The Influence of Financial Literacy on PayLater usage with Self-Control as Moderating Variable Among Gen-Z in Jombang Regency

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Abstract: *This study aims to analyze the influence of financial literacy on the use of Buy Now Pay Later (PayLater) with self-control as a moderating variable among Generation Z in Jombang Regency. The utilization of digital technology provides convenience but also brings risks such as digital dependency and mental health issues. Fintech, especially PayLater, is increasingly popular among Gen Z due to its easy access and flexibility, but its use may lead to financial risks if not supported by adequate financial literacy and self-control. This research uses a quantitative approach with field study research, involving 100 Gen Z respondents who have used PayLater in Jombang Regency. Data were collected through an online questionnaire tested for validity and reliability, and analyzed using simple regression analysis and moderation tests with SPSS. The results indicate that financial literacy does not directly affect PayLater usage. However, self-control is a significant moderating variable, strengthening the relationship between financial literacy and PayLater usage. Respondents with high self-control use PayLater more wisely, even if their level of financial literacy is not high.*

Key Words: Financial literacy, Buy Now Pay Later (PayLater), Self-control, Generation Z

Introduction

Digital technology utilization has become an essential element in modern society, providing convenience and efficiency across various domains, from communication and education to economic activities. With increasingly widespread internet access, people can obtain information quickly, interact without spatial limitations, and utilize digital services that support daily activities smoothly.

The adoption of Buy Now Pay Later (PayLater) services in Indonesia continues to experience significant growth. As of February 2025, there were 17.26 million BNPL users with an annual growth rate of 25.53% (Bisnis.com, 2025). PayLater represents one of the rapidly developing digital financing services in Indonesia, offering installment payment convenience without requiring traditional credit cards (Sitepu & Fadila, 2024). Easy access, usage flexibility, and alignment with digital lifestyles are the primary reasons Gen Z chooses PayLater as a financing method for their consumption needs (Antaranews, 2025). The majority of users are young generations, particularly Gen Z and millennials. Gen Z (ages 18-25) accounts for approximately 26.5% of total users, while millennials dominate with 43.9% (Katadata.co.id, 2024).

For instance, research by Nurfitri et al. (2025) found that the practical and easily accessible PayLater application process without complex requirements makes this service an attractive solution for Gen Z and millennials who do not yet have stable income. However, low financial literacy makes them vulnerable to debt traps and financial stress due to PayLater usage.

Laili (2024) states that PayLater usage on e-commerce platforms like Shopee has complex impacts on adolescent consumption behavior, where discounts and promotions become primary motivations, even though most teenagers recognize the financial risks of their consumption decisions. Wulandari & Saputra (2024) add that lack of financial literacy makes Gen Z susceptible to PayLater misuse, potentially leading to accumulating debt that is difficult to repay.

Hartono and Sari (2025) emphasize that ignorance and lack of spending control with PayLater can trigger serious financial problems, negatively impacting users' quality of life and financial well-being. This indicates that without strengthened self-control, the potential to get trapped in unhealthy spending patterns remains high.

This research offers a new perspective by focusing on Gen Z in Jombang Regency, which has unique characteristics in consumption behavior and fintech usage, thus contributing to understanding the dynamics of PayLater usage and the role of self-control in shaping financial behavior in that region. The research findings are expected to provide new relevant insights for developing PayLater policies tailored to community needs, particularly Gen Z.

Theoretical Framework
Theory of Planned Behavior (TPB)

The Theory of Planned Behavior (TPB), developed by Icek Ajzen (1985), is one of the social psychology theories that predicts human behavior based on behavioral intention. TPB states that a behavior is formed by three main factors: attitude toward the behavior, subjective norms arising from social pressure, and perceived behavioral control related to the ease or obstacles in performing it. The Theory of Planned Behavior (TPB) aims to predict and explain individual behavior more comprehensively, particularly behaviors that are not entirely under personal control or volition. A study by Sari & Putri (2023) shows that the Theory of Planned Behavior (TPB) effectively explains the influence of financial literacy and self-control on student consumption behavior.

Method

This research is a field study employing a quantitative approach. It also utilizes descriptive analysis as an initial step to describe the characteristics of the data and variables. Based on the 2020 Jombang Regency population census, the entire Generation Z population in Jombang Regency is estimated at 27.94% of the total population of 1,318,062 people, resulting in a research population of approximately 368,054 individuals. The sampling technique used is random sampling with the Slovin formula, yielding a sample of 100 respondents. Data analysis is conducted using statistical descriptive methods, instrument

testing, classical assumption testing, and interaction testing via simple linear regression analysis to derive research conclusions.

The data collection technique employed by the author involves a questionnaire containing several questions. Respondents are asked to select one answer from the provided options for each question. The variables under study are broken down into question indicators in the questionnaire, measured using a Likert scale. Scores are assigned from 5 (strongly agree) to 1 (strongly disagree), corresponding to the levels on the Likert scale.

Indicators

Tabel 1. Variable Operationalization

Variable	Indicators	Reference Sources
Financial Literacy	1. Basic Financial Knowledge 2. Savings and Loan Management 3. Financial Protection 4. Investment Financial Planning	Prasetyo dan Susanti, 2022
User PayLater	1. Service Accessibility 2. User Credibility 3. Service Benefits 4. Security Perception	Putri, 2022
Self Control	1. Ability to Control Actions 2. Ability to Control Stimuli 3. Ability to Anticipate Conditions 4. Ability to Analyze Events 5. Decision-Making Ability	Yusainy et al., 2019

Inter-Variable Effect

1. Influence of Financial Literacy on PayLater Usage

The influence of financial literacy on PayLater usage can be understood through the Theory of Planned Behavior (TPB), where financial literacy shapes more rational attitudes toward financial decisions. Individuals with high financial literacy tend to have negative attitudes toward PayLater usage due to their understanding of its risks and consequences. Financial literacy also enhances perceived behavioral control, enabling individuals to better manage consumptive behavior. Thus, higher financial literacy leads to lower intention and tendency to use PayLater services. Arwin et al. (2022) explain that attitudes, social norms, and perceptions of control play roles in determining the intention to use PayLater services, which in turn influences actual consumer behavior in the digital financial context. Therefore, the hypothesis of this research is:

H_1 : Financial literacy influences PayLater usage among Generation Z in Jombang Regency.

2. Influence of Financial Literacy on PayLater Usage with Self-Control as Moderating Variable

The influence of financial literacy on PayLater usage from the Theory of Planned Behavior (TPB) perspective is evident in its role in forming positive attitudes toward healthy financial

management and wise PayLater usage. Individuals with high financial literacy understand PayLater risks and benefits, enabling better financial decision-making. However, PayLater's easy access and attractive features can still trigger consumptive behavior without adequate self-control. Self-control strengthens perceived behavioral control by helping individuals resist excessive shopping impulses, thus reducing financial problem potential. Research by Fauziah et al. (2023) confirms that self-control acts as a moderating variable strengthening financial literacy's influence on PayLater usage, where increased self-control helps reduce consumptive behavior risks from PayLater. Therefore, the hypothesis of this research is:

H2: Self-control moderates the influence of financial literacy on PayLater usage among Generation Z in Jombang Regency.

Results and Discussion

Based on the distributed questionnaire results, the majority of respondents are Gen Z PayLater users characterized predominantly by females (67.1%) and males (32.9%), many of whom are unemployed and dominated by the 20-23 age range using PayLater. The most widely used PayLater service is ShopeePayLater, followed by GoPay PayLater in second place, indicating that easy and practical digital financial services are frequently utilized by Gen Z.
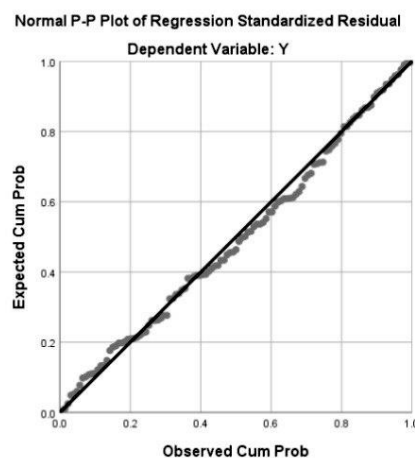
Normality Test

Figure 1. Normal P-Plot of Regression

The scatterplot graph shows a random distribution pattern of points without forming any specific pattern. This indicates no heteroscedasticity issues in the model used. Thus, the regression model meets the assumption of constant residual variance. In the Normal P-P Plot graph, points are scattered following the diagonal line, indicating that residuals are normally distributed. This fulfills the normality assumption required in linear regression. Overall, the graphs support that the model used is valid and reliable for further interpretation.

Simple Regression Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884[a]	.781	.779	2.24304

a. Predictors: (Constant), X
b. Dependent Variable: Y

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	29.473	.936		31.494	.000		
	X	-1.217	.065	-.884	-18.692	.000	1.000	1.000

a. Dependent Variable: Y

Figure 2. Simple Regression Test

Test Initial simple linear regression analysis was conducted to test the direct influence of financial literacy (X) on PayLater usage (Y). The analysis yielded a correlation coefficient $R=0.884$ and coefficient of determination $R^2 = 0.781$, indicating that 78.1% of PayLater usage variation can be explained by financial literacy. The regression coefficient was recorded at $\beta = -1.217$ (standard error = 0.065) with significance value $p = 0.000 < 0.01$, demonstrating a negative and highly significant statistical influence. This finding means that higher individual financial literacy levels lead to lower tendencies to use PayLater services. Further t-statistic testing confirmed this relationship with $t= -18.692$ and $p= 0.000$, thus rejecting the null hypothesis **(H₁)** These results align with previous research stating that financial understanding levels influence consumption decisions, particularly for digital services like PayLater (Lusardi & Mitchell, 2014; Setyawati & Narmaditya, 2021).

***Moderated Regression Analysis* (MRA)**

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.942[a]	.887	.884	1.62239

a. Predictors: (Constant), Z, X
b. Dependent Variable: Y

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	28.141	.691		40.712	.000		
	X	-.028	.134	-.020	-.207	.837	.124	8.062
	XZ	-.914	.096	-.923	-9.504	.000	.124	8.062

a. Dependent Variable: Y

The moderation regression model incorporating the interaction between financial literacy (X) and self-control (Z) shows an increase in the coefficient of determination to $R^2 = 0.887$, explaining 88.7% of PayLater usage variation. The direct effect of financial literacy on PayLater usage disappears after moderation is included ($p= 0.837$), but the X on Z interaction

variable demonstrates a highly significant negative influence with $t= -9.504$ and $p= 0.000$ $p= 0.000$. This finding confirms self-control's strong moderating role that strengthens the negative relationship between financial literacy and PayLater consumptive behavior. Financial literacy only effectively reduces PayLater usage tendency among individuals with high self-control, while for respondents with low self-control, financial knowledge has no significant impact on consumption decision-making.

These findings confirm self-control's strong moderating role that reinforces the negative relationship between financial literacy and PayLater service usage, thus supporting hypothesis (**H₂**). The results align with previous research emphasizing the importance of self-control in the effectiveness of financial knowledge on consumption behavior (Mandell & Klein, 2009; Gudmunson & Danes, 2011). Model validity is strengthened by scatterplot and P-P plot meeting statistical assumptions, affirming self-control as the key factor directing financial literacy toward wise financial behavior among young PayLater users.

Conclusion

This research finds that respondents are predominantly Gen Z females aged 20-23 years who are unemployed and heavily use ShopeePayLater and GoPay PayLater. Financial literacy initially shows a significant negative influence on PayLater usage, but the direct effect disappears after self-control is included as a moderator. The interaction between the two demonstrates a strong negative influence, indicating that self-control strengthens financial literacy's ability to reduce consumptive behavior. These findings show that financial literacy alone is not sufficiently effective without individuals' ability to resist impulses and manage consumptive behavior. The results also explain that Gen Z's financial behavior is more influenced by psychological aspects than by financial literacy alone. Overall, this study confirms that self-control is the key factor determining whether financial literacy can truly be applied in financial decision-making, including PayLater service usage.

This aligns with the Theory of Planned Behavior (TPB), which states that behavior is determined by three main components: attitude, subjective norms, and perceived behavioral control (PBC). In this research context, financial literacy can be viewed as a factor shaping individuals' attitudes toward PayLater usage, namely how they perceive the benefits and risks of the service. When financial literacy is high, individuals tend to have more critical attitudes toward PayLater.

The research results indicate that positive attitudes from financial literacy are not sufficient to direct someone away from PayLater usage without strong self-control. This shows that attitude alone is inadequate to explain financial consumptive behavior. Consistent with research by Winata and Zuliansyah (2025), which found that good self-control, combined with understanding of PayLater mechanisms and risks, can reduce impulsive consumptive behavior and encourage responsible PayLater usage.

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