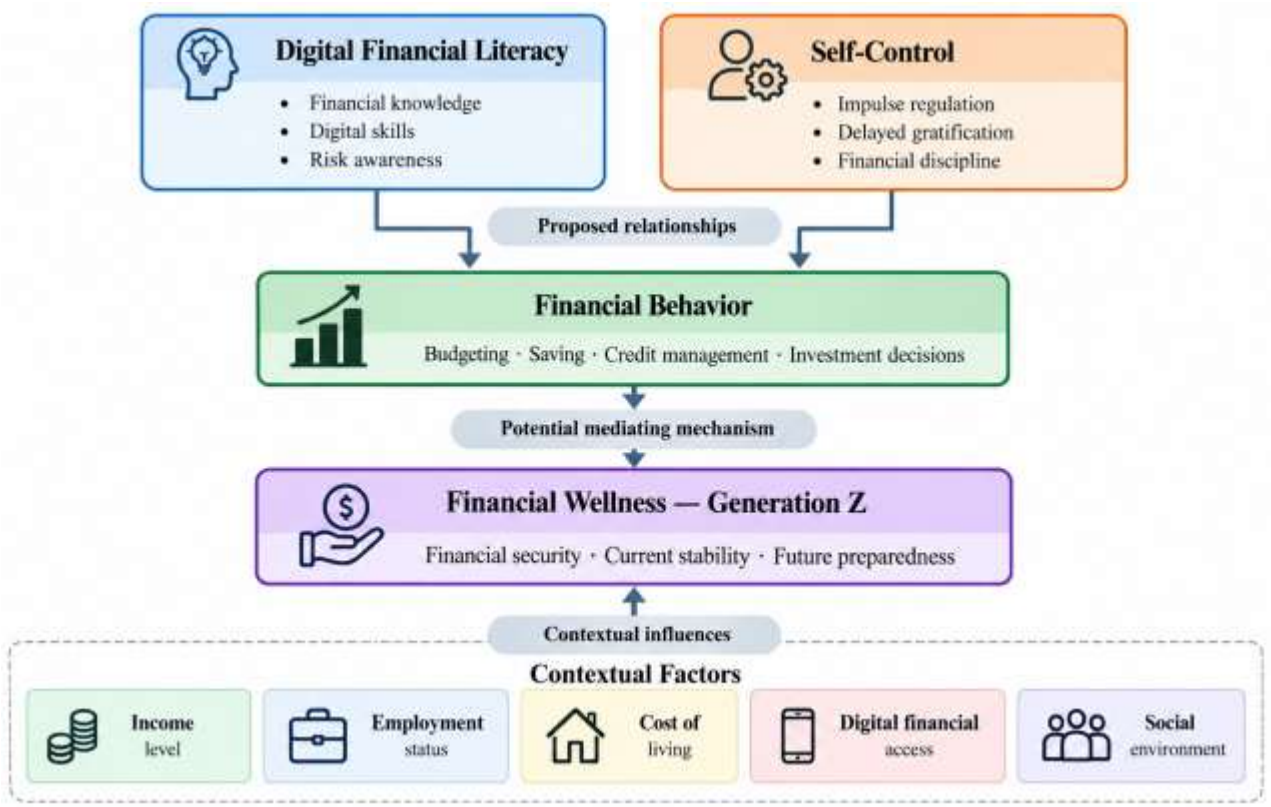


Figure 2. Integrated Financial Wellness Framework for Generation Z in the Digital Era

Figure 2 illustrates that digital financial literacy and self-control are positioned as two capabilities potentially associated with financial behavior. Digital financial literacy provides a foundation of knowledge and risk evaluation, while self-control helps individuals maintain decisions aligned with their financial priorities. Financial behavior is then understood as a potential mechanism connecting these components with financial wellness. The framework also allows for possible direct relationships between digital financial literacy, self-control, and financial well-being. However, these relationships represent conceptual propositions and have not been statistically tested in this review.

The framework does not assume that improvements in financial knowledge or self-control will always produce better financial well-being. Individuals' economic circumstances may continue to influence their ability to implement responsible financial decisions. Individuals with high financial literacy may still experience financial stress when their income is insufficient to meet basic needs, while those with adequate

economic resources may experience financial difficulties due to uncontrolled consumption behavior. Therefore, contextual factors are positioned as important conditions to consider when examining the relationships among the framework's components.

The conceptual contribution of this review lies in integrating three perspectives that are frequently examined separately. The cognitive perspective explains the ability to understand financial information, the behavioral perspective explains the implementation of financial decisions, and the psychological perspective explains the ability to regulate consumption impulses. This integration provides a foundation for future research that examines not only direct relationships but also mediating mechanisms and potential differences according to economic circumstances and patterns of digital financial service use.

4.6 Theoretical and Practical Implications and Directions for Future Research

From a theoretical perspective, this review demonstrates that financial wellness is a multidimensional concept that cannot be explained solely through financial literacy. Knowledge of financial products, risks, and financial planning is important, but financial well-being also depends on how individuals apply that knowledge. Financial behavior explains the implementation of financial decisions, while self-control helps explain individuals' ability to maintain priorities when facing consumption impulses. Thus, integrating these components broadens the understanding of financial well-being beyond cognitive capabilities to encompass actions and self-regulation. This review also highlights the importance of distinguishing direct and indirect relationships in financial wellness research. Differences in findings concerning self-control suggest that psychological factors are not always directly associated with financial well-being. Such relationships may operate through money management behavior or be influenced by individuals' economic characteristics. Therefore, future research should examine financial behavior as a mediating mechanism while considering the potential direct and indirect relationships between self-control and financial well-being.

From a practical perspective, this discussion provides a foundation for developing more comprehensive digital financial education. Financial literacy programs targeting Generation Z should not be limited to introducing financial products and explaining how to use applications. Education should also address budgeting skills, digital credit risk assessment, savings management, investment consequences, and the regulation of impulsive purchases. Such an approach is necessary to ensure that improvements in financial knowledge are accompanied by more responsible financial habits. For digital financial service providers, this review emphasizes the importance of information transparency and consumer protection. Information regarding costs, risks, and repayment obligations should be communicated clearly so that users can make informed decisions. Transaction tracking, budgeting tools, payment reminders, and spending limits may be considered as features that support users' financial management. However, the availability of these features does not automatically guarantee improvements in financial well-being because their effectiveness depends on individual circumstances and behavior.

Future research should empirically test this integrative framework among Generation Z populations with different economic characteristics. Studies may consider financial behavior as a mediating variable and examine both direct and indirect relationships between self-control and financial well-being. In addition, income levels, employment status, living costs, intensity of digital financial service use, and social influences should be considered as contextual factors. Longitudinal approaches may also be employed to determine whether changes in financial literacy and behavior are followed by changes in financial well-being over time. Overall, the literature synthesis indicates that Generation Z's financial wellness in the digital era should be understood through the relationships among the ability to comprehend financial services, habits of managing financial resources, and the capacity to regulate consumption decisions. These three components do not operate independently but interact within continuously evolving economic and technological environments. Accordingly, the Integrated Financial Wellness Framework developed in this review provides a conceptual foundation for understanding financial wellness more comprehensively and serves as a basis for future research and financial education programs that better address the needs of younger generations.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Based on the literature synthesis concerning Generation Z's financial wellness in the digital era, this review indicates that financial well-being is associated not only with income levels or convenient access to financial services but also with individuals' ability to understand risks, manage financial decisions, and regulate con-

sumption behavior. Digital financial literacy, financial behavior, and self-control represent three complementary components in understanding financial well-being. Digital financial literacy provides a foundation of knowledge, self-control helps maintain financial discipline, and financial behavior reflects the application of both in everyday life. The synthesis also suggests that financial behavior may serve as a mediating mechanism linking digital financial literacy and self-control with financial wellness. However, these relationships should be considered alongside income, employment, living costs, and social environments. Accordingly, the main contribution of this review is the development of an Integrated Financial Wellness Framework as a conceptual framework for understanding Generation Z's financial well-being more comprehensively.

This review provides theoretical and practical implications for understanding Generation Z's financial management. Theoretically, integrating digital financial literacy, financial behavior, and self-control broadens the understanding of financial well-being, which has frequently been examined through separate perspectives. Practically, the findings suggest that digital financial education should extend beyond providing knowledge of financial products and services to developing habits of budgeting, saving, managing credit, and controlling impulsive purchases. Universities, financial institutions, and governments may use this framework as a foundation for developing financial literacy programs that better reflect Generation Z's experiences, particularly regarding digital wallets, online investments, and buy now, pay later services. Such an approach is expected to help young adults make more responsible financial decisions while improving their preparedness to manage financial risks.

This review has several limitations that should be considered when interpreting its findings. First, the study employs a narrative literature review approach, meaning that the synthesis is based on the interpretation and comparison of previous research findings rather than statistical testing of relationships among variables. Second, the reviewed literature varies in respondent characteristics, research methods, geographical contexts, and measurements of financial well-being. Consequently, the findings cannot be directly generalized to the entire Generation Z population. Third, not all publications specifically examine Generation Z or the use of digital financial services; therefore, some findings are used primarily to establish the conceptual foundation. Furthermore, the proposed Integrated Financial Wellness Framework remains conceptual and has not been empirically validated. Accordingly, the relationships proposed within the framework should be interpreted as potential mechanisms supported by the literature synthesis rather than established causal relationships.

Future research is encouraged to empirically examine the Integrated Financial Wellness Framework by involving Generation Z respondents from diverse educational, employment, and income backgrounds. Partial Least Squares Structural Equation Modeling (PLS-SEM) may be considered to examine direct and indirect relationships among digital financial literacy, self-control, financial behavior, and financial wellness, particularly the potential mediating role of financial behavior. Future studies should also consider contextual factors, including the use of buy now, pay later services, social media-driven consumption pressures, living costs, and access to digital financial services. Additionally, longitudinal approaches may be employed to understand changes in financial behavior and financial well-being over time. Through such empirical investigations, the proposed conceptual framework may receive further empirical support and provide a stronger foundation for developing financial education and consumer protection programs tailored to Generation Z.

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