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# The Role of Education as a Moderator in the Relationship Between Financial Literacy and Social Environment on Gen Z Consumption Behavior in the Special Region of Yogyakarta

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***Abstract**. This study aims to determine the role of education as a moderation variable in the relationship between financial literacy and social environment on the consumption behavior of Gen Z in the Special Region of Yogyakarta. The research method used is a quantitative approach with a descriptive quantitative method. The study sample consisted of 400 Gen Z respondents aged 14-29 years, selected using purposive sampling through questionnaires. Data analysis was conducted using Partial Least Square (PLS) with Structural Equation Modeling (SEM) through the SmartPLS 4.0 application. The results showed that financial literacy significantly influences consumption behavior (p-Value 0.001 < 0.05), while the social environment does not have a significant influence (p-Value 0.105 > 0.05). Additionally, education does not moderate the relationship between financial literacy and consumption behavior (p-Value 0.635 > 0.05) or the relationship between the social environment and consumption behavior (p-Value 0.244 > 0.05).*

***Keywords**: Education, Financial Literacy, Social Environment, Consumption Behavior*

## 1. BACKGROUND

The development of the era of globalization and increasingly close digital connectivity, all aspects of human development including social, family, culture, politics, and especially the economy are affected by this change. This phenomenon is further strengthened by digitalization which facilitates access to fulfill various needs, especially for young people who are internet literate. This development certainly makes it easier for people to meet their needs because all aspects of life have been integrated with technology (Yusa & Pratisti, 2023) . As a result, discussions have emerged about a new generation known as generation Z who were born between 1995 and 2010, after which the alpha generation emerged which is still in the research stage of its psychological profile (Mauliddah et al., 2024) . Generation Z was born in an environment that is very connected to technology, so they have different consumption patterns compared to previous generations (Mandić et al., 2024) . However, this phenomenon also brings its own challenges, especially in financial management and the influence of the social environment on their consumption behavior (Brandão & Magalhães, 2023) .

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Financial literacy is an individual's ability to manage finances wisely, including saving, investing, and making financial plans (Afrilia Nabila Utama, 2024) . The level of financial literacy among Generation Z is still relatively low, which has an impact on consumer behavior and less rational financial decisions (Oppong et al., 2023) . Individuals who are able to manage finances, understand a good savings system, plan finances, invest for the future, and develop strategies to minimize or avoid debt are referred to as financially literate people. (Mudzingiri et al., 2018) . In reality, this is a big challenge for Gen Z in the Special Region of Yogyakarta to become a financially literate generation. The results of initial observations conducted by researchers on 90 respondents in the Special Region of Yogyakarta, where 70% of respondents admitted to often buying unplanned items and 56.7% of them felt regret after making impulsive purchases (Fitrianti et al., 2024b) . In addition, interviews with 10 respondents showed that Generation Z tends to be wasteful because they are easily tempted by promotions and discounts, and prioritize wants over needs (Meilani & Kusuma, 2024) .

In addition to financial literacy, the social environment also plays an important role in shaping Generation Z's consumption behavior. Interactions with peers, family, and social media often influence their consumption decisions (Klopfenstein et al., 2023) . Based on a survey conducted, 56.7% of respondents stated that their social environment had a major influence on financial and consumption decisions, while 43.3% stated the opposite (Fitrianti et al., 2024b) . This shows that external factors, such as social pressure and trends on social media, have a significant impact on their consumption patterns (Chen & Sokolowski, 2022) .

One aspect that has not been widely studied in depth is the role of education as a moderating factor in the relationship between financial literacy, social environment, and consumption behavior (Yahya et al., 2022) . Education is believed to provide a better understanding of financial management and more rational consumption decision-making (Khusaeni et al., 2021) . The survey results showed that 55.6% of respondents felt that education level greatly influenced their ability to manage finances, while 73.3% of respondents considered education to be very influential in understanding the social environment (Rionita & Widiastuti, 2020) . However, there were still 8.9% of respondents who considered education to have no effect on their ability to manage finances. This inconsistency indicates a research gap that needs to be filled to further understand how education can moderate the influence of financial literacy and social environment on Generation Z consumption behavior.

Based on the identified problems, this study aims to explain in more depth the individual consumption behavior. This study is important to be conducted in order to understand the influence of financial literacy and social environment in the moderation of education on the consumption behavior of Gen Z in the Special Region of Yogyakarta. This study is expected to provide an overview of individual consumption behavior among Gen Z, which can then be used as scientific study material for further research in finding the ideal consumption behavior formulation.

## 2. THEORETICAL STUDY

This study adopts *the Theory of Planned Behavior* (TPB) developed by Ajzen (2005) as a *grand theory* . TPB explains that a person's behavior is influenced by three main factors, namely attitudes toward behavior, subjective norms, and perceived behavioral control. Attitudes toward behavior are an individual's evaluation of an action, subjective norms refer to social influences in individual decisions, while perceived behavioral control refers to a person's belief in their ability to control certain actions. TPB is relevant in this study because it provides a framework for understanding the factors that influence Generation Z's consumption behavior, especially related to financial literacy and the social environment that can be moderated by education level (Ajzen, 2005).

Financial literacy is an individual's ability to manage finances wisely, including saving, investing, and making financial plans (Afrilia Nabila Utama, 2024) . Financial literacy is a person's ability to understand and manage finances well, including how to earn, manage, invest, and spend money wisely (Kusumaningrum et al., 2023) . Good financial literacy allows individuals to manage income efficiently, avoid excessive debt, and make the right investment decisions (Yuniasari et al., 2024) . There are four indicators to measure financial literacy , namely : general knowledge of finance, savings and loans, insurance, and investment (Suryanto & Rasmini, 2018) .

The social environment refers to social interactions that occur in society that can influence an individual's mindset and behavior. The social environment includes family, peers, and communities that play a role in shaping an individual's attitudes and consumption habits (Indana Afriyanti & Agus Arwani, 2022) . According to Venkatesh, Morris, and Davis (2003), the influence of the social environment occurs when individuals make decisions based on norms and pressure from their social groups. In the context of consumption, social pressure can encourage someone to adjust their purchasing patterns to the trends prevailing in their environment (Fitrianti et al., 2024b) . There are three indicators of the social environment in this study proposed by (Khairunnisa & Rigianti, 2023) , namely the family environment, learning environment, and community environment.

Education is a factor that can moderate the relationship between financial literacy, social environment, and consumption behavior. Based on Law of the Republic of Indonesia Number 20 of 2003, education consists of three paths, namely formal, non-formal, and informal education. Education helps a person in acquiring analytical skills and critical thinking, which play a role in making wiser financial decisions (Acacio-Claro et al., 2018) . The higher a person's level of education, the broader the knowledge they have, which can have an impact on more rational consumption attitudes and behavior (Yahya et al., 2022) . Education indicators can be divided into three main categories: level of education, field of education, and quality of education (Lestari & Abdullah, 2024) .

Consumption behavior is an activity that is directly related to the acquisition, use, and payment of goods or services, as well as products needed both before and after the action (Firdiyana & Misidawati, nd) . Consumption behavior is defined as the study of purchasing units and exchange processes that include the acquisition, use, and utilization of goods or services, experiences, and ideas (Endayani et al., 2024) . There are three indicators to measure consumption behavior , namely : fulfillment of needs according to intensity, consumption motives, application of economic principles in consumption.

Several previous studies have examined the relationship between financial literacy and consumption behavior. (Pangestu & Karnadi, 2020) examined the effect of financial literacy on savings decisions among Generation Z in Indonesia and found that high levels of financial literacy correlated with better savings tendencies. However, this study did not consider the moderating factor of education. Meanwhile, (Rosdiana, 2020) discussed the influence of the social environment on investment interest and found that social interaction plays an important role in shaping individual investment preferences.

Referring to previous theories and studies, this study aims to examine how financial literacy and social environment influence the consumption behavior of Generation Z in the Special Region of Yogyakarta by considering the role of education as a moderating factor. The results of this study are expected to contribute to the development of more effective financial education strategies to increase financial awareness and more rational consumption patterns among Generation Z.

## 3. RESEARCH METHODS

This study uses a quantitative approach with a quantitative descriptive research design. The main purpose of quantitative research is to measure phenomena or relationships between variables numerically, allowing for explanations of relationships between variables, theory testing, and drawing conclusions based on data (Ramadhan et al., 2024) . This approach was chosen to analyze the relationship between financial literacy variables and the social environment on the consumption behavior of Generation Z in the Special Region of Yogyakarta, with education as a moderating variable.

The population of the study was Generation Z domiciled in the Special Region of Yogyakarta, with an age range of 14–29 years. The research sample was determined using the *purposive sampling method* , which is a sample selection technique based on certain criteria that are relevant to the research objectives. The number of samples used in this study was 400 respondents, in accordance with the criteria of quantitative research using the *Structural Equation Modeling* (SEM) method as a data analysis technique.

Data collection techniques by distributing questionnaires online and offline to respondents. The research instrument was tested for validity and reliability before being used in the main analysis. The results of the validity test showed that all indicators in the questionnaire had significant correlation values, while the results of the reliability test with *Cronbach's Alpha* showed that all variables had values above 0.70, which means that the instrument has a good level of internal consistency (Yuniasari et al., 2024) . Data analysis was carried out using the *Partial Least Square* (PLS) method in *Structural Equation Modeling* (SEM), which aims to test the relationship between variables in the research model. Hypothesis testing was carried out by looking at the *t-statistic* and *p-value values* at a significance level of 5% ( $\alpha = 0.05$ ) (Widyastuti & Hermanto, 2022) .

## 4. RESULTS AND DISCUSSION

The data in this study were collected by distributing questionnaires to respondents who were Generation Z in the Special Region of Yogyakarta. The sampling technique used *purposive sampling* with a total of 400 respondents who met the research criteria. Data collection was carried out in the period from September to November 2024. Data analysis in this study was carried out using the *Partial Least Square* (PLS) method in *Structural Equation Modeling* (SEM). Model testing includes evaluation of the measurement model and evaluation of measurements and hypothesis testing. The results of the analysis are presented in the form of tables and figures to provide a clearer picture of the relationship between variables.

**_Outer_ Model Evaluation**

a. Convergent Validity Test

Convergent validity is a measurement of the validity of reflective indicators as a variable measuring tool, which can be seen from the *outer loading value* of each variable indicator. The ideal standard for the *loading factor value* is >0.7, which indicates that the indicator is valid. However, *a loading factor value* >0.5 is still acceptable if *the loading factor value is* <0.5, the indicator must be removed from the model (Sarstedt et al., 2021) . Evaluation of convergent validity on constructs with reflective indicators is carried out using *Average Variance Extracted* (AVE). A construct is considered convergently valid if its AVE value is more than 0.5, which means that the construct is able to explain more than half of the variance of its items. (Setiawan & Utomo, 2024) . It means, when the AVE value is greater big from 0.5 then in a way average construct explains more from half (50%) of the variants of each indicator.

**Figure 1 _Outer Model_**

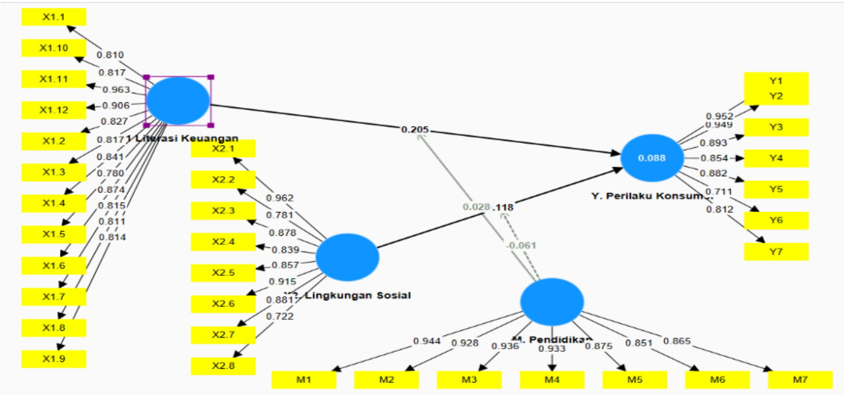


**Figure 1**

If *the Average Variance Extracted* (AVE) is less than 0.5, it indicates a significant level of inaccuracy. Table 18 below presents the *Average Variance Extracted* (AVE) value to see the problem.

**Table 1***Average Variance Extracted* (AVE) Value

| Construct | ***Average Variance Extracted* (AVE)** |
|---|---|
| M (Education) | 0.819 |
| X1 (Financial Literacy) | 0.707 |
| X2 (Social Environment) | 0.735 |
| Y (Consumption Behavior) | 0.754 |

| | |
|---|---|
| M*X1 (Financial Literacy) | 1,000 |
| M*X2 (Social Environment) | 1,000 |

*Source: Processed Primary Data (2024)*

Based on the table above, each construct has an AVE value of more than 0.5. So that the value meets the standard requirements for AVE.

b. Discriminant Validity Test

Discriminant validity can be seen by evaluating AVE *(Average Variance Extracted*) and the relationship between constructs in the model. If the AVE value is more than 0.5, it indicates that discriminant validity has been achieved (Haryati et al., 2024) . Measurement of discriminant validity can be done through *the Fornell-Larcker Criterion*, which assesses the relationship between constructs. Discriminant validity is declared good if the value exceeds 0.7. The *Fornell-Larcker Criterion value* is shown in the following table 19:

**Table 2**Discriminant Validity Test ( *Fornell-Larcker Criterion)*

| | M. | X1 | X2. | Y |
|---|---|---|---|---|
| M. Education | 0.905 | | | |
| X1 Financial Literacy | 0.080 | 0.841 | | |
| X2. Social Environment | 0.112 | -0.272 | 0.857 | |
| Y. Consumption Behavior | 0.202 | 0.190 | 0.077 | 0.868 |

*Source: Processed Primary Data (2024)*

The table above shows that the AVE root value for each construct exceeds the correlation value between variables, so it can be stated that it meets the discriminant validity criteria. This shows that the constructs in this study have good discriminant validity.

c. Reliability Test

Reliability evaluation can be seen based on two criteria, namely the *Composite value Reliability* and *Cronbach Alpha.* A variable is said to be reliable if the *Composite value Reliability* is more than 0.7 and *Cronbach Alpha value* is greater than 0.6. The results of the reliability test of this study are shown in the following table 20:

**Table 3** Reliability Test

| Construct | *Cronbach's Alpha* | *Composite Reliability* | Significance |
|---|---|---|---|
| M*X1 (Moderation of LK) | 1,000 | 1,000 | Reliable |
| M*X2 (Moderation of LS) | 1,000 | 1,000 | Reliable |
| M (Education) | 0.963 | 0.969 | Reliable |
| X1. (Financial Literacy) | 0.962 | 0.967 | Reliable |
| X2 (Social Environment) | 0.952 | 0.957 | Reliable |
| Y (Consumption Behavior) | 0.945 | 0.955 | Reliable |

*Source: Processed Primary Data (2024)*

The reliability test table above shows that the value of *Composite Reliability* greater than 0.7 and the *Cronbach Alpha value* is also greater than 0.6, so it can be said that the measured variables are reliable.

**Structural Model Evaluation ( *Inner Model Evaluation* )**

a. Coefficient of Determination ( *R-Square* )

If the R- *Square value* is more than 0.75 , then the model is categorized as strong or substantial. If the R- *Square value* is more than 0.50-0.74 , the model is considered moderate. Meanwhile, if the R- *Square value is* 0.25- 0.49 model is considered weak (Chin, 2010) . R- *Square* Results shown in table 21 below:

**Table 4** R- *Square*

| **R -*Square*** | | |
|---|---|---|
| | R- *square* | R- *square adjusted* |
| Y. Consumption Behavior | 0.888 | 0.768 |

*Source: Processed Primary Data (2024)*

Based on the results of the R- *Square analysis* in the study, the R- *Square value* of 0.888. This indicates that the variables of Financial Literacy, Social Environment and Education moderation variables show 88.8% of the variance of consumption behavior. The remaining 11.2% is influenced by other variables not included in this study.

b. *Path* Coefficients

To find out the direction of a positive or negative relationship, you can look at *the Path Coefficient value obtained* in Table 22 below:

**Table 5** *Path Coefficient* Results

| Construct | Y (Consumption Behavior) |
|---|---|
| M. Education -> Y. Consumption Behavior | 0.171 |
| X1 Financial Literacy -> Y. Consumption Behavior | 0.205 |
| X2. Social Environment -> Y. Consumption Behavior | 0.118 |
| M. Education x X1 Financial Literacy -> Y. Consumption Behavior | 0.028 |
| M. Education x X2. Social Environment -> Y. Consumption Behavior | -0.061 |

*Source: Processed Primary Data (2024)*

Table 22 shows the results of the hypothesis test of the research constructs X1, X2, M*X1 have a positive relationship as evidenced in the table that the results show a range of numbers from 0 to 1, while the M*X2 construct has a negative relationship because the results show a range of numbers from -1 to 0. In addition, the path results are also obtained as shown in Figure 5 as follows:

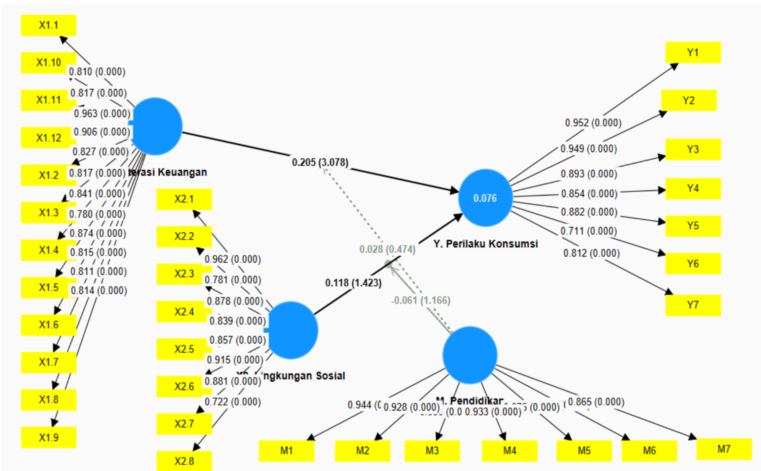


**Figure 2** Path Result Model

c. T -*Statistic*

To be able to see the magnitude of the significance of an influence between variables, you can see from the T-Statistic value *and* the parameter coefficient of the *bootstrapping method* . This study uses *two-tiled* which if the T- *Statistic value is* > 1.96 (5%) and the P-*Value* is less than 0.05 , then the variable is considered to have a significant relationship. (Hair et al., 2011) . The results of the *bootstrapping* test conducted in this study obtained the following *path coefficient values:*

**Tabel 6** Hasil uji t oleh *path coefficient*

| Hipotesis | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (\|O/STDEV\|) | P values |
|---|---|---|---|---|---|
| M. -> Y. | 0.171 | 0.175 | 0.053 | **3.220** | **0.001** |
| X1 -> Y. | 0.205 | 0.211 | 0.066 | **3.078** | **0.002** |
| X2. -> Y. | 0.118 | 0.122 | 0.083 | **1.673** | **0.005** |
| M.*X1 -> Y. | 0.028 | 0.030 | 0.059 | **0.474** | **0.635** |
| M.* X2. -> Y. | -0.061 | -0.050 | 0.053 | **1.166** | **0.244** |

*Source: Processed Primary Data (2024)*

Based on table 23, there are results indicating a significant relationship between the Financial Literacy variable (X1) and the Consumption Behavior variable (Y), where the results show that the p-value is *0.002* <0.05 and the t-statistic value is 3.078, which is greater than 1.96. The results of this test found that Financial Literacy has a positive and *statistically significant influence* on Consumption Behavior.

The relationship between the Social Environment variable (X2) and the Consumption Behavior variable (Y) shows that the p-value *is 0.005 < 0.05 and the t-statistic value is 1.673 < 1.96. This finding shows that the Social Environment has a statistically* negative influence on Consumption Behavior.

The relationship between the Financial Literacy variable (X1) and Consumption Behavior (Y) moderated by the Education variable (M) shows a p-Value of 0.635> 0.05 and a t-statistic of 0.474 less than 1.96. This finding shows that the Education variable (M) is unable to moderate the influence of the relationship between Financial Literacy (X1) statistically on Consumption Behavior (Y)

The relationship between the Social Environment variable (X2) and Consumption Behavior (Y) moderated by the Education variable (M) shows a p-Value of 0.244 > 0.05 and a t-statistic of 1.166 less than 1.96. This finding shows that the Education variable (M) is unable to moderate the influence of the relationship between the Social Environment (X2) statistically on Consumption Behavior (Y).

d. *F-Square*

The magnitude of the influence of the relationship between variables can be seen in the results of the F- *Square test* in table 24 below:

**Table 7** F -*Square Test*

| **Construct** | **F-Square** | **Big Influence** |
|---|---|---|
| M. Education | 0.031 | Medium |
| X1 Financial Literacy | 0.041 | Big |
| X2. Social Environment | 0.015 | Medium |

| | | |
|---|---|---|
| M. Education x X1 Financial Literacy | 0.001 | Very small |
| M. Education x X2. Social Environment | 0.004 | small |

*Source: Processed Primary Data (2024)*

The test results show that the Financial Literacy variable (X1) has a large or strong influence on Consumption Behavior (Y). The Social Environment variable has a moderate or medium influence on the Consumption Behavior variable (Y). However, it was found that moderated by the Education variable (M), Financial Literacy (X1) showed a very small influence or had no influence on Consumption Behavior as a variable (Y). Then moderated by the Education variable (M), the Social Environment variable (X2) had a small influence on Consumption Behavior (Y).

e. *Q-Square* ( *Predictive Relevance* )

*Predictive relevance* (Q2 ) aims to evaluate the predictive ability of the model. The Q value obtained if it is greater than 0, indicates that the exogenous variables of the model accurately predict the endogenous variables and indicate high predictive relevance (Abdillah & Hartono, 2015). *Blindfolding testing* produces the Q- *Square value* attached in the following table 24:

**Table 3**-*Square* Results

| | **SSO** | **SSE** | **$Q^2$ (=1-SSE/SSO)** |
|---|---|---|---|
| Y. Consumption Behavior | 2,800,000 | 2,632,521 | **0.600** |

*Source: Processed Primary Data (2024)*

Based on table 25 above, the Q- *Square value* indicates that this study has a strong observation value with a model that produces a relevant prediction capacity of 60%.

f. GOF ( *Goodness of Fit* )

*Goodness of Fit* testing is carried out to evaluate how well and appropriately a model fits the data in the study by looking at the *standardized value. Root Mean Square Residual* (SRMR). SRMR is a tool to test the model's suitability, with the condition that the SRMR value must be less than 0.1 or less than 0.08 so that the model can be said to be fit. (Narimawati et al., 2022) .

**Table 9** Results of SRMR analysis

| | Mark |
|---|---|
| SRMR | 0.041 |

*Source: Processed Primary Data (2024)*

Based on the results of the SRMR analysis above, the value shows that the SRMR value <0.08 indicates that the model is fit or feasible.

**Hypothesis Discussion**

a. The Influence of Financial Literacy on Gen Z Consumption Behavior in the Special Region of Yogyakarta

Hypothesis one states that there is an influence of financial literacy on consumption behavior after testing. The results of the hypothesis test indicate a positive relationship between the financial literacy variable and the consumption behavior of Gen Z in the Special Region of Yogyakarta. This study also shows that the hypothesis is accepted and there is a significant influence of financial literacy on the consumption behavior of Gen Z in the Special Region of Yogyakarta. The results of the study also indicate that Gen Z with a good understanding of financial literacy will be better able to manage expenses, behave wisely and effectively.

These results are in line with research conducted by (Fitrianti et al., 2024b) entitled "The Influence of Social Environment, Economic Status, Financial Literacy on Lifestyle in Generation Z with Consumption Behavior as a Moderating Variable" the study resulted in the influence of financial literacy on consumption behavior in generation Z in Surabaya. In addition, financial literacy arises when individuals have a set of skills, expertise and knowledge that enable individuals to use existing resources to achieve their desired goals. Another thing is that it indicates that when financial literacy increases, consumption behavior in generation Z increases and vice versa

In *the theory of planned behavior* by Ajzen (2005) , it is explained that a person's intentions and actions are not only influenced by beliefs about the results obtained from an action, but also by pressure and perceptions of self-ability . This means that individuals who have a good understanding of financial literacy tend to believe that wise consumption behavior (for example, better spending management) will bring positive results such as financial stability and achievement of financial goals. This belief encourages individuals to implement more rational consumption behavior.

b. The Influence of Social Environment on Gen Z Consumption Behavior in the Special Region of Yogyakarta

Hypothesis two states that there is no significant influence or relationship between the social environment and consumption behavior after testing. The results of the hypothesis testing indicate a negative relationship between social environment variables and Gen Z consumption behavior in the Special Region of Yogyakarta. This study also shows that the hypothesis is rejected and shows that the social environment does not have a positive relationship with Gen Z consumption behavior in the Special Region of Yogyakarta. The results of this study indicate that the social environment is not statistically significant to consumption behavior.

The results of this study are not in line with research by (Budanti et al., nd) entitled "The Influence of Social Environment and Lifestyle on Consumption Behavior of Students of the Economic Education Study Program, FKIP UNS", research (Fitrianti et al., 2024a) entitled "The Influence of Social Environment, Economic Status, Financial Literacy on Lifestyle in Generation Z with Consumption Behavior as a Moderating Variable" which shows that a person will behave more rationally if their environment provides an example for disciplined and rational consumption behavior. Thus, the positive influence of the environment will be able to become more rational, especially in consumption behavior.

In *Theory Planned Behavior*, subjective norms on social influence on individual behavior. The findings of this study *indicate* that the social environment does not have a positive or significant relationship to Gen Z consumption behavior *in Yogyakarta* , This indicates that social norms in their environment are not strong enough to influence consumption decisions. The perception of Gen Z individuals regarding their ability to control behavior is also relevant. If the social environment does not provide support or control for rational consumption behavior, then individuals feel that consumption decisions are entirely in their hands, without significant influence from outside .

c. Education Moderates the Relationship between Financial Literacy and Gen Z Consumption Behavior in the Special Region of Yogyakarta

Hypothesis three can be stated that "Education moderates the relationship between financial literacy and Gen Z consumption behavior in the Special Region of Yogyakarta. The test results show that there is a negative relationship between Education moderation on financial literacy and Gen Z consumption behavior in the Special Region of Yogyakarta. This research hypothesis is rejected and shows that Education is unable to moderate the relationship between financial literacy and consumption behavior.

The results of this study indicate that financial literacy significantly affects consumption behavior, but education does not strengthen the relationship between the two variables. This may be due to the influence of a weak social environment and the ability to control themselves Gen Z is entirely on themselves, which results in the result that education has not been able to moderate the relationship between financial literacy and Gen Z consumption behavior in the Special Region of Yogyakarta.

This research is in line with research by (Rachmawati et al., 2023) entitled "The Influence of Financial Literacy and Social Environment Moderated by Education on the Use of QRIS among MSMEs in Surakarta City".

The study found that education could not moderate the influence of financial literacy on the use of QRIS in MSMEs. Although the number of secondary education levels completed by individuals and the better understanding of financial literacy, this does not always make individuals wise in their consumption behavior.

Then the results of this study are not in line with the study (Sakti, nd 2021 ) entitled "The Moderation Effect of Education on the Influence of Income and Consumption Behavior on Economic Growth in the Gerbangkertosusila Region". This study found that after moderated by education shows a significant strong interaction on consumption behavior with economic growth in the Gerbangkertosusila area. This result is proven by the results of the interaction test between consumption behavior variables and education which has a value smaller than the significance level. This is because the more and higher the amount of education completed at the secondary level, the more balanced the consumption will be. Which tall And increasing economic growth and vice versa, the increase in economic growth with education as human capital will also have an impact on increasing consumption .

d. Education Moderates the Relationship between Social Environment and Gen Z Consumption Behavior in the Special Region of Yogyakarta

Hypothesis four can be stated that "Education moderates the relationship between Social Environment and Gen Z Consumption Behavior in the Special Region of Yogyakarta". The test results show that there is a negative relationship between education moderation in the social environment and Gen Z consumption behavior in the Special Region of Yogyakarta. This research hypothesis is rejected and shows that Education is unable to moderate the relationship between the social environment and consumption behavior.

The results of this study indicate that although education is expected to play a role in strengthening or changing the influence of the social environment on consumption behavior, the role is not significant. This finding also shows that the education factor is not strong enough to change the impact of the social environment on consumption behavior in certain contexts, such as Gen Z in the Special Region of

Yogyakarta who make all decisions completely in their hands, without significant influence from outside.

The results of this study are in line with the findings of Rachmawati et al. (2023) in a study entitled *"The Influence of Financial Literacy and Social Environment Moderated by Education on the Use of QRIS in MSMEs in Surakarta City"* . The study shows that education as a moderating variable, both in interaction with financial literacy and the social environment, does not have a significant influence as a moderator. This is due to the development of technology that is increasingly easy to access and use by each individual, so that the role of education does not have a strong influence on individual decisions to use QRIS or in determining consumption behavior. In addition, the characteristics of Gen Z who are more independent in decision-making are an important factor. Gen Z tends to view consumption decisions as being entirely in their hands without significant influence from external factors, including education. Therefore, education is not strong enough to change the impact of the social environment on consumption behavior.

## 5. CONCLUSION AND SUGGESTIONS

### Conclusion

Based on the discussion that has been described previously, the following conclusions are obtained: Financial literacy has a positive and significant influence on the consumption behavior of Gen Z in the Special Region of Yogyakarta. This indicates that individuals who have a better understanding of financial literacy tend to be able to manage expenses more wisely, prioritize needs over wants, and avoid impulsive consumption, of course, making good consumption behavior.

Financial literacy plays an important role in building awareness of personal financial management, including the ability to save, invest, and prioritize needs. The social environment has a negative and insignificant relationship to Gen Z consumption behavior in the Special Region of Yogyakarta. This shows that social norms in the environment are not strong enough to influence Gen Z consumption decisions in the Special Region of Yogyakarta. The perception of Gen Z individuals regarding their ability to control behavior feels that consumption decisions are entirely in their hands, without significant external influence. This may be due to the fact that direct relationships with family, peers or the surrounding community do not play a strong enough role in influencing consumption patterns. This can be explained by changes in the lifestyle of Gen Z which are increasingly developing and connected to technology and social media, so they tend to make consumption decisions individually without relying too much on direct social interactions.

Education is unable to moderate the influence of financial literacy on Gen Z consumption behavior in the Special Region of Yogyakarta. This shows that education does not have a moderating effect on the relationship between financial literacy and Gen Z consumption behavior. This is because even though there are many and high levels of education completed at the individual's middle level and a person's good understanding of financial literacy, this does not always make an individual a wise person in consuming behavior.

Education is unable to moderate the influence of the social environment on Gen Z consumption behavior in the Special Region of Yogyakarta. So that Education does not have a significant role as a moderator of the relationship between the social environment and Gen Z consumption behavior. This is due to the characteristics of Gen Z who are more independent in decision making. Gen Z tends to view that consumption decisions are entirely in their hands without significant influence from external factors, including education. Therefore, Education is not strong enough to change the impact of the social environment on consumption behavior.

**Suggestion**

Based on the results of the discussion and conclusions of this study, several suggestions can be given as follows: Gen Z in the Special Region of Yogyakarta must be more aware of the importance of understanding financial literacy, especially regarding consumption behavior that will certainly continue to be carried out in everyday life, Gen Z in the Special Region of Yogyakarta needs to better understand the impact of consumption decisions on the environment and society. By increasing this awareness, Gen Z can make wiser and more responsible consumption decisions.

environment does not have a significant influence, but Gen Z can actively choose a community or environment that supports rational and sustainable consumption behavior. A positive environment can be an inspiration in forming better consumption habits . Gen Z in the Special Region of Yogyakarta is expected to be more aware of the influences that drive consumption behavior, such as social pressure or media trends. Gen Z can learn to be more critical in determining needs and wants, and managing expenses wisely .

Suggestions for further researchers conducting similar research, to take samples of Gen Z from different regions to compare the characteristics of consumption behavior . In addition, it is necessary to consider making Education a moderating variable and it is recommended to add several other variables that are not used in this study to find out other factors that can influence or moderate consumption behavior.

For educational institutions, they can integrate financial literacy materials into the formal curriculum in schools and universities, especially through relevant subjects or programs, such as economics, entrepreneurship, or character education or can collaborate with practitioners or industry to provide real education and insight into the impact of rational and irrational consumption decisions.

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