Empowering Generation Z Investors: The Impact of Financial Knowledge, Attitude, and Self-Efficacy on Mutual Fund Management Behavior

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Abstract. This study examines how financial knowledge and financial attitudes influence mutual fund management behavior among Generation Z investors in Samarinda. It also investigates the mediating role of financial self-efficacy in these relationships. Using a quantitative approach, data were collected from 105 respondents and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that financial knowledge, financial attitudes, and financial self-efficacy have positive and significant effects on financial management behavior. Furthermore, financial self-efficacy significantly mediates the relationship between financial knowledge and financial management behavior. However, it does not significantly mediate the relationship between financial attitudes and financial management behavior. These findings emphasize the importance of strengthening financial knowledge, fostering positive financial attitudes, and enhancing financial self-efficacy among Generation Z investors. Financial education programs should therefore provide young investors with both theoretical knowledge and practical skills to improve their confidence and ability to manage mutual fund investments responsibly. Such initiatives may enable Generation Z investors to make more informed and responsible investment decisions.

Keywords: Financial Knowledge; Financial Attitude; Financial Self-Efficacy; Financial Management Behavior; Generation Z; Mutual Fund Investment.

1 Introduction

Generation Z has emerged as a pivotal cohort within Indonesia's financial system as rapid digitalization, widespread smartphone adoption, and intensive social media use have substantially lowered barriers to investment participation. These structural changes have expanded access to capital market instruments—particularly mutual funds and digital investment platforms—while simultaneously reshaping how young individuals acquire financial information and make investment decisions [21,22]. National statistics further confirm the rapid growth of young investors in Indonesia, including secondary cities such as Samarinda, driven by increased digital financial inclusion and market accessibility. However, prior studies consistently emphasize that financial behavior cannot be explained solely by access or information availability but must be understood through the interaction of cognitive, psychological, and behavioral factors [1,2].

In this context, improvements in financial literacy among young adults reflect growing institutional efforts by regulators and financial authorities to promote responsible financial engagement. Nevertheless, empirical evidence indicates that higher literacy levels do not automatically translate into sound financial management behavior [6,12]. The literature consistently identifies financial knowledge as a foundational determinant of rational financial behavior, enabling individuals to assess risk–return trade-offs, understand investment instruments, and manage portfolios more effectively [6,18]. Similarly, financial attitude, which reflects individual values toward money, risk tolerance, and future orientation, plays a critical role in shaping budgeting discipline and long-term investment commitment [7,20]. However, numerous studies document that knowledge and positive attitudes alone are often insufficient to produce prudent financial behavior, particularly among Generation Z investors who face lifestyle pressures, impulsive consumption tendencies, and short-term decision biases intensified by digital and social media environments [8,10]. This phenomenon highlights a persistent gap between financial awareness and actual financial practice.

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Behavioral finance perspectives and Social Cognitive Theory (SCT) provide a complementary explanation by emphasizing financial self-efficacy as a central psychological mechanism linking cognition and behavior [1,2]. SCT posits that individuals' beliefs about their capabilities significantly influence whether knowledge and attitudes are effectively translated into action. Financial self-efficacy refers to confidence in managing financial tasks, coping with uncertainty, and executing financial and investment decisions [3]. A growing body of empirical research in Indonesia confirms that financial self-efficacy plays a crucial role in shaping financial management behavior across diverse populations, including students, MSME actors, and young adults [13,14,19].

This mechanism is particularly salient for Generation Z, whose financial learning is heavily influenced by digital content, peer interaction, and observational learning through online communities [9,10,11]. While such environments create opportunities for rapid capability development, they also expose young investors to speculative behavior, herd mentality, and FOMO-driven decision-making. Existing empirical findings further show that financial self-efficacy frequently mediates the relationship between financial knowledge and financial management behavior, confirming that confidence amplifies the practical application of financial literacy [13,14,19]. In contrast, evidence regarding its mediating role between financial attitude and behavior remains mixed, with outcomes depending on experience, psychological readiness, income stability, and contextual exposure to real financial decision-making [15–17].

These inconsistencies underscore the importance of examining local contexts, particularly in secondary cities such as Samarinda, where socio-economic conditions, population structure, access to financial services, and patterns of digital engagement differ from major metropolitan areas. Local evidence suggests that Generation Z in Samarinda faces strong consumptive pressures and lifestyle norms shaped by social media, which may weaken the translation of positive financial attitudes into disciplined financial behavior. Understanding these contextual dynamics is therefore essential for designing financial education, investor protection, and inclusion strategies that strengthen not only financial knowledge and attitudes but also the self-efficacy required to manage investments responsibly among Generation Z [21,22].

1.1. The Overall Idea of the Evaluation Model Construction

This study examines the combined role of financial knowledge, financial attitude, and financial self-efficacy in shaping mutual fund management behavior among Generation Z investors. Consistent with behavioral finance perspectives, investment decisions are influenced not only by information, but also by individual values and confidence in financial capability [1], [2]. Financial knowledge supports risk assessment and product understanding, while financial attitude reflects long-term financial responsibility [3],[4]. Importantly, financial self-efficacy strengthens the translation of knowledge into effective financial behavior by enhancing confidence in decision-making and risk management [1,5]. These findings highlight the need to integrate financial literacy with experiential, confidence-building investment education to promote sustainable investment behavior among young investors [2,6].

2 Literature Review

This study is anchored in Social Cognitive Theory (SCT), which views financial behavior as the product of dynamic interactions between knowledge, psychological processes, and perceived capability. Within this framework, financial self-efficacy plays a central role, referring to an individual's belief in their ability to manage financial matters, deal with uncertainty, and achieve financial goals. SCT posits that such beliefs shape whether financial knowledge and attitudes are translated into consistent financial actions, positioning self-efficacy as a key mechanism that bridges awareness and behavior [1], [3].

Among Generation Z, financial learning increasingly occurs through digital platforms, peer networks, and observational experiences in online environments. Repeated exposure to financial information and real decision-making situations contributes to the formation of financial self-efficacy. Individuals with higher self-efficacy tend to evaluate investment options more confidently, select appropriate financial products, and manage mutual fund portfolios with greater discipline. In contrast, those with weaker self-efficacy often hesitate or delay financial decisions despite adequate financial knowledge, reinforcing the disconnect between literacy and actual behavior frequently observed among young investors [4], [6].

Financial management behavior reflects how individuals plan, monitor, and allocate financial resources through budgeting, saving, and investing activities. For Generation Z, this behavior is shaped by digital lifestyles and rapid adoption of financial technology. While digital access lowers entry barriers to financial markets, it also increases exposure to impulsive consumption and short-term decision-making when financial capability is insufficient. Effective financial management therefore requires self-control, careful cash-flow planning, and a balanced saving–investment strategy, particularly for young investors engaging in structured investment instruments such as mutual funds [9], [12].

Financial knowledge provides the cognitive foundation for understanding financial concepts, investment risk, and portfolio management. Higher levels of financial knowledge support more rational evaluation of risk–return trade-offs and reduce speculative behavior. Empirical studies consistently show that financially knowledgeable individuals are better equipped to manage budgeting, saving, and investment decisions. However, evidence also suggests that knowledge alone does not guarantee sound financial behavior unless accompanied by confidence in applying that knowledge [4], [15].

Financial attitude, reflecting values related to money management, risk tolerance, and future orientation, further influences financial behavior. Positive financial attitudes are associated with responsible consumption and long-term financial planning. Nevertheless, favorable attitudes do not always result in effective behavior, particularly when individuals lack confidence or practical experience. In such cases, attitudes may remain at the level of intention rather than observable action [20], [22].

Within the SCT perspective, financial self-efficacy emerges as the psychological driver that transforms financial knowledge and attitudes into actual financial management behavior. Strong self-efficacy enhances discipline, limits impulsive decisions, and supports consistent mutual fund management among Generation Z investors. Empirical evidence indicates that self-efficacy frequently mediates the relationship between financial knowledge and financial management behavior, whereas its mediating role between financial attitude and behavior appears more context-dependent [1], [6]. These dynamics underscore the importance of strengthening financial self-efficacy alongside financial education to promote responsible and sustainable investment behavior among Generation Z

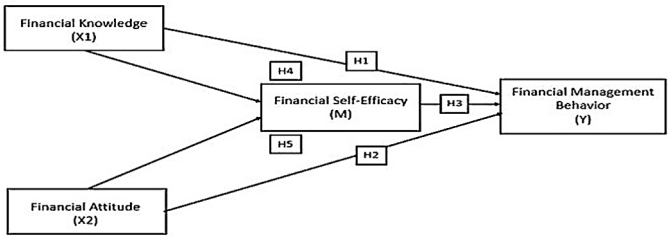


Figure 1. Conceptual Framework

Based on this research paradigm, the hypotheses proposed are as follows: H1, financial knowledge influences financial management behavior in mutual fund investments; H2, financial attitude influences financial management behavior in mutual fund investments; H3, financial self-efficacy influences financial management behavior in mutual fund investments; H4, financial self-efficacy mediates the influence of financial knowledge on financial management behavior in mutual fund investments; and H5, financial self-efficacy mediates the influence of financial attitude on financial management behavior in mutual fund investments.

3 Methodology

The focus of this study is on Generation Z living in Samarinda. It is hard to know how many people are in Generation Z. So the number of people we talked to was figured out using a formula that Hair suggested. Hair and his team said in 2010 that to get a number of people to talk to we need to multiply the number of things we are looking at by a

number between 5 and 10. This can be written as Generation Z sample size equals the number of things we are looking at multiplied by a number between 5 and 10. We are looking at Generation Z to see what they are like, in Samarinda. For this study, n = 21 multiplied by 5 equals 105; therefore, n equals 105 participants. As a result, a sample of 105 participants from Generation Z in the Samarinda area was required for this research

The survey we used for this study had a kind of scale called a Likert scale. This scale helps us get information that's useful, for understanding peoples attitudes or traits. We used a method called Variance-based Structural Equation Modeling to analyze the data. We used a specific type of this method called Partial Least Squares. We did this analysis with the help of a software program called SmartPLS.

We made two models to help us understand the data better. The survey had two parts: the external model and the internal model. The external model helped us check if the survey was measuring what it was supposed to measure. We did this by checking three things: Convergent Validity, Discriminant Validity and Composite Reliability. The inner model looked at how the data fit together and checked the relationships, between the variables by testing some ideas. The inner model did this to see if the variables really were related to each other and the inner model used tests to figure this out.

4 Research Results

Figure 1 illustrates the structural relationships through which financial knowledge, financial attitude, and financial self-efficacy jointly shape mutual fund management behavior among Generation Z investors in Samarinda. The respondent profile indicates that most participants are young adults aged 18–23 years (66.7%), predominantly female (62.8%), and largely students (78.1%) with relatively low monthly income levels, with more than half earning below IDR 500,000. This demographic pattern reflects a broader national and regional trend in which Generation Z increasingly participates in financial asset ownership despite limited income, underscoring the critical role of financial capability, attitude, and confidence in guiding their investment behavior.

The SmartPLS measurement model demonstrates strong psychometric properties. All indicator loadings exceed recommended thresholds, with most values above 0.79, confirming robust convergent validity and reliable construct representation, consistent with established PLS-SEM guidelines [21,22]. Discriminant validity is also well supported, as each indicator loads more strongly on its respective construct than on others, confirming the conceptual distinctiveness of financial knowledge, financial attitude, financial self-efficacy, and financial management behavior. These measurement results provide a solid foundation for interpreting the structural relationships within the model.

Structural estimation reveals that financial knowledge significantly influences both financial self-efficacy and mutual fund management behavior, indicating that higher financial understanding enables Generation Z investors to make more informed and confident investment decisions. Financial attitude also exerts a meaningful effect on self-efficacy and financial management behavior, highlighting the importance of responsibility, self-control, and future orientation in fostering disciplined financial practices [7,15,20]. In addition, financial self-efficacy shows a direct and significant effect on financial management behavior, supporting the Social Cognitive Theory proposition that belief in one’s own capability is essential for proactive and consistent financial action [2–4].

Overall, these findings suggest that empowering Generation Z investors requires more than improving financial literacy or shaping positive attitudes alone. Confidence in applying financial knowledge plays a pivotal role in transforming awareness and intention into effective mutual fund management behavior. Strengthening financial self-efficacy therefore emerges as a key intervention pathway, enabling young investors to convert what they know and value into responsible financial decisions [5,13,14,16].

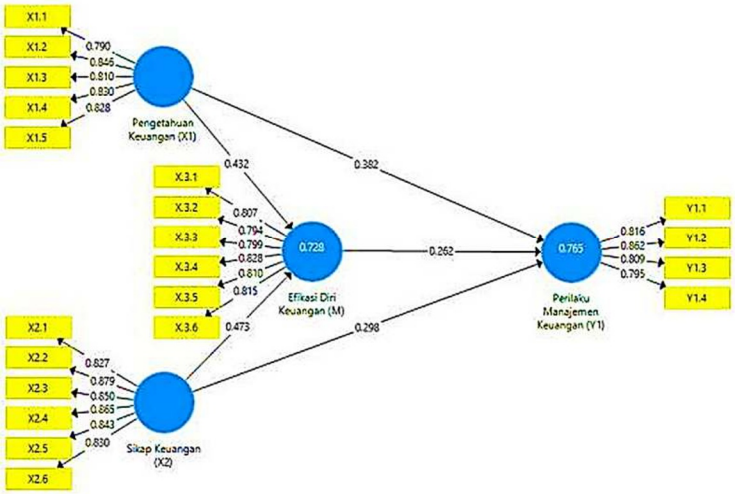


Figure 2. Convergent Validity
Source: SmartPLS3 Data Processing, 2025

The cross-loading results presented in Table 1 confirm that all measurement indicators satisfy discriminant validity criteria, as each item loads more strongly on its intended construct than on any other latent variable. Indicators of Financial Self-Efficacy (X3.1–X3.6) exhibit their highest loadings on the self-efficacy construct (0.794–0.828), clearly exceeding their correlations with Financial Literacy, Financial Attitude, and Financial Management Behavior. Similarly, Financial Literacy indicators (X1.1–X1.5) load most strongly on their respective construct (0.790–0.846), demonstrating clear conceptual separation. Indicators measuring Financial Attitude and Financial Management Behavior also show strong and dominant loadings on their intended constructs, with values ranging from 0.827 to 0.879 for attitude and 0.809 to 0.862 for financial management behavior. These results indicate that each construct is empirically distinct while remaining theoretically connected. Overall, the strong discriminant validity supports the robustness of the measurement model and reinforces the interpretation of the structural relationships, particularly the mediating role of financial self-efficacy. This evidence strengthens the study's central argument that effective empowerment of Generation Z investors depends on the integrated development of financial literacy, positive financial attitudes, and confidence in financial decision-making.

Table 1. Cross-Loading Values of Indicators (Discriminant Validity Test)

Variable	Financial Self-Efficacy	Financial Literacy	Financial Attitude	Financial Management Behavior
X.3.1	0.807	0.690	0.623	0.676
X.3.2	0.794	0.599	0.695	0.641
X.3.3	0.799	0.631	0.660	0.644
X.3.4	0.828	0.637	0.642	0.655
X.3.5	0.810	0.639	0.677	0.657
X.3.6	0.815	0.680	0.626	0.645
X1.1	0.634	0.790	0.710	0.653
X1.2	0.655	0.846	0.586	0.693
X1.3	0.688	0.810	0.632	0.702
X1.4	0.661	0.830	0.618	0.658

X1.5	0.638	0.828	0.636	0.664
Y1.1	0.675	0.710	0.827	0.700
Y1.2	0.678	0.666	0.879	0.697
Y1.3	0.689	0.666	0.850	0.682
Y1.4	0.650	0.602	0.865	0.672
X2.1	0.714	0.641	0.843	0.670
X2.2	0.709	0.659	0.830	0.680
X2.3	0.667	0.662	0.675	0.816
X2.4	0.664	0.654	0.646	0.862
X2.5	0.622	0.685	0.713	0.809
X2.6	0.698	0.695	0.608	0.795

Source: SmartPLS Data Processing, 2025

Table 2 reports the values of Composite Reliability (CR) and Average Variance Extracted (AVE) for all latent constructs in the model. The results indicate that each construct meets and exceeds the recommended thresholds for reliability and convergent validity (CR ≥ 0.70; AVE ≥ 0.50). Financial Self-Efficacy demonstrates strong measurement quality with a CR of 0.919 and an AVE of 0.654, while Financial Knowledge also shows high reliability and validity (CR = 0.912; AVE = 0.674). Similarly, Financial Management Behavior (CR = 0.892; AVE = 0.674) and Financial Attitude (CR = 0.939; AVE = 0.721) exhibit robust internal consistency and explanatory power. Overall, these findings confirm that the measurement model is reliable and valid, with each construct adequately capturing the variance of its indicators. This provides a sound empirical foundation for analyzing the structural relationships among financial knowledge, financial attitude, financial self-efficacy, and mutual fund management behavior, and supports the robustness of the conclusions drawn regarding Generation Z investors' financial decision-making.

Table 2. Composite Reliability and Average Variance Extracted (AVE)

Code	Variable	Composite Reliability > 0,5	Average Variance Extracted > 0,5	Explanation
M	Financial Self-Efficacy	0.919	0.654	Reliabel
X1	Financial Knowledge	0.912	0.674	Reliabel
Y1	Financial Management Behavior	0.892	0.674	Reliabel
X2	Financial Attitude	0.939	0.721	Reliabel

Source: SmartPLS Data Processing, 2025

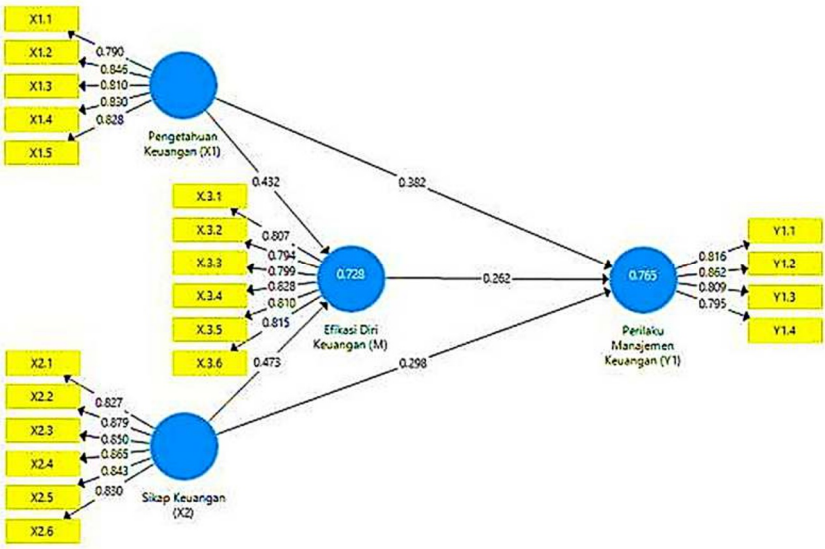


Figure 3. Structural Model Output (SmartPLS)
Source: SmartPLS Data Processing, 2025

Figure 3 presents the structural model results, showing strong indicator loadings (0.79–0.88) that confirm robust convergent validity. The findings indicate that Financial Knowledge and Financial Attitude exert significant direct effects on both Financial Self-Efficacy and Financial Management Behavior, while Financial Self-Efficacy also directly influences financial management outcomes. These relationships highlight the role of self-efficacy as a key connecting mechanism through which knowledge and attitudes are translated into effective mutual fund management behavior among Generation Z investors. The model demonstrates strong explanatory power, as reflected by the R^2 values. Financial Self-Efficacy achieves an R^2 of 0.728, indicating that a substantial proportion of its variance is explained by financial knowledge and attitude. Financial Management Behavior records an even higher R^2 of 0.765, showing that the combined influence of financial knowledge, financial attitude, and self-efficacy effectively explains Generation Z's mutual fund management behavior. Overall, these results confirm the model's adequacy and its capacity to capture the key drivers of investment behavior among young investors.

Tabel 3. R-square

Variable	R-Square
Financial Self-Efficacy	0.728
Financial Management Behavior	0.765

Source: SmartPLS Data Processing, 2025

Figure 4 presents the PLS bootstrapping results, indicating that all structural paths in the model are statistically significant and stable. Financial Knowledge shows a strong influence on Financial Self-Efficacy as well as on Financial Management Behavior, confirming that higher financial understanding enhances both confidence in managing finances and actual investment-related actions. Financial Attitude also exerts a significant effect on self-efficacy and financial management behavior, underscoring the importance of responsibility and future orientation in shaping disciplined financial decisions. These results highlight financial self-efficacy as a crucial psychological mechanism through which financial knowledge and attitudes are translated into concrete financial behavior. For Generation Z investors, confidence in their financial capability plays a decisive role in transforming what they know and value about money into effective investment management practices. The consistency of the bootstrapping results across estimation procedures further supports the robustness and reliability of the model, reinforcing the conclusion

that financial knowledge, financial attitude, and financial self-efficacy jointly shape financial decision-making among young investors.

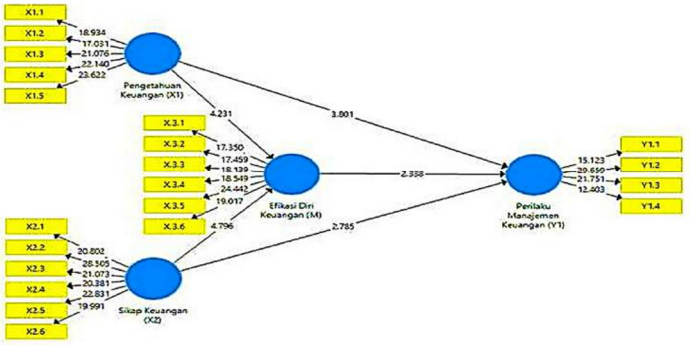


Figure 4. PLS Bootstrapping Results
Source: SmartPLS Data Processing, 2025

Table 4 indicates that all proposed predictors significantly affect financial management behavior among Generation Z investors. Financial self-efficacy plays a key role, as greater confidence in financial capability is associated with more consistent and deliberate mutual fund management. Financial knowledge emerges as the strongest determinant, enabling Generation Z to make informed and structured investment decisions, while financial attitude further supports disciplined and future-oriented financial behavior. Collectively, these findings demonstrate that financial management behavior is shaped by the interaction of knowledge, confidence, and attitudes, with financial knowledge serving as the primary driver of effective investment decisions.

Table 4. Structural Path Coefficients and Hypothesis Testing (Bootstrapping Results)

	. Original Estimate	Sample Mean	Standard Deviation	, T-Statistics	P Values
EDK -> PMK	0.262	0.262	0.112	2.338	0.020
PK -> PMK	0.382	0.375	0.101	3.801	0.000
SK -> PMK	0.298	0.304	0.107	2.785	0.006

Source: SmartPLS Data Processing, 2025

Table 4 shows that all three direct paths are positive and they matter. Financial knowledge is a predictor of how people manage their finances the connection is clear ($\beta = 0.382$ $t = 3.801$, $p < 0.001$). This supports what we thought would happen in Hypothesis 1. Financial attitude also has an impact on how people manage their finances it is significant and positive ($\beta = 0.298$, $t = 2.785$ $p = 0.006$). So we accept Hypothesis 2. Financial self-efficacy also has an influence on financial management behavior it is significant ($\beta = 0.262$, $t = 2.338$, $p = 0.020$). This confirms what we thought would happen in Hypothesis 3. Financial knowledge and financial attitude and financial self-efficacy all play a role, in financial management behavior. The things we found out show that how people of Generation Z think, feel and make decisions together affect the way Generation Z manages their funds. Generation Zs behavior when it comes to managing funds is influenced by these factors. We are talking about Generation Z. How they think about money and investing in mutual funds.

Table 5. Indirect Effect Analysis

	. Original Sample Estimate	Mean	Standard Deviation	T-Statistics	P Values
PK -> EDK -> PMK	0.113	0.110	0.051	2.196	0.029
SK -> EDK -> PMK	0.124	0.128	0.065	1.913	0.056

Source: SmartPLS Data Processing, 2025

Table 5 presents the results of the structural and mediation analysis, illustrating both the direct and indirect effects among the study variables. The findings indicate that financial knowledge, financial attitude, and financial self-efficacy jointly influence financial management behavior among Generation Z investors. Financial knowledge plays a central role by enabling Generation Z to understand financial concepts and make informed decisions regarding money management. In addition, financial attitude contributes by shaping responsible and disciplined approaches toward managing finances. Importantly, Table 5 also highlights the role of financial self-efficacy as a key mechanism through which knowledge and attitudes are translated into effective financial behavior. Generation Z investors who believe in their ability to manage financial matters tend to apply their knowledge and attitudes more confidently in practice. Overall, the results demonstrate that sound financial management among Generation Z is not driven by knowledge or attitudes alone, but by the interaction between understanding, values, and confidence in handling financial decisions.

The results show that financial knowledge, financial attitude, and financial self-efficacy collectively shape financial management behavior among Generation Z investors. Effective financial decisions emerge when young investors combine adequate financial understanding with responsible attitudes and confidence in their financial capability, underscoring the integrated role of cognitive, attitudinal, and psychological factors in guiding investment behavior.

The effect analysis clarifies the role of financial self-efficacy within the model as a key mechanism linking financial knowledge to financial management behavior. The findings show that greater financial knowledge enhances individuals' confidence in handling financial matters, which in turn supports more effective money management. In this sense, financial self-efficacy enables Generation Z investors to translate financial understanding into concrete financial decisions, as confidence in one's own capability is essential for applying knowledge in practice. Thus, financial knowledge contributes to better financial behavior primarily when accompanied by a belief in one's ability to manage financial challenges.

In contrast, the mediating role of financial self-efficacy in the relationship between financial attitude and financial management behavior is not supported, as indicated by a marginal significance level ($p = 0.056$). This suggests that while financial attitude may directly influence financial behavior, it does not consistently operate through self-efficacy among Generation Z investors. Accordingly, the results support H4 but do not support H5, indicating that financial self-efficacy functions as a selective mediator, particularly activated by competence-based inputs such as financial knowledge rather than by attitudinal orientation alone.

5 Discussion

Financial knowledge plays a substantive role in shaping how individuals manage their finances because it equips them to interpret financial information, evaluate risk–return trade-offs, and choose appropriate instruments for saving and investing. Empirical evidence in Indonesia consistently indicates that higher financial knowledge (or literacy) is associated with stronger budgeting discipline, better saving habits, and more deliberate financial decision-making [6], [7]. In the context of Generation Z investors in Samarinda, financial knowledge appears to function as a practical resource for allocating income, controlling discretionary spending, and making more reasoned investment choices, including mutual fund participation [8-10]. These patterns align with evidence that financial literacy improves financial management behavior across diverse groups, including students and young adults [6], [7].

Viewed through Social Cognitive Theory (SCT), financial knowledge is not only a cognitive asset but also a foundation for perceived capability. SCT emphasizes that behavior is shaped by reciprocal interactions among

cognition, psychological processes, and perceived competence. In this framework, knowledge strengthens action mainly when it improves an individual's sense of "I can do this," namely financial self-efficacy—confidence in handling financial tasks, coping with uncertainty, and pursuing financial goals. Prior studies show that financial self-efficacy has a direct association with financial management behavior and frequently acts as a pathway through which education or literacy influences behavior [6], [7], [11]. Evidence also suggests that individuals with strong self-efficacy are more willing to evaluate alternatives, persist in decision-making under uncertainty, and manage investments more consistently [11], [12].

Financial attitude contributes to financial management behavior by shaping preferences for self-control, responsibility, and future-oriented planning. Individuals who hold constructive attitudes toward money tend to adopt more disciplined financial practices, including regular saving and structured investing [13]. However, attitude does not always materialize into behavior. Without sufficient confidence and task readiness, attitudes may remain as intentions rather than translate into consistent budgeting or investment routines [14]. This mechanism helps explain why self-efficacy is often a more proximate driver of behavior: it supports implementation—staying consistent, managing risk perceptions, and sustaining financial routines.

In our mediation results, financial self-efficacy operates as a meaningful bridge between financial knowledge and financial management behavior, indicating that knowledge becomes behaviorally effective when it increases confidence in applying financial skills [6], [11]. In contrast, the indirect path from financial attitude to behavior via self-efficacy is weaker and statistically unsupported ($\beta = 0.124$; $t = 1.913$), suggesting that positive orientations toward money may be insufficient when experience, reinforcement, or situational support is limited. This pattern is consistent with evidence that attitude-driven effects are more conditional and may depend on contextual exposure and practical engagement [14]. Overall, the findings emphasize that strengthening Generation Z investors' responsible mutual fund behavior requires not only literacy-oriented interventions but also confidence-building mechanisms that enhance self-efficacy and facilitate sustained financial routines [6], [7], [11], [12].

6 Limitations

This study has several limitations that should be acknowledged. First, the sample is restricted to Generation Z respondents in Samarinda, which limits the generalizability of the findings to other age groups and regions in Indonesia with different socio-economic conditions, cultural norms, and financial learning environments. Second, the study relies on self-administered questionnaire data, which may introduce response bias, including socially desirable answers and overestimation of financial capability. As a result, the observed relationships should be interpreted with caution, particularly when translating the findings into broader policy or investor education recommendations.

Third, the model focuses on financial knowledge, financial attitude, and financial self-efficacy as primary explanatory factors, while other plausible determinants of financial management behavior are not examined. These include financial socialization sources, digital financial literacy, income stability, personality traits, prior investment experience, and socio-economic background, which may shape how young investors allocate income, control spending, and manage investment risk. Fourth, the cross-sectional design captures behavior at a single point in time, making it difficult to infer causal direction, especially because attitudes, confidence, and financial practices can evolve as individuals gain experience. Finally, although PLS-SEM is suitable for predictive and exploratory modeling, it does not fully capture behavioral dynamics that unfold over time.

Future research should therefore test the model across broader populations and regions, incorporate additional variables that reflect digital and socio-economic contexts, and consider longitudinal or mixed-method designs to better explain how financial capability develops and how investment behavior changes with experience. Despite these limitations, the study highlights an important practical insight: financial knowledge supports better financial management only when it is accompanied by sufficient confidence to apply it. In other words, strengthening Generation Z's financial behavior—particularly for mutual fund participation—requires education that builds both skills and self-efficacy, ideally through experiential learning, realistic simulations, and guided decision practice rather than information delivery alone.

7 Conclusion

This study demonstrates that financial knowledge, financial attitude, and financial self-efficacy play a crucial role in shaping the financial management behavior of Generation Z in Samarinda. A solid understanding of financial concepts enables young investors to manage income more effectively and make more informed decisions, including participation in mutual funds. Positive financial attitudes further support responsible behavior by encouraging self-control and future-oriented planning.

More importantly, the findings highlight financial self-efficacy as a key mechanism in this relationship. Mediation analysis confirms that financial self-efficacy significantly channels the influence of financial knowledge into actual financial management behavior, indicating that knowledge becomes behaviorally effective when it strengthens confidence in applying financial skills. In contrast, the indirect effect of financial attitude through self-efficacy is not statistically significant, suggesting that favorable attitudes alone are insufficient without perceived capability and practical experience. Overall, these results emphasize that improving Generation Z's financial capability requires not only financial education but also experiential and confidence-building investment programs that support responsible decision-making.

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