

**THE EFFECT OF FINANCIAL LITERACY AND LIFESTYLE ON FINANCIAL
MANAGEMENT BEHAVIOR WITH SELF-EFFICACY AS A MEDIATION
VARIABLE**

(A Study of Young Workforce in Tuban Regency)

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Abstract

This study aims to analyze the influence of financial literacy and lifestyle on financial management behavior, with self-efficacy as a mediating variable among young workers in Tuban Regency. This study employed a quantitative approach involving 160 respondents, and the data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) through SmartPLS 3. The results indicate that financial literacy, lifestyle, and self-efficacy have significant effects on financial management behavior. Financial literacy also significantly influences self-efficacy, while lifestyle does not have a significant effect on self-efficacy. Furthermore, self-efficacy is proven to mediate the relationship between financial literacy and financial management behavior, but it does not mediate the relationship between lifestyle and financial management behavior.

Keywords: *Financial Literacy, Lifestyle, Self-Efficacy, Financial Management Behavior.*

1. INTRODUCTION

Globalization and digitalization have significantly transformed individual financial behavior, particularly among young workers who are entering the early stages of financial independence. The rapid development of financial technology, digital payment systems, online shopping platforms, and social media has increased consumption opportunities while simultaneously creating greater financial challenges. Young workers are required not only to earn income but also to manage expenses, savings, and financial planning wisely in order to achieve financial well-being.

Financial management behavior is an individual's ability to plan, organize, and control the use of funds effectively. According to Ida & Yohana (2010), financial management behavior relates to the wise management of income, expenses, savings, investments, and controlling the use of money. Good financial management can help individuals avoid financial problems such as consumer behavior and future economic hardship.

The issue of financial management among young workers has become increasingly important due to the rising trend of consumptive lifestyles among the younger generation. Social media exposure and digital lifestyles often encourage individuals to prioritize prestige

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and instant gratification over financial needs. Hidayah & Iramani (2023) explain that young adults are highly influenced by social pressure and technological developments. This phenomenon indicates that financial knowledge alone may not always be sufficient to encourage healthy financial behavior.

Tuban Regency represents an important research setting because it has a large productive-age workforce. According to data from the Central Statistics Agency (BPS) in 2025, the workforce population in Tuban Regency reached approximately 772,859 people. The increasing number of young workers accompanied by the expansion of digital financial access creates both opportunities and risks in financial management practices. Therefore, understanding factors that influence financial management behavior among young workers in Tuban Regency becomes highly relevant, both academically and practically.

One factor considered important in shaping financial management behavior is financial literacy. Huston (2010) defines financial literacy as an individual's knowledge and ability to understand and apply financial concepts effectively. Individuals with higher financial literacy are generally expected to make better financial decisions. However, several previous studies have shown inconsistent findings regarding the relationship between financial literacy and financial management behavior.

Besides financial literacy, lifestyle also influences financial management behavior. Azizah (2020) stated that a consumptive lifestyle tends to encourage excessive spending behavior and weak financial control. Another factor influencing financial management behavior is self-efficacy. Albert Bandura (1997) explains that self-efficacy refers to an individual's belief in their ability to perform tasks and achieve desired outcomes. Individuals with high self-efficacy tend to be more confident in managing finances and making financial decisions.

Although many studies have examined financial literacy, lifestyle, and financial management behavior, research that integrates self-efficacy as a mediating variable among young workers remains limited, particularly in the context of Tuban Regency. Previous studies generally focused on students or general communities, while research involving young workers as productive economic actors is still relatively scarce. Therefore, this study offers novelty by examining the mediating role of self-efficacy in the relationship between financial literacy, lifestyle, and financial management behavior among young workers in Tuban Regency. This research contributes theoretically by enriching the literature on financial behavior through the integration of cognitive and psychological approaches.

2. RESEARCH METHOD

This study uses a quantitative approach with an associative research method to analyze the influence of financial literacy and lifestyle on financial management behavior, with self-efficacy as a mediating variable among young workers in Tuban Regency. The population in this study was young workers in Tuban Regency. The sampling technique used

purposive sampling with the following criteria: young workers domiciled in Tuban Regency, aged 18-25 years, and having their own income. The total sample in this study was 160 respondents.

The data used in this study consists of primary and secondary data. Primary data was obtained through questionnaires distributed to respondents using a Likert scale of 1-5. Meanwhile, secondary data was obtained from various supporting sources, such as books, scientific journals, and official data from the Central Statistics Agency (BPS) and the Financial Services Authority (OJK).

The independent variables in this study include financial literacy (X1) and lifestyle (X2). The dependent variable used is financial management behavior (Y), while self-efficacy (Z) acts as a mediating variable. The data analysis technique in this study uses the Structural Equation Modeling-Partial Least Square (SEM-PLS) method with the help of SmartPLS 3 software. The analysis was carried out in two stages, namely the evaluation of the outer model to test the validity and reliability of the research instrument, and the evaluation of the inner model to test the relationship between variables and research hypotheses.

3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

Based on the descriptive analysis, the financial literacy variable is in the high category, indicating that young workers in Tuban Regency have a good understanding of managing and making financial decisions. The lifestyle variable is in the moderately high category, indicating that respondents tend to follow modern trends and consumption patterns influenced by their social environment and digital media.

Furthermore, the self-efficacy variable falls into the high category, indicating that respondents have good self-confidence in managing and controlling their finances. Meanwhile, the financial management behavior variable falls into the good category, as evidenced by respondents' ability to manage expenses, prepare budgets, and set aside income for savings. Overall, all study variables fall into the moderate to high category, thus concluding that young workers in Tuban Regency have fairly good financial management behaviors.

3.2 Outer Model Evaluation

3.2.1 Validity Testing

Table 1 Validity Test Results

	X1_ Financial Literacy	X2_ Lifestyle	Y_ Financial Management Behavior	Z_ Self Efficacy
X1.1	0,963			
X1.10	0,942			
X1.11	0,976			

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X1.12	0,971		
X1.2	0,973		
X1.3	0,975		
X1.4	0,962		
X1.5	0,959		
X1.6	0,979		
X1.7	0,981		
X1.8	0,958		
X1.9	0,951		
X2.1		0,920	
X2.2		0,944	
X2.3		0,944	
X2.4		0,933	
X2.5		0,910	
X2.6		0,932	
X2.7		0,936	
X2.8		0,940	
X2.9		0,914	
Y1.1			0,958
Y1.10			0,950
Y1.11			0,956
Y1.12			0,948
Y1.2			0,942
Y1.3			0,962
Y1.4			0,953
Y1.5			0,958
Y1.6			0,945
Y1.7			0,953
Y1.8			0,971
Y1.9			0,959
Z1.1			0,969
Z1.10			0,970
Z1.11			0,962
Z1.12			0,958
Z1.13			0,963
Z1.14			0,956
Z1.15			0,945
Z1.2			0,960
Z1.3			0,970
Z1.4			0,965
Z1.5			0,955

Z1.6				0,970
Z1.7				0,966
Z1.8				0,958
Z1.9				0,963

Source: *Data Processed, 2026*

Based on the results of testing the measurement model, the outer loading value is used to determine the ability of each indicator to represent the construct being measured. An indicator is considered to meet convergent validity if its outer loading value is > 0.70 .

The analysis results show that all indicators in the financial literacy, lifestyle, financial management behavior, and self-efficacy variables have outer loading values above 0.70, with a value range of 0.910 until 0.981. This indicates that all indicators have met convergent validity criteria and are able to represent the research constructs well.

The high outer loading values indicate that all indicators adequately represent the research constructs and meet convergent validity criteria. Therefore, all indicators in this study are deemed valid and suitable for further analysis.

3.2.2 Discriminant Validity Testing

Table 2 Discriminant Validity Test Results

	X1_Financial Literacy	X2_Life Style	Z_Self Efficacy	Y_Financial Management Behavior
X1_Literasi Keuangan				
X2_Gaya Hidup	0,053			
Z_Self Efficacy	0,693	0,098		
Y_Perilaku Pengelolaan Keuangan	0,032	0,046	0,590	

Source: *Data Processed, 2026*

Based on the results of the discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) method, it is known that all the relationship values between variables are below the specified limit, namely < 0.90 . The HTMT value between the financial literacy and lifestyle variables is 0.053, financial literacy with financial management behavior is 0.032, and lifestyle with financial management behavior is 0.046. In addition, the HTMT value between financial literacy and self-efficiency is 0.693, lifestyle and self-efficiency is 0.098, and financial management behavior and self-efficiency is 0.590.

These results indicate that each construct in the study has good discriminant validity because each variable is able to distinguish itself from other variables. There is no excessive correlation between constructs, so it can be concluded that the research model meets the

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discriminant validity criteria based on the HTMT method and is suitable for further hypothesis testing.

3.2.3 Reability Testing

According to Sugiyono (2023), reliability testing indicates the extent to which a measurement result can be trusted. An instrument is considered reliable if its measurement results are consistent. A construct is considered reliable if its Cronbach's Alpha and Composite Reliability values exceed 0.7.

Table 3 Reability Test Results

	Cronbach's Alpha	rho_A	Reliabilitas Komposit	Mean Variance Extracted (AVE)
X1_ Financial Literacy	0,993	0,994	0,994	0,933
X2_ Lifestyle	0,981	1,004	0,983	0,866
Y_ Financial Management Behavior	0,991	0,991	0,992	0,911
Z Self Efficacy	0,994	0,994	0,995	0,925

Source: *Data Processed, 2026*

Construct validity and reliability testing were conducted to ensure that the research instrument was able to measure variables consistently and accurately. This evaluation was conducted by examining Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE) values.

The test results show that all variables have Cronbach's Alpha values ranging from 0.981 to 0.994 and Composite Reliability values between 0.983 and 0.995, thus all variables have met the reliability criteria because they are above the minimum limit of 0.70. In addition, the AVE values for all variables are in the range of 0.866 to 0.933 or greater than 0.50. This indicates that each construct is able to explain the variance of its indicators well. Thus, all variables in the study are declared valid and reliable for use in further hypothesis testing.

3.3 Inner Model Evaluation

Table 4 R-Square

	R Square	Adjusted R Square
Y_Perilaku Pengelolaan Keuangan	0,684	0,678
Z_Self Efficacy	0,481	0,474

Source: *Data Processed, 2026*

The R Square value is used to measure the extent to which the independent variable is able to explain the dependent variable in the research model.

The analysis results show that the R Square value for the financial management behavior variable is 0.684 with an Adjusted R Square value of 0.678. This means that 68.4% of the variation in financial management behavior can be explained by the variables of financial literacy, lifestyle, and self-efficacy, while the rest is explained by other factors outside the research model. Meanwhile, the self-efficacy variable has an R Square value of 0.481 and an Adjusted R Square of 0.474. These values indicate that 48.1% of the variation in self-efficacy can be explained by the financial literacy and lifestyle variables in this study.

3.4 Hypothesis Testing

3.4.1 Direct Effect Testing

Table 5 Direct Effect Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistik	P Values
X1_ Financial Literacy -> Y_ Financial Management Behavior	-0,796	-0,792	0,065	12,223	0,000
X1_ Financial Literacy -> Z_ Self Efficacy	0,686	0,684	0,040	17,355	0,000
X2_ Lifestyle -> Y_ Financial Management Behavior	-0,120	-0,120	0,048	2,495	0,013
X2_ Lifestyle -> Z_ Self Efficacy	0,076	0,070	0,071	1,067	0,287
Z_ Self Efficacy -> Y_ P Financial Management Behavior	1,147	1,145	0,058	19,939	0,000

Source: *Data Processed, 2026*

Financial literacy has a negative and significant influence on financial management behavior, with an original sample value of -0.796, t-statistic of 12.223, and p-value of 0.000. This finding indicates that higher financial literacy does not always directly lead to better financial management behavior among young workers in Tuban Regency. Theoretically, behavioral finance theory explains that financial decisions are influenced not only by knowledge but also by emotions, consumptive behavior, and social pressure. Thus, individuals who understand financial concepts may still engage in excessive spending due to digital lifestyles and instant gratification Huston (2010), Hidayah & Iramani (2023).

Furthermore, financial literacy also has a positive and significant influence on self-efficacy. This is evidenced by the t-statistic value of 17.355 and the p-value of 0.000. These values indicate that the better an individual's financial literacy, the higher their level of confidence in managing and making financial decisions. Thus, hypothesis H2, which states that financial literacy has a positive and significant influence on self-efficacy, is accepted. Theoretically, good financial knowledge can increase an individual's confidence in facing various financial situations. This research supports the results of previous studies conducted

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by Pramithasari & Wibowo (2025) and Wasita et al. (2022) , which showed that individuals with high levels of self-efficacy tend to demonstrate healthier financial practices, such as budgeting, regular saving, and managing debt more wisely.

Lifestyle has a negative and significant influence on financial management behavior, with an original sample value of -0.120, t-statistic of 2.495, and p-value of 0.013. This finding indicates that a higher consumptive lifestyle can reduce the quality of financial management behavior among young workers in Tuban Regency. Lifestyle theory explains that social media exposure, online shopping, and peer pressure encourage individuals to prioritize prestige and personal satisfaction over financial needs, which can weaken financial planning and spending control Azizah (2020). These findings are also in line with research conducted by Suzanna et al. (2022), Junita & Aslamiyah (2024), and Sari et al. (2020), which stated that lifestyle influences financial management behavior.

On the other hand, lifestyle did not significantly influence self-efficacy. This is evidenced by the t-statistic of 1.067, which is smaller than 1.96, and the p-value of 0.287, which is greater than 0.05. These results indicate that a person's lifestyle is unable to significantly increase or decrease self-efficacy. Thus, hypothesis H4 is rejected. This indicates that self-confidence in managing finances is not directly influenced by an individual's lifestyle patterns. Previous research has shown that lifestyle significantly influences *self-efficacy*, as a controlled lifestyle usually goes hand in hand with high self-confidence in managing a budget and limiting spending (Amelika et al., 2026) . However, this contrasts with research conducted by Rahmawati (2021) , which shows that lifestyle tends to be influenced by the social environment, trends, and consumption patterns. Therefore, a person can have a high-tech or modern lifestyle but not necessarily have high self-confidence in using technology or managing finances.

Furthermore, self-efficacy has a positive and significant influence on financial management behavior. The test results show a t-statistic value of 19.939 with a p-value of 0.000. These results indicate that the higher an individual's self-efficacy, the better their financial management behavior. Individuals with good self-confidence tend to be better able to manage expenses, prioritize needs, and make appropriate financial decisions. Therefore, hypothesis H5 is accepted. This research supports the results of previous studies conducted by Farrell et al. (2016) and Lown (2011) which revealed that *financial self-efficacy* has a positive influence on individual financial management behavior.

3.4.2 Indirect Effect Testing

Table 6 Indirect Effect Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistik	P Values
X1_ Financial Literacy -> Z_ Self Efficacy -> Y_	0,787	0,785	0,080	9,822	0,000

Financial Management Behavior					
X2 Lifestyle -> Z Self Efficacy -> Y_ Financial Management Behavior	0,087	0,081	0,082	1,061	0,289

Source: *Data Processed, 2026*

Based on the results of the indirect effect test, self-efficacy is able to mediate the relationship between financial literacy and financial management behavior. This is indicated by the original sample value of 0.787, the t-statistic value of 9.822, and the p-value of 0.000, or less than 0.05. These results indicate that financial literacy has an indirect influence on financial management behavior through self-efficacy. This means that the better a person's level of financial literacy, the higher their self-efficacy, which can encourage better financial management behavior. Thus, the hypothesis stating that self-efficacy is able to mediate the effect of financial literacy on financial management behavior is accepted. This finding is in line with research conducted by Wasita et al. (2022) and Amelika et al. (2026) which revealed that financial literacy can influence financial management behavior indirectly through the role of *self-efficacy*.

Meanwhile, self-efficacy was unable to mediate the relationship between lifestyle and financial management behavior. This is evidenced by the original sample value of 0.087, the t-statistic value of 1.061, and the p-value of 0.289, or greater than 0.05. These results indicate that lifestyle does not have a significant indirect effect on financial management behavior through self-efficacy. Thus, the hypothesis stating that self-efficacy is able to mediate the influence of lifestyle on financial management behavior is rejected. This indicates that a person's lifestyle does not automatically influence self-efficacy in managing finances, thus having no mediating effect on financial management behavior.

4. CONCLUSION

Based on the results of this study, financial literacy and lifestyle were found to have a negative and significant influence on financial management behavior among young workers in Tuban Regency. This finding indicates that higher financial literacy does not necessarily lead to better financial management behavior, while a more consumptive lifestyle tends to weaken financial management behavior. Financial literacy also has a positive and significant influence on self-efficacy, whereas lifestyle does not significantly influence self-efficacy. In addition, self-efficacy has a positive and significant influence on financial management behavior and is proven to mediate the relationship between financial literacy and financial management behavior. However, self-efficacy was unable to mediate the relationship between lifestyle and financial management behavior.

These findings indicate that financial management behavior among young workers has become an important issue in the digital era due to the increasing influence of

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consumptive lifestyles, social media exposure, and the ease of digital financial transactions, which may affect financial decision-making and financial stability. This study offers novelty by examining self-efficacy as a mediating variable in the relationship between financial literacy, lifestyle, and financial management behavior among young workers in Tuban Regency, a research context that is still rarely explored in previous studies. Furthermore, this study contributes theoretically by enriching the literature on financial management behavior through the integration of financial and psychological perspectives. Practically, the findings can be used as a reference for government institutions, educational institutions, and financial service providers in developing financial education programs that strengthen not only financial knowledge but also self-confidence and self-control in managing finances.

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