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The Influence of Financial Literacy and Lifestyle on the Decision to Use Online Loans with Locus of Control as a Moderating Variable among Generation Z in Cimahi City

Tiara Fani Anti[1]*, Novi Susyani[2]
Management Study Program, Faculty of Economics and Business, Universitas Jenderal Achmad Yani, Cimahi, Indonesia
Corresponding Author: Tiara Fani Anti
tiarafani_22p218@mn.unjani.ac.id

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A B S T R A C T
This study aims to examine the effects of financial literacy and lifestyle on the decision to use online loans among Generation Z in Cimahi City, and to test whether locus of control moderates these relationships. This study uses a quantitative method that includes both descriptive and confirmatory techniques. The method used for sampling is non-probability sampling, and it specifically uses a purposive approach. Data was gathered from 170 people through a survey and then looked at using multiple linear regression and Moderated Regression Analysis. The results indicate that financial literacy has a significant negative effect on the decision to use online loans, whereas lifestyle has a significant positive effect on that decision. Moreover, locus of control was not found to significantly moderate either the effect of financial literacy or the effect of lifestyle on the decision to use online loans, indicating that this psychological factor neither strengthens nor weakens the two relationships. These findings imply that financial education programs for Generation Z should focus not only on improving financial knowledge but also on managing consumptive lifestyles, as lifestyle appears to be a more dominant factor influencing online lending decisions.

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INTRODUCTION

New developments in digital technology have changed how people get financial services using financial technology, or fintech. One of the fastest-growing fintech services is online lending, which provides a quick, simple, and app-based way to apply for loans. This ease has led to more people using online loans as a different way to get money when they need it for different reasons. Even though it is convenient, several problems have emerged, such as the growing use of loans for daily consumption, the risk of default, and the proliferation of unlicensed illegal online lenders (Bintari et al., 2025; Putri et al., 2025). There is a problem with some online lenders who operate illegally because they usually charge very high interest, use wrong ways to collect money, and might wrongly use people's personal information. This condition causes the public, especially the younger generation who actively utilize digital technology, to become a vulnerable group experiencing negative impacts from the use of online loans (Putri et al., 2025).

This same thing is happening in Indonesia as digital technology develops quickly and more people start using app-based financial services. Digital transformation has expanded public access to financial services and simplified the process of obtaining financing (Syam et al., 2024). However, this greater access has not been fully matched by people's ability to understand and handle their money wisely. The situation shows that the total value of online loans in Indonesia is increasing steadily, reaching Rp87.61 trillion in August 2025, which is a 21.62% rise compared to the previous year (OJK, 2025). At the same time, the Financial Services Authority (OJK) is stepping up its regulation of loan companies and working hard to stop illegal online lending activities. On the other hand, consumptive lifestyles and ease of access to digital services make some people, especially Generation Z, more vulnerable to using online loans to meet needs and wants without adequately considering their repayment ability. This condition shows that the increased use of online loans is influenced not only by technological advancement, but also by the level of financial literacy and lifestyle of the population, which remains an important issue to examine (Susanti & Rahardjo, 2023).

Data on the ten provinces with the highest online loan debt in Indonesia show that West Java is the province with the highest online loan value in early 2025, amounting to Rp20.75 trillion—far higher than other provinces such as DKI Jakarta and East Java (OJK, 2025). This condition is influenced by West Java's status as the most populous province in Indonesia, dominated by a productive-age population. This high level of online loan use in West Java has also affected Cimahi City. The city of Cimahi was selected as the research site because it is one of the cities in West Java Province with a relatively large proportion of young residents and a steadily increasing rate of digital financial service usage. According to data from the BPS Cimahi (2025), the productive age group of 15–29 years dominates the population structure of Cimahi, making them potential primary users of online lending services. Furthermore, data from Kredit Pintar (2026) indicates that the value of online loans disbursed in Cimahi City reached approximately Rp8.9 billion during the January–March 2026 period. This data demonstrates that the use of online loans has become a tangible phenomenon in Cimahi City and warrants examination as a financial behavior of Generation Z. Where several real cases of loan misuse have emerged. In 2021, a resident of Cimahi Tengah District was reported to be trapped by an illegal online loan after borrowing Rp1.5 million but having to repay up to Rp23 million due to a weekly interest rate of 30% (detikcom, 2021). More recently, in March 2025, a man in Cimahi City broke into a minimarket's ATM machine and assaulted an employee due to being trapped in Rp200 million of online loan debt originating from online gambling losses (Kompas.tv, 2025). These cases indicate that the problem of online loans in Cimahi City is no longer solely related to individual financial difficulties but has developed into a broader social and criminal issue.

This phenomenon is of particular concern because Generation Z is the age group most familiar with digital technology and application-based financial services, including online loans. A pre-survey conducted on 60 Generation Z respondents in Cimahi City on 25 April 2026 found that Shopee Pinjam (SPinjam) was the most widely used online loan application (58.30% of respondents), followed by Akulaku (15%), Kredivo (10%), AdaKami (5%), and Easycash (11.67%). Interestingly, the same pre-survey also found that the majority of respondents reported a fairly good understanding of financial concepts (88.3% agreeing or strongly agreeing that they understood online loans), yet still tended to use online loan services. This indicates that a high level of financial literacy does not necessarily translate into a lower tendency to use online loans, suggesting that other factors such as lifestyle, economic needs, social pressure, and ease of access to digital technology may play a more decisive role in this decision.

Financial literacy, according to the Financial Services Authority (OJK, 2020), is the knowledge, skills, and beliefs that shape how people think and act when making financial choices.It helps them manage their money better and work towards a more fulfilling life. Financial literacy was selected as one of the independent variables in this study because of the gap between Generation Z's high digital literacy and comparatively lower financial literacy: they can easily download and operate online loan applications, but do not necessarily understand interest calculations, late payment penalties, or the legal consequences of the agreements they accept. Alongside financial literacy, lifestyle reflected in activities, interests, and opinions that shape consumption patterns is considered a key behavioral driver of borrowing decisions among digitally native consumers. Locus of control, meanwhile, is examined as a moderating variable because an individual's belief in their capacity to control the outcomes of their own financial decisions is theoretically expected to strengthen or weaken the influence of financial literacy and lifestyle on the decision to use online loans.

Although prior studies have examined financial literacy, lifestyle, and locus of control separately in relation to financial behavior, few have integrated all three variables in a single model, and even fewer have examined how locus of control moderates the effects of financial literacy and lifestyle on the decision to use online loans among Generation Z in medium-sized Indonesian cities such as Cimahi. This gap is reinforced by the paradox identified in the pre-survey, where a high level of self-reported financial understanding coexists with a high rate of online loan use, suggesting that the mechanism linking financial literacy and lifestyle to borrowing decisions is not yet fully explained by existing models. To address this gap, this study aims to examine (1) the effect of financial literacy, and (2) the effect of lifestyle on the decision to use online loans, as well as (3) whether locus of control moderates each of these two effects among Generation Z in Cimahi City.

THEORETICAL REVIEW

Technology Acceptance Model (TAM)

According to Wicaksono (2022), the Technology Acceptance Model (TAM) is used to analyze the process of acceptance and utilization of information technology by its users. TAM is a model that explains why an IT system is not adopted, namely because users are not interested in using it. This model represents a causal relationship between users' beliefs and behavior, as well as system objectives, ease of use, and actual usefulness (Diana, 2025).

The Theory of Planned Behavior (TPB)

According to Ajzen (1991), the Theory of Planned Behavior (TPB) says that a person's action, like choosing to use an online loan, isn't just done by chance.It's shaped by three key things: how the person feels about the action, what others think about it, and how easy they believe it is to do.These factors help form the person's intention to act, which then leads to them actually doing it. Ajzen emphasized that perceived behavioral control is particularly crucial in the context of risky financial decisions, as it reflects an individual's belief in their ability to control inhibiting factors, such as the risk of debt or the pressure of lifestyle.

Theory Consumer Behavior (TCB)

According to Kotler (2016), consumer behavior is the study of how individuals, organizations, and groups buy, select, and use concepts, goods, and services to satisfy customer needs and wants. Kotler (2016) identified four factors that influence consumer behavior. Cultural factors exist when most individuals within a community share the same basic understanding of what is considered important. Social factors refer to a group of people who closely consider similarities in status and esteem within a community, and who continuously interact with one another, both formally and informally. Personal factors represent a way of gathering and grouping the consistency of an individual's reactions to a given situation. Psychological factors refer to a condition in which consumers have desires and needs originating from within themselves that determine their decisions.

Financial Literacy

Financial literacy is a person’s ability to understand, analyze, and apply knowledge, skills, and beliefs related to Use financial concepts and information to manage your finances effectively. Use your money carefully and make good, thoughtful choices about how you handle your finances and achieve financial well-being (OJK,2020; Salwa, 2022; Siregar & Nasution, 2024). According to Paramita (2023), financial literacy It is measured through three indicators: financial knowledge, financial attitudes, and financial behavior.

Lifestyle

A lifestyle shows how a person lives, based on what they do, what they enjoy, and how they see life, including how they manage time, arrange expenditures, and interact with their environment as a form of self-identity expression in daily life (Astuti & Hasbi, 2020; Oktavia & Harahap, 2021; Safitri & Susyani, 2025) Following Bryllian Dheo (2023), lifestyle is measured through three indicators: activities, interests, and opinions.

Decision to Use Online Loans

The decision to use is a decision-making process that integrates knowledge and evaluation of various alternatives to wisely select and use a product or service according to need, through the stages of need recognition, information search, alternative evaluation, usage decision, and post-usage evaluation (Wahyuni & Waloejo, 2020; Kuheba & Tumbel, 2020). Following Widodo (2022), the decision to use online loans is measured through four indicators: frequency of use, purpose of use, repayment period, and payment compliance.

Locus of Control

Locus of control is about how much a person believes they can control what happens in their life.This belief affects the way they make choices, handle difficulties, and find solutions to problems. Someone who has an internal locus of control thinks that their success or failure comes from their own hard work, skills, and choices.On the other hand, someone with an external locus of control believes that what happens to them is mostly due to things outside their control, like luck, fate, or the environment (Nurfikri & Jahrizal, 2019; Demirtas & Guneş, 2020; Atikah, 2020; Palupi & Yulianti, 2025). Following Yuniawati et al. (2024), locus of control is measured through seven indicators reflecting an individual's perceived ability to solve problems, withstand environmental pressure, exercise control over life events, and shape their own future.

Hypothesis Development

Financial literacy is a person's ability to understand, manage, and make good financial choices using their knowledge and skills (OJK, 2020).This helps people evaluate the advantages, dangers, interest rates, and outcomes of taking out a loan. According to Ajzen's Theory of Planned Behavior from 1991, having good financial knowledge helps people think more clearly about online loans, which in turn helps them manage their money better. Dewi et al.(2025), Faradila & Rafik (2023), and Yuhanisa et al. (2024) found that higher financial literacy is associated with a lower tendency to use online loans, as financially literate individuals manage finances more wisely and better weigh risk and repayment capacity. However, the results of a preliminary survey of 60 Generation Z respondents in Cimahi City revealed a paradox: 88.3% of respondents felt they understood online loans but still used them, indicating that cognitive financial literacy does not necessarily lead to rational financial behavior. According to the Theory of Planned Behavior by Ajzen from 1991, attitudes that come from knowing things (belief-based attitudes) are thought to help control behavior over time.So even though there seems to be a contradiction in the way things look at first, financial literacy is still thought to have a negative effect on the decision to use online loans. So, it seems that being financially literate makes people less likely to choose online loans, so it is hypothesized that:

H1: Financial literacy has a negative effect on the decision to use online loans.

A hedonic lifestyle is a pattern of living oriented toward pleasure-seeking, emotional satisfaction, and enjoyable experiences in consumption, in which individuals consume not merely to fulfill needs but also for self-gratification, trends, and prestige (Kotler, 2016). Consistent with Kotler (2016) Consumer Behavior Theory, lifestyle is a personal factor shaping consumer behavior, so individuals with a more hedonic lifestyle tend to prioritize wants over needs and, when financial capacity falls short, are more likely to turn to online loans, whereas those with a simpler, more controlled lifestyle manage spending more wisely and are less inclined to use such services. However, the phenomenon among Generation Z in Cimahi City shows that the use of online loans is driven not only by economic needs but also by consumption patterns influenced by social media trends, the ease of digital transactions, and the desire to maintain a certain lifestyle. A preliminary survey of 60 respondents showed that Shopee Pinjam is the most widely used online lending app, indicating that online lending services have become part of Generation Z's digital consumption activities. This situation reveals a trend toward using online loans as a means to fulfill both needs and lifestyle-driven desires. Putri & Priono (2024) found that a more consumptive lifestyle increases the tendency to use online loans, while Naily et al. (2024) reported that a simpler, more controlled lifestyle is associated with a lower tendency to use them. Accordingly, it can be concluded that lifestyle has a positive effect on the decision to use online loans, so it is hypothesized that:

H2: Lifestyle has a positive effect on the decision to use online loans.

Locus of control is about how much a person believes they can influence what happens in their life.People with an internal locus of control think their actions and efforts are what determine their results.On the other hand, those with an external locus of control believe that things happen because of luck, the environment, or other people (Demirtas & Guneş, 2020). People who understand money well and believe they control their own financial situations are more likely to use online loans wisely.They can use their knowledge to make smart choices, stop themselves from spending too much, and think about whether they can afford the loan and what risks it might bring.On the other hand, people who think their financial situation is controlled by outside factors, like others or the economy, are more easily swayed by their surroundings or financial stress, which weakens the effect of their financial knowledge on their loan decisions. This matches the Theory of Planned Behavior (Ajzen, 1991), which says that how people see their ability to control their actions affects their behavior.When someone believes they can control what they do, they are better able to use their financial knowledge effectively. However, the findings regarding Generation Z in Cimahi City show that although most respondents have an understanding of online loans, they still use them. This suggests that financial knowledge is not necessarily consistently reflected in their behavior regarding the use of online loans. People have different levels of self-control, and this is thought to be one reason why people who know a lot about money might still make different choices when it comes to using online loans. Putri et al.(2025) discovered that when people believe they have more control over their own outcomes, their financial knowledge has a stronger effect on their decisions.However, if they think their outcomes are mostly controlled by outside forces, financial knowledge has a weaker effect on their choices. So, it means that having a strong sense of control over one's life makes the connection between knowing about money and deciding to take out an online loan stronger, so it is hypothesized that:

H3: Locus of control moderates the influence of financial literacy on the decision to use online loans.

Locus of control is about how much a person believes they can control what happens in their life, including how they manage money.People with an internal locus of control think their own actions and efforts are what lead to their success or problems.On the other hand, people with an external locus of control believe that things in their life are mostly influenced by outside factors like luck, the environment, or pressure from others (Demirtas & Guneş, 2020). Locus of control affects how lifestyle influences the choice to use online loans.People who believe they control their own lives are better at managing their wants and not getting caught up in trends, so they are less likely to use online loans even if they live luxuriously.On the other hand, people who think their actions are controlled by outside forces are more easily influenced by their surroundings and online content, making their lifestyle a bigger factor in deciding to use online loans. This matches the Theory of Planned Behavior (Ajzen, 1991), where locus of control shows how much a person feels they can control their actions.It also fits with Kotler’s Theory of Consumer Behavior (2016), where lifestyle is a personal trait and locus of control is a psychological trait that influences how much control someone feels they have over their behavior. However, Generation Z in Cimahi lives in a digital environment heavily influenced by social media, consumer trends, and easy access to online lending services via apps. This phenomenon suggests that individuals with a high-spending lifestyle may not necessarily make the same decisions regarding the use of online loans if they possess different levels of self-control. In other words, self-control is expected to either reduce or amplify the influence of lifestyle on decisions to use online loans. Putri et al.(2025) discovered that when someone has a stronger belief in their own ability to control their life, it reduces how much their lifestyle affects their decision.People with better self-control tend to think more about the financial impact before they decide. So, we can say that a person's sense of control over their own life can reduce how much their lifestyle affects their choice to use online loans, so it is hypothesized that:

H4: Locus of control moderates the influence of lifestyle on the decision to use online loans.

Financial literacy and lifestyle are two interrelated factors that jointly influence an individual's decision to use online loans. Financial literacy enhances an individual's ability to manage finances, understand risks, and make rational decisions (OJK, 2020), while lifestyle reflects a pattern of living that can drive consumption based on needs or wants (Kotler, 2016), so individuals with high financial literacy tend to weigh repayment capacity before borrowing, whereas those with a consumptive lifestyle are more likely to use online loans to meet needs or wants exceeding their financial capacity. This is supported by the Theory of Planned Behavior Ajzen (1991), in which financial literacy shapes a more rational attitude, and by Kotler (2016) Consumer Behavior Theory, in which lifestyle drives consumption patterns; the decision to use online loans is thus a result of the interaction between financial management ability and lifestyle-driven consumption. However, the phenomenon observed among Generation Z in Cimahi City reveals a gap between their high level of understanding of online loans and the high rate of their use. A pre-survey indicated that the majority of respondents claimed to understand online loans but still used such services, with apps like Shopee Pinjam being the most dominant choice. This situation shows that choosing to take online loans probably comes from a mix of how good someone is at managing money and how much they like to spend, instead of just one thing causing it. Putri et al.(2025) discovered that having better financial knowledge and a more disciplined way of living helps people make smarter choices when it comes to borrowing money.This result is also backed by Putri and Priono (2024), who noted that these two factors together affect how people use online loan apps. So, it's clear that both knowing about money and how people live affect their choice to take out online loans, so it is hypothesized that:

H5: Financial literacy and lifestyle simultaneously influence the decision to use online loans.

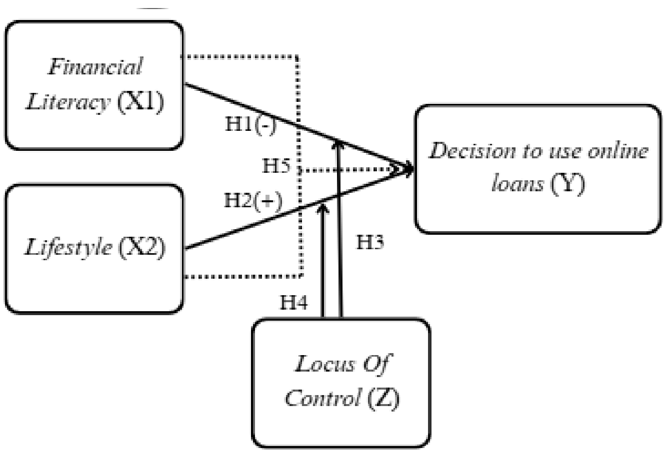

Figure 1. Conceptual Framework

This research adds to the understanding of how Generation Z uses digital financial tools, especially when it comes to taking online loans in Cimahi City.

Unlike earlier research, which usually looked at financial literacy or lifestyle on their own, this study combines the Theory of Planned Behavior, the Technology Acceptance Model, and Consumer Behavior Theory to explain why people decide to use online loans.It considers rational factors like financial knowledge, behavioral factors like lifestyle, and psychological factors like locus of control. This study also adds to the existing research by looking at how locus of control acts as a factor that influences how people use digital financial services. The study shows that a person's belief about control over their life does not affect how financial knowledge or lifestyle choices influence the decision to use online loans.This new research suggests that, for young people in Cimahi City, the choice to use online loans is more affected by how they spend money and how easy it is to use digital services, rather than by how much they can control their own actions.

METHODOLOGY

This study uses a quantitative method that describes and checks facts. The study looks at several factors, including financial knowledge (X1), how people live their lives (X2), their belief in controlling their own outcomes (Z), and whether they decide to take out online loans (Y).All of these factors were measured using a five-point scale that asks people to agree or disagree with different statements.The people who took part in the study are young adults from Cimahi City who are part of Generation Z.

Sampling was done using a purposeful method, where participants had to be members of Generation Z, aged between 18 and 25 years old, as mentioned in Mhardika (2022).They needed to live in Cimahi City, have used an online loan at least once in the last two years, and have regular internet access through a smartphone. Based on the study by Hair et al.(2021), the minimum number of participants needed was 5 to 10 times the number of questions in the survey.Since there were 34 questions, this meant we needed at least 170 people.We gathered responses from these participants using both online (via Google Forms) and paper-based questionnaires.

Table 1. Operationalization of Research Variables

Operational Definition	Indicator	Scale
Financial Literacy (X1) In this study, financial literacy refers to Generation Z respondents' knowledge, attitude, and behavior in understanding and applying financial concepts including interest calculation, borrowing risk, and repayment obligations when deciding to use online loans (OJK, 2020).	1. Financial knowledge 2. Financial attitude 3. Financial behavior	Ordinal
Lifestyle (X2) In this study, lifestyle refers to the hedonic consumption pattern of Generation Z respondents in Cimahi City, reflected in their daily activities, interests, and opinions related to	1. Activities 2. Interests 3. Opinions	Ordinal

Operational Definition	Indicator	Scale
spending and the use of digital financial services (Arnold & Reynolds, 2003).		
Decision to Use Online Loans (Y) In this study, the decision to use online loans refers to respondents' behavior in selecting and using online lending services, reflected in how often they borrow, their purpose for borrowing, the length of their repayment period, and their compliance in repaying (Puput et al., 2025).	1. Frequency of use 2. Purpose of use 3. Repayment period 4. Payment compliance	Ordinal
Locus of Control (Z) In this study, locus of control refers to respondents' belief regarding the extent to which they can control the outcomes of their financial decisions ranging from internal control (attributing outcomes to one's own effort) to external control (attributing outcomes to luck, fate, or environment) (Chandra, 2022).	1. how to solve problems 2. pressure from one's surroundings 3. The ability to do anything that pops into your head 4. The ability to make meaningful changes in one's life 5. The ability to do something that can affect what happens later 6. the ability to overcome life's challenges 7. The ability to handle different situations that come up in life	Ordinal

Source: Various references

The tool's usefulness was checked using Pearson product-moment correlation.It was considered good if the calculated r value was higher than 0.150 from the table.Its consistency was also checked using Cronbach's alpha, and it was seen as reliable if the alpha value was more than 0.60. Classical assumption tests checked for normality using one-sample Kolmogorov–Smirnov and Monte Carlo significance, multicollinearity through tolerance and VIF, heteroscedasticity with the Glejser test, and linearity by looking at how much the data deviated from a straight line.

To check the hypotheses, researchers used multiple linear regression along with several statistical methods including the coefficient of determination (Adjusted R-squared), Spearman's rank correlation, partial t-tests, and simultaneous F-tests.After that, they performed Moderated Regression Analysis (MRA) to examine how locus of control acts as a moderator.

$$Y=\alpha+\beta 1X1+\beta 2X2+\beta 3X1Z+\beta 4X2Z+e$$

In this equation, Y stands for the choice to take an online loan; α is a constant; β are the numbers that show how much each factor affects the decision; X1 is about how much someone knows about money; X2 is about their way of living; Z is about how much control they feel they have over their life; and e is the part that accounts for any other things not mentioned.

RESULTS

Descriptive Statistics

Descriptive statistics give a general picture of the main features of the research data. This analysis provides details about how many observations were made (N), the smallest and largest values, the average, and how spread out the data is for each variable in the study.These variables include Financial Literacy (X_1), Lifestyle (X_2), Decision to Use Online Loans (Y), and Locus of Control (Z). The results from the descriptive statistics are shown in the table below.

Table 2. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Financial Literacy (X1)	170	7	30	24.91	3.424
Lifestyle (X2)	170	6	30	23.69	3.778
Decision to Use Online Loans (Y)	170	8	39	27.81	9.127
Locus of Control (Z)	170	17	69	53.96	10.219

Source: SPSS data processing results (2026)

Based on the descriptive statistics test involving 170 respondents, Financial Literacy (X1) had a mean of 24.91 (SD = 3.424, range 7–30), Lifestyle (X2) had a mean of 23.69 (SD = 3.778, range 6–30), the Decision to Use Online Loans (Y) had a mean of 27.81 (SD = 9.127, range 8–39), and Locus of Control (Z) had a mean of 53.96 (SD = 10.219, range 17–69). Overall, each variable's mean exceeded its standard deviation, indicating relatively low data dispersion and values concentrated around the mean.

Validity and Reliability

The 34 items from the four constructs had corrected item-total correlations (r-count) that ranged from 0.531 to 0.903, which is much higher than the r-table value of 0.150.This shows that each item is valid. Reliability testing showed that the scores for financial literacy were 0.753, lifestyle was 0.695, decisions about online loans were 0.944, and locus of control was 0.911.All of these scores were above the 0.60 standard, which means the tool used in the research is trustworthy and consistent.

Classical Assumption Tests

Tabel 3. Classical Assumption Tests

Test	Result	Criterion	Conclusion
Normality (Monte Carlo Sig.)	0.177	> 0.05	Residuals normally distributed
Multicollinearity – Tolerance / VIF	0.640 / 1.562	> 0.10 / < 10	No multicollinearity
Heteroscedasticity (Glejser) – X1 / X2 Sig.	0.950 / 0.156	> 0.05	No heteroscedasticity

Test	Result	Criterion	Conclusion
Linearity (Deviation from Linearity)	0.060	> 0.05	Linear relationship

Source: SPSS data processing results (2026)

Tests of the classical assumptions show that the regression model meets the conditions of normality, no multicollinearity, homoscedasticity, and linearity; so the model is good for further hypothesis testing using regression.

Coefficient of Determination

The regression model showed a correlation coefficient (R) of 0.668, which means there is a strong connection between financial literacy and how people live their lives, along with their choice to use online loans. The R-squared value of 0.446 shows that financial literacy and lifestyle together help explain 44.6% of why people choose to use online loans, but the other 55.4% is due to factors not included in this model. The adjusted R-squared is 0.439, and the standard error of the estimate is 6.52253.

Correlation Test

Spearman's rank correlation analysis shows that having better financial knowledge is linked to a higher chance of choosing online loans.The correlation is positive and strong, with a value of 0.404 and a significance level of 0.000, which means it's a moderate relationship. Lifestyle is closely connected to the choice of using online loans, showing a strong and meaningful link (r = 0.666, Sig.= 0.000).This indicates a powerful relationship between the two. Financial literacy and lifestyle were themselves strongly correlated (r = 0.741, Sig. = 0.000); however, as confirmed by the multicollinearity test above (Tolerance = 0.640, VIF = 1.562), this correlation did not result in problematic multicollinearity, so both variables remained appropriate for joint use in the regression model.

Partial Test (t-Test)

Table 4. Partial t-Test Results

		Underdardized Coefficients		**Standardized Coefficients**		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	-5.545	3.864		-1.435	.153
	Financial Literacy (X1)	-.531	.225	-.199	-2.357	.020
	Lifestyle (X2)	1.967	.204	.814	9.632	.000

Source: SPSS data processing results (2026)

Looking at the t-test results in Table 4, the Financial Literacy (X1) had a significance value of 0.020, which is less than 0.05.This means we accept H1. This shows that being financially literate has a big impact on the choice to use online loans. The regression coefficient for Financial Literacy is -0.531, which shows a negative connection.This means that as financial literacy increases, Generation Z is less likely to use online loans. Also, Lifestyle (X2) had a significance value of

0.000, which is less than 0.05, so H2 is accepted. This shows that how someone lives their life plays a big role in whether they decide to take out an online loan. The regression coefficient for Lifestyle is 1.967, which shows a positive link.This means that as people's lifestyles become more focused on consumer goods, Generation Z is more likely to use online loans. Some of the research findings indicate that both financial knowledge and lifestyle play a big role in deciding whether someone uses online loans.However, having more financial knowledge tends to reduce the likelihood of using online loans, while a certain lifestyle increases the chance of using them.

Simultaneous Test (F-Test)

Table 5. ANOVA

Model		**Sum Of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	5720.072	2	2860.036	67.226	.000
	Residual	7104.752	167	42.543		
	Total	12824.824	169			

Source: SPSS data processing results (2026)

Looking at Table 5, the test done at the same time (F-test) gave an F-value of 67.226 and a significance level of 0.000. Since this significance value is below 0.05, we reject H_0 and accept H_1, which means that both Financial Literacy (X1) and Lifestyle (X2) together have a significant impact on the Decision to Use Online Loans (Y). This shows that the regression model works well in explaining how the two independent variables affect the dependent variable.It also means that changes in financial knowledge and lifestyle together help explain why Generation Z in Cimahi City decides to use online loans, so we accept H_5

Moderated Regression Analysis (MRA)

Tabel 6. MRA

		Underdardized Coefficients		**Standardized Coefficients**		
Model		**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	6.951	9.874		.704	.482
	Financial Literacy (X1)	-1.268	.740	-.476	-1.713	.089
	Lifestyle (X2)	.620	.894	.257	693	.489
	Locus Of Control (Z)	.317	.216	.355	1.468	.144
	X1Z	.009	.015	.370	.644	.521
	X2Z	.017	.017	.254	.357	.721

Source: SPSS data processing results (2026)

According to Table 6, the results from the Moderated Regression Analysis show that Financial Literacy (X1) has a significance value of 0.089, Lifestyle (X2) has 0.489, and Locus of Control (Z) has 0.144.All of these values are higher than 0.05, which means none of them have a significant direct impact on the Decision to Use Online Loans (Y) in the moderation model. Additionally, the interaction between Financial Literacy and Locus of Control (X1Z) had a significance value of 0.521, and the interaction between Lifestyle and Locus of Control (X2Z) had a significance value of 0.721.Since both values are higher than 0.05, Locus of Control does not influence either the link between Financial Literacy and the decision to use online loans or the link between Lifestyle and the decision to use online loans. So, the idea that Locus of Control affects how Financial Literacy and Lifestyle influence the decision to use online loans is not supported by the results.This means that Locus of Control doesn't make the connection between these factors and the loan decision any stronger or weaker in this study.

DISCUSSION

Studies show that being financially literate tends to reduce the likelihood of Generation Z in Cimahi choosing to take out online loans. This means that people who know more about money are usually not as interested in getting loans online. This finding supports H1 and is directionally consistent with Taufiq et al. (2025), Nugroho et al. (2026), and Lela & Saepuloh (2025), who also reported a negative relationship between financial literacy and online loan usage. However, the effect found in this study is comparatively modest, suggesting that in Cimahi City financial knowledge alone is not sufficient to substantially deter online borrowing; contextual factors such as digital accessibility and peer influence highlighted in the pre-survey appear to weaken its restraining effect relative to those earlier studies..

Research shows that how people live their lives can greatly affect their choice to use online loans. This means that people who focus more on their personal wants and needs are more likely to use online loans to get what they want. This finding is consistent with Putri & Priono (2024) and Mutmainah (2025), who similarly identified lifestyle as a dominant predictor of online loan usage. Compared with those studies, however, the effect of lifestyle in this study is considerably larger than that of financial literacy, indicating that among Generation Z in Cimahi City consumptive behavior outweighs financial knowledge as a driver of borrowing a pattern more pronounced than reported in prior urban samples, possibly reflecting Cimahi's rapid but still developing digital financial ecosystem.

The research findings reflect the financial behavior characteristics of Generation Z in Cimahi City, who tend to be adaptable to digital technology but remain prone to consumerist behavior. As an age group dominated by college students and high school students, most respondents have relatively limited income but enjoy high access to e-commerce platforms, social media, and digital lending services. These conditions lead them to view online loans as a practical solution for meeting both short-term needs and consumption desires. This behavior indicates that Generation Z decision to use online loans in Cimahi is influenced not only by their ability to understand financial products but also by generational characteristics that prioritize the convenience, speed, and flexibility of digital services. Thus, the financial behavior of Generation Z in this study more closely reflects digital financial behavior that is, financial behavior shaped by the interplay of financial literacy, digital lifestyles, and access to technology.

Financial literacy and lifestyle together explain 44.6% of the difference in why people choose to use online loans. This shows that choosing to take a loan depends on both smart financial knowledge and how people live their lives. The remaining 55.4% of variance is likely attributable to factors outside this model, such as perceived ease of use, promotional activity by loan providers, urgent financial needs, and peer or social influence.

This result contrasts with Putri et al. (2025), who found that locus of control significantly strengthened the effect of financial literacy and weakened the effect of lifestyle on borrowing decisions among Generation Z. This discrepancy may stem from contextual differences: Generation Z respondents in Cimahi City reported near-universal familiarity with digital lending applications (58.3% using Shopee Pinjam alone), suggesting that the ease and normalization of digital access may override the psychological influence of perceived self control. Rather than an individual's internal belief in control, situational pressures urgent financial needs and one-click loan accessibility appear to be the more decisive drivers of borrowing behavior in the Cimahi context.

CONCLUSIONS AND RECOMMENDATIONS

From the findings of this study, we can make a few key points. First, financial knowledge makes people less likely to choose online loans, showing that younger people who understand money better are less inclined to take out loans from online lenders. Second, the way people live can affect their choice to use online loans, and those who have a more consumer-focused lifestyle are more likely to borrow money. Third, knowing how to manage money and how you live your life both play a big role in deciding whether someone uses online loans. Fourth and fifth, the sense of control over one's own life does not affect how financial knowledge or daily habits influence the choice to use online loans.

Based on these findings, some suggestions are made. Generation Z should keep working on understanding money better and stay careful about lifestyle choices that might lead to borrowing money they don't really need. The government, the Financial Services Authority (OJK), and online loan companies should continue running financial literacy programs while working to change how young people borrow based on their lifestyle choices, along with their current efforts to stop illegal lending activities. Future researchers should consider adding more factors like how easy people find something to use, how much they see advertisements, their income level, and how risky they think something is.

FURTHER STUDY

Future research can expand this study by involving respondents from different cities, regions, and demographic backgrounds to improve the generalizability of the findings. Further studies may also examine other factors that could influence Generation Z’s decisions to use online loans, such as financial attitudes, income, peer influence, digital financial literacy, impulsive buying behavior, and perceived risk. Researchers are also encouraged to use longitudinal or mixed-method approaches to gain deeper insights into changes in online loan usage behavior over time. In addition, future research could test other psychological or behavioral variables as mediating or moderating factors to provide a more comprehensive understanding of online loan decision-making.

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