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The Influence of Digital Financial Literacy and Financial Attitudes on Online Loan Decisions and Financial Decision-Making Among Generation Z in Sidoarjo Regency

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Abstract: *This study examines the role of digital financial literacy and financial attitude in shaping online loan decisions and financial decision-making among Generation Z in Sidoarjo Regency. Generation Z was selected as the focus of the study due to their intensive engagement with digital financial technologies and the growing use of online lending services. The research seeks to determine the extent to which digital financial literacy and financial attitude influence online borrowing decisions and overall financial decision-making behaviour. A quantitative method with a causal-associative approach was applied. Data were gathered through questionnaires distributed to Generation Z individuals who had experience with online lending platforms. The analysis was conducted using Partial Least Squares Structural Equation Modelling (PLS-SEM) with SmartPLS 4. The results indicate that digital financial literacy positively and significantly affects financial decision-making, suggesting that individuals with stronger digital financial competencies are more likely to make prudent financial choices. Financial attitude was also found to have a positive and significant impact on financial decision-making. Nevertheless, neither digital financial literacy nor financial attitude demonstrated a significant influence on online loan decisions. These findings imply that online borrowing behaviour among Generation Z is likely driven by external considerations, including convenience, lifestyle orientation, peer influence, and immediate financial pressures. Overall, improving digital financial literacy and encouraging responsible financial attitudes remain important in enhancing the financial decision-making quality of Generation Z.*

Keywords: Digital Financial Literacy, Online Loan Decision, Generation Z

JEL: G51, G53, D70

1. INTRODUCTION

Generation Z, commonly defined as individuals born between 1997 and 2012 (Jayatissa, 2023), has grown up in an environment characterised by rapid technological advancement and extensive internet accessibility. As digital natives, this generation integrates digital technology into various aspects of everyday life, including financial activities (Pratama, 2025). This transformation has gradually influenced the way young individuals make financial decisions, particularly in managing consumption, borrowing, and personal financial planning. Financial decision-making has therefore become an increasingly important issue among Generation Z because financial choices are no longer shaped solely by rational considerations, but also by digital exposure, financial attitudes, and access to technology-based financial services (Pasek & Widiastina, 2025). In practice, many young adults face difficulties in evaluating financial risks and benefits appropriately, especially when financial products are easily accessible through digital platforms. As a result, understanding the factors influencing financial decision-making among Generation Z has become increasingly relevant in the digital era (Kusuma et al., 2024).

One financial service that is rapidly gaining popularity among the younger generation is online lending. Advances in financial technology have significantly transformed Indonesia's financial services industry by offering fast procedures, minimal administrative requirements, and a digital credit scoring system. These conveniences have encouraged young people to utilize online lending services because they provide flexibility and efficiency in meeting short-term financial needs (Fadli et al., 2024). Data from the fintech lending sector in December 2022 indicates that approximately 60% of loan disbursements involved individuals aged 19-34, while 62% of accounts were concentrated in community financing services (Nomleni & Timo, 2024). This trend continued in 2024, when the Financial Services Authority (OJK) reported that the outstanding financing value from licensed online loans reached Rp77.02 trillion (Islamiati, 2025). Additionally, the number of

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active fintech loan accounts increased to 22.42 million, with over 60% of users coming from the adolescent and young adult demographic (Fitria et al., 2025). While online loans can improve financial access, borrowing decisions made without careful consideration can increase financial vulnerability. Data from the Financial Services Authority (2025) further reveals that the 19-34 age group dominates online loan usage, with 14,854,279 accounts and an outstanding balance of Rp40,107.08 billion. In East Java alone, the number of borrower accounts reached 3,015,080 in 2025, with total online loan disbursements of Rp10,507.47 billion and a default rate of 3.41% (OJK, 2025). Thus, understanding Generation Z and their decision-making processes is essential to examine their financial behavior, particularly in the use of online loan services, which are strongly influenced by digital literacy, digital environments, and the intensity of financial technology usage (Mubarokah et al., 2024). This issue becomes increasingly relevant in Sidoarjo Regency, where approximately 553,783 residents belong to Generation Z (Sidoarjo, 2021).

One factor frequently associated with financial behaviour in the digital era is digital financial literacy. This concept refers to an individual's ability to understand and utilise digital financial services, including online transactions and internet-based financial platforms (Abdurrahman & Adi, 2024). Unlike conventional financial literacy, digital financial literacy emphasises competence in navigating financial activities within a technology-driven environment (Wulandari et al., 2025). The importance of this capability is reflected in Indonesia's national financial literacy rate, which increased from 65.43% in 2024 to 66.46% in 2025 based on surveys conducted by BPS and OJK (Ariesta, 2025). Individuals with higher digital financial literacy are generally expected to evaluate financial products more critically and understand borrowing risks more effectively. However, previous findings remain inconsistent. Maivalinda et al., (2023) found that digital financial literacy significantly influences financial behaviour in the use of online loan services, whereas Dewi and Kusuma, (2025) reported a significant negative effect of digital financial literacy on interest in using P2P lending services. These contradictory findings suggest that the relationship between digital financial literacy and online loan decisions still requires further investigation.

Besides digital financial literacy, financial attitude is also considered an important determinant of financial behaviour. Financial attitude reflects an individual's perspective and judgement regarding financial management and resource allocation (Hidayati et al., 2021). Positive financial attitudes tend to encourage more prudent financial consideration and responsible borrowing behaviour. Previous research by Wibowo and Kusumaningrum (2024) demonstrated that financial attitude positively influences financial management behaviour among Millennials and Generation Z using online loan services. Nevertheless, Fitriana et al (2025) found that financial attitude does not significantly affect online loan decisions. These differing results indicate that the influence of financial attitude on borrowing behaviour remains inconclusive and requires additional empirical examination, particularly among Generation Z who are highly exposed to digital financial services.

Although previous studies have examined digital financial literacy and financial attitude separately, limited research has simultaneously analysed their effects on both online loan decisions and financial decision-making among Generation Z within a regional context. Most prior studies have focused only on borrowing behaviour without integrating broader financial decision-making aspects. This limitation creates an important research gap, particularly in areas with substantial online loan usage among young adults such as Sidoarjo Regency. Therefore, this study aims to examine the effect of digital financial literacy and financial attitude on online loan decisions and financial decision-making among Generation Z in Sidoarjo Regency. This study contributes to the existing literature by integrating two behavioural outcomes within a single research model and analysing them using Partial Least Squares Structural Equation Modeling (PLS-SEM).

2. LITERATURE REVIEW

2.1. Theory of Planned Behavior

This study is grounded in the Theory of Planned Behaviour (TPB). According to Ajzen (1991) as cited in Kartikaningrum & Urumsah, (2025), individual behaviour emerges as a response to a specific situation or action. TPB explains that there are three behavioural factors, namely subjective norm, perceived behavioural control, and attitude towards behaviour (Audrey & Kristianto, 2024).

In this study, attitude toward behaviour is represented by financial attitude, which refers to an individual's perspective on financial management and the use of debt. Meanwhile, perceived behavioural control is reflected through digital financial literacy, as knowledge of digital financial services affects an individual's ability to manage decisions related to the use of online loans. Both factors influence the decision to use online loans as a specific behaviour, which subsequently affects overall financial decision-making among Generation Z.

2.2. Online Loan Decision

According to Hakim, (2024), online loans are an internet-based financial service model that meets the public's financing needs through digital financial intermediaries. In line with this, Erdi, (2023) explains that online loans are a financial technology service that provides digital borrowing facilities with a simpler process compared to conventional financial institutions. Meanwhile, the decision to take out an online loan refers to an individual's behaviour in using digital loan applications, encompassing the processes of searching, selecting, utilising, and evaluating the service (Ganiarto, 2022). Thus, online loans can be understood as a digital financing innovation offering practical and efficient access, whilst the decision to use them reflects the individual's deliberative process in utilising the service. According to Feryana et al., (2025), indicators of online loan decisions include: (1) social factors, (2) personal factors, (3) loan amount, (4) loan process, (5) service fees, and (6) service flexibility.

2.3. Digital Financial Literacy

Digital Financial Literacy, according to Kumar et al. in Kesuma et al., (2025), is the ability encompassing an understanding of various digital financial products and services, how to manage risks that may arise, as well as knowledge of consumer rights and dispute resolution processes within digital financial services. The indicators of digital financial literacy according to Ikhwanuddin et al., (2025) are: (1) Knowledge of digital financial products, (2) Awareness of digital financial risks, (3) Ability to use financial technology, (4) Understanding of digital consumer rights and obligations, (5) Evaluation of digital financial information.

2.4. Financial Attitude

Financial attitude represents an individual's orientation towards financial principles that guide decision-making and the efficient management of resources to maintain and enhance economic value. This orientation influences financial behaviour, including budgeting and investment selection (Sorongan, 2022). Financial attitude can be described through six main concepts, namely: 1) Obsession, 2) Power, 3) Effort, 4) Insufficiency, 5) Restraint, and 6) Security (Hidayati et al., 2021). The indicators of financial attitude are: (1) financial planning and consideration, (2) orientation towards the use and management of money, (3) attitude towards financial risk, (4) financial goal planning (Mustafa et al., 2023).

2.5. Financial Decision Making

According to Murniati et al., (2025), financial decision-making is the process of determining funding and investment alternatives, encompassing the planning, control, and evaluation of the use of financial resources. The effectiveness of financial decisions is influenced by an individual's competence in assessing various options and selecting the appropriate alternative (Arumsari et al., 2024). Furthermore, the financial decision-making process involves the selection, evaluation, and analysis of various alternatives based on relevant information, taking into account risk and return, and is directed towards achieving long-term financial goals (Mishra et al., 2024). The financial decision-making indicators, modified and adapted from Lizarraga et al., (2009), consist of: (1) task, (2) subject, (3) context.

2.6. Research Hypotheses

Drawing upon the theoretical framework and prior empirical findings, this study investigates the relationships between digital financial literacy, financial attitude, online loan decisions, and financial decision-making among Generation Z in Sidoarjo Regency. The proposed hypotheses are presented as follows:

1. H1: Digital financial literacy positively and significantly influences online loan decisions.
2. H2: Digital financial literacy positively and significantly influences financial decision-making.
3. H3: Financial attitude positively and significantly influences online loan decisions.
4. H4: Financial attitude positively and significantly influences financial decision-making.

3. METHOD

This research uses a quantitative method with a causal-associative approach to examine the influence of Digital Financial Literacy and Financial Attitude as independent variables on Online Loan Decisions and Financial Decision Making as dependent variables among Generation Z in Sidoarjo. The quantitative method was applied to explore a specific population or sample using research tools and statistical analysis to test the established hypotheses (Sugiyono, 2023). The data were analysed using SmartPLS 4 through the Structural Equation Modelling (SEM) approach to assess the relationships between the four variables examined in this study.

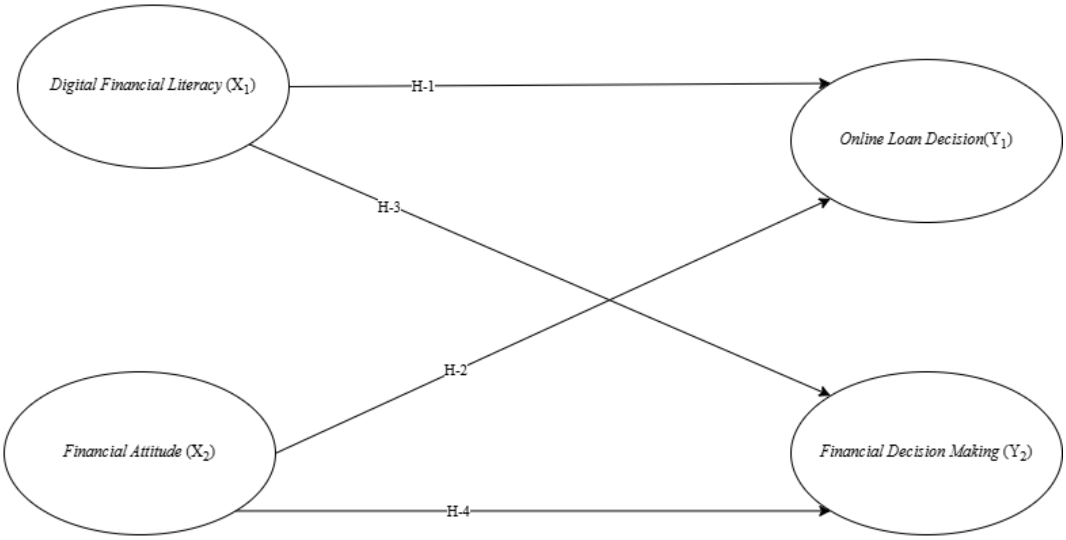

Figure 1. Conceptual Framework
Source: Data collected by researchers

3.1. Research Time and Data Collection Technique

This study was carried out between March and May 2026, during which data were collected through an online questionnaire distributed via Google Forms. The link to the questionnaire was shared via social media platforms and directly with Generation Z respondents in Sidoarjo who had previously used or accessed online lending services.

3.2. Data Sources

According to Rahman et al., (2022), Research data can generally be classified into two categories, namely primary data and secondary data. Primary data refers to information collected directly from the original source through techniques such as questionnaires, interviews, surveys, or other research instruments, making it closely related to the objectives of the study. In this research, the primary data were obtained through questionnaires distributed to Generation Z individuals in Sidoarjo who currently use or have previously used online lending services.

Meanwhile, secondary data consists of information that has already been collected by other parties and is now utilised to support this research. Secondary data in this study was collected from various sources, namely scientific journals, books, and digital documents accessed via various websites.

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3.3. Population and Sample

3.3.1. Population

The population comprises all objects or subjects possessing specific characteristics and serving as the target of the research for the purpose of drawing conclusions (Sugiyono, 2023). The population in this study consists of Generation Z in Sidoarjo who have used or accessed online lending services; the size of this population is not infinite.

3.3.2. Sample

A sample is a subset of the population that represents the characteristics possessed by the entire population (Sugiyono, 2023). The sampling technique used was purposive sampling, which is a method of selecting a sample based on specific criteria (Sugiyono, 2023). The respondent criteria include: (1) Generation Z aged 19–28 years and residing in Sidoarjo, (2) students at universities in Sidoarjo, and (3) users of or those who have visited online lending platforms. According to Hair (2010) as cited in Aulia et al., (2025), the minimum sample size is 5-10 times the number of indicators for the variable. Since this study uses 18 indicators, the minimum required sample size is 90 respondents.

3.4. Measurement Scale and Research Instrument

The measurement instruments in this study were based on a five-point Likert scale, ranging from 1 to 5, where 1 indicates strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree. Digital Financial Literacy was measured using 5 items, Financial Attitudes using 4 items, Online Loan Decisions using 6 items, and Financial Decision-Making using 3 items. All measurement items were adapted from indicators in previous studies relevant to each construct.

3.5. Common Method Bias Test

To minimize common method bias (CMB), both procedural and statistical approaches were applied. From a statistical perspective, common method bias is evaluated using a comprehensive multicollinearity test by analyzing Variance Inflation Factor (VIF) values. According to Hair et al., (2022), indicator multicollinearity, The VIF value for each indicator should ideally be less than 3, but must be less than 5.

3.6. Data Analysis Technique

The data collected through the questionnaire were analysed using Structural Equation Modeling (SEM) with the Partial Least Squares (PLS) technique, implemented in SmartPLS software. The analysis procedure involved an assessment of both the measurement model (outer model) and the structural model (inner model). Evaluation of the outer model included convergent validity, average variance extracted (AVE), discriminant validity, and reliability testing. Meanwhile, the inner model assessment comprised the coefficient of determination (R^2), predictive relevance (Q^2), effect size (f^2), and hypothesis testing using the bootstrapping method.

4. RESULTS AND DISCUSSION

4.1. Result

4.1.1. Common Method Bias Test

Table 2 Variance Inflation Factor Test Resault

Indicator	VIF
Digital Financial Literacy 1	2.654
Digital Financial Literacy 2	2.277
Digital Financial Literacy 3	1.632
Digital Financial Literacy 4	1.801
Digital Financial Literacy 5	1.974
Financial Attitude 1	1.537

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Financial Attitude 2	1.406
Financial Attitude 3	1.679
Financial Attitude 4	1.590
Financial Decision Making 1	1.797
Financial Decision Making 2	1.373
Financial Decision Making 3	1.746
Online Loan Decision 1	1.978
Online Loan Decision 2	2.879
Online Loan Decision 3	3.365
Online Loan Decision 4	2.815
Online Loan Decision 5	3.231
Online Loan Decision 6	3.634

Source: Data Processed Using SmartPLS 4 (2026)

In this study, the VIF values range from 1.373 to 3.634, indicating that collinearity is not a serious concern. Although several indicators of Online Loan Decision show relatively higher VIF values, they remain below the maximum threshold of 5, suggesting that each indicator still contributes distinct information to the construct. Therefore, the measurement model can be considered free from problematic multicollinearity and suitable for further analysis.

4.1.2. Validity test

Validity tests were applied to assess the validity of the questionnaire, using criteria including: convergent validity, average variance extracted, and discriminant validity.

Convergent Validity

Table 2. Outer Loading Test Result

	Digital Financial Literacy	Financial Attitude	Financial Decision Making	Online Loan Decision
DFL1	0.894			
DFL2	0.827			
DFL3	0.711			
DFL4	0.753			
DFL5	0.802			
FA1		0.778		
FA2		0.727		
FA3		0.774		
FA4		0.803		
FDM1			0.897	
FDM2			0.729	
FDM3			0.840	
OLD1				0.802
OLD2				0.852
OLD3				0.824
OLD4				0.822
OLD5				0.851
OLD6				0.879

Source: Data Processed Using SmartPLS 4 (2026)

Based on the results in the table above, it can be concluded that the indicators for the variables of digital financial literacy, financial attitude, online loan decisions, and financial decision-making have factor loadings greater than 0.7.

Average Variance Extracted

Table 3. Average Variance Extracted Test Result

	Average variance extracted (AVE)
Digital Financial Literacy (X)	0.640
Financial Attitude (X)	0.595
Online Loan Decision (Y)	0.704
Financial Decision Making (Y)	0.680

Source: Data Processed Using SmartPLS 4 (2026)

The results in the table show that the variables digital financial literacy, financial attitude, online loan decisions, and financial decision-making have AVE values greater than 0.5, indicating that these variables are valid.

Discriminant Validity

Table 4. HTMT Test Result

	DFL	**FA**	**FDM**
Digital Financial Literacy			
Financial Attitude	0.692		
Financial Decision Making	0.800	0.720	
Online Loan Decision	0.106	0.146	0.101

Source: Data Processed Using SmartPLS 4 (2026)

In this study, the HTMT values range from 0.101 to 0.800, indicating that each construct demonstrates clear empirical distinctiveness from the others. The highest HTMT value is found between Digital Financial Literacy and Financial Decision-Making (0.800), although it still falls within the recommended threshold. Accordingly, the discriminant validity of the measurement model is deemed adequate, confirming that the constructs represent separate conceptual domains effectively.

4.1.3. Reliability test

Reliability was assessed using two measures: composite reliability and Cronbach's alpha. A score of 0.60–0.70 is considered appropriate for exploratory research, whilst a score of 0.70–0.90 is considered good for more detailed research (Hair et al., 2022).

Table 5. Composite reliability and Cronbach's Alpha Test Result

	Cronbach's Alpha	Composite reliability
Digital Financial Literacy (X)	0.858	0.886
Financial Attitude (X)	0.774	0.778
Online Loan Decision (Y)	0.918	0.932
Financial Decision Making (Y)	0.767	0.823

Source: Data Processed Using SmartPLS 4 (2026)

Based on the results of composite reliability and Cronbach's alpha, all four variables exceed the threshold value of 0.70. Accordingly, each construct is considered to demonstrate satisfactory reliability.

4.1.4. R-Square test

The R-square value is used to determine how well the exogenous variables explain the endogenous latent variables and to measure the predictive capability of the structural model. An R-square value above 0.75 is considered strong, a value above 0.50 is categorized as moderate, and a value below 0.25 indicates a weak model (Yuhana et al., 2024).

Table 7. R-Square Test Result

	R-square
Online Loan Decision (Y)	0.014
Financial Decision Making (Y)	0.520

Source: Data Processed Using SmartPLS 4 (2026)

The R-squared results show that Financial Decision-Making has an R-squared value of 0.520, indicating a moderate level of explanatory power. Meanwhile, Online Loan Decisions has an R-squared value of 0.014, which is classified as weak.

4.1.5. F-Square test

Effect size (f^2) is used to evaluate the extent to which external constructs influence internal constructs based on changes in the R^2 value. An f^2 value of 0.02 is categorised as a weak effect, 0.15 as a moderate effect, and 0.35 as a strong effect (Yuhana et al., 2024).

Table 8. effect size (f^2) Test Result

	Financial Decision Making (Y)	*Online Loan Decision* (Y)
Digital Financial Literacy (X)	0.405	0.000
Financial Attitude (X)	0.096	0.010

Source: Data Processed Using SmartPLS 4 (2026)

The f^2 results indicate that Digital Financial Literacy has a strong influence on Financial Decision-Making, with an f^2 value of 0.405. Meanwhile, Financial Attitude has a weak influence on Financial Decision-Making, with an f^2 value of 0.096. For Online Loan Decisions, both Digital Financial Literacy and Financial Attitude show a weak influence, with f^2 values of 0.000 and 0.010, respectively.

4.1.6. Q test

Predictive relevance (Q-square) is used to evaluate a model's predictive ability. A Q-square value of 0.02 is classified as low, 0.15 as moderate, and 0.35 as high (Agustina & Sugiarti, 2024).

Table 9. Q^2 Predict Test Result

	Q^2 predict
Online Loan Decision (Y)	-0.043
Financial Decision Making (Y)	0.463

Source: Data Processed Using SmartPLS 4 (2026)

The Q-square predictive relevance results show that Financial Decision Making (Y) has a value of 0.463, indicating high predictive relevance, meaning the model has strong predictive accuracy for this construct. In contrast, Online Loan Decision (Y) has a value of -0.043, which indicates a lack of predictive relevance, suggesting that the model does not adequately predict this variable.

4.1.7. Hypothesis Testing

This study applies the t-test to examine the proposed hypotheses, particularly to analyse the effect of exogenous variables on endogenous variables as well as the relationships among endogenous variables. According to Hair et al., (2022), The t-statistic value is associated with the p-value, in which a t-value of 1.96 indicates a significance level of 5%

(p-value = 0.05). Therefore, in the formative measurement model, an outer weight is considered significant when the p-value is below 0.05 or the t-statistic exceeds 1.96.

Table 10. Hypothesis Testing Test Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
DFL -> FDM	0.538	0.541	0.129	4.163	0.000
DFL -> OLD	0.004	0.022	0.217	0.020	0.984
FA -> FDM	0.262	0.269	0.116	2.256	0.024
FA -> OLD	-0.119	-0.131	0.177	0.674	0.500

Source: Data Processed Using SmartPLS 4 (2026)

In this study, the relationships between Digital Financial Literacy and Financial Decision Making (p = 0.000) as well as Financial Attitude and Financial Decision Making (p = 0.024) are significant. Meanwhile, the relationships between Digital Financial Literacy and Online Loan Decision (p = 0.984) and Financial Attitude and Online Loan Decision (p = 0.500) are not statistically significant.

4.2. Discussion

1. **The Influence Digital Financial Literacy on Online Loan Decisions**

   Digital financial literacy does not significantly influence online loan decisions. Although respondents generally demonstrated relatively good digital financial literacy based on the average indicator scores, this knowledge does not necessarily prevent them from using online loan services. This finding indicates that online loan decisions among Generation Z are not solely determined by financial understanding, but are also influenced by the convenience of online lending platforms, fast approval processes, promotional offers, and urgent financial needs. These practical and situational factors appear to play a more dominant role in shaping online borrowing decisions than financial knowledge alone. This finding differs from the study conducted by Maivalinda et al., (2023), which found that digital financial literacy significantly influences financial behaviour in the use of online loan services, and from Dewi and Kusuma, (2025) who reported a significant negative effect of digital financial literacy on interest in using P2P lending services. These differences may be influenced by the characteristics of Generation Z, who tend to prioritize accessibility and instant financial solutions over financial considerations in online borrowing decisions.

2. **The Influence Digital Financial Literacy on Financial Decision Making**

   The positive and significant relationship between digital financial literacy and financial decision-making suggests that individuals with a higher level of digital financial understanding are more likely to make rational and well-informed financial decisions. This finding is supported by the descriptive results, which show that respondents generally have relatively high average scores on digital financial literacy and financial decision-making indicators. As a generation that is closely connected to digital technology, Generation Z is accustomed to accessing financial information through digital platforms, enabling them to evaluate financial risks, compare financial products, and consider the consequences of financial choices more carefully. These findings are consistent with those of Kumar et al., (2023) and Mishra et al., (2024) who found that digital financial literacy has a positive and significant influence on financial decision-making, indicating that stronger digital financial capabilities contribute to improving the quality of individual financial decisions.

3. **The Influence Financial Attitude on Online Loan Decisions**

Financial attitude does not significantly affect online loan decisions. Although respondents generally showed positive financial attitudes based on the average indicator scores, these attitudes were not sufficient to directly influence borrowing decisions. This finding suggests that online loan usage among Generation Z is influenced more by external conditions than by personal financial attitudes. The ease of accessing online loans, social influence, lifestyle demands, and immediate financial pressures may encourage individuals to use online lending services even when they possess relatively responsible financial attitudes. This indicates that online borrowing behavior is complex and cannot be explained solely through financial attitudes. This finding is consistent with the study conducted by Fitriana et al., (2025), which found that financial attitude does not significantly affect online loan decisions. However, the result differs from the findings of Wibowo and Kusumaningrum, (2024), who demonstrated that financial attitude positively influences financial management behaviour among Millennials and Generation Z using online loan services. These differences may indicate that having a positive financial attitude does not always prevent individuals from using online loans, particularly when practical needs and financial pressures become more dominant considerations.

4. **The Influence Financial Attitude on Financial Decision Making**

The positive and significant effect of financial attitude on financial decision making indicates that respondents with more responsible and future-oriented financial attitudes tend to make better financial decisions. This finding is supported by the descriptive results, which show relatively high average scores on financial attitude and financial decision-making indicators, reflecting respondents' awareness of budgeting, financial planning, and financial responsibility. A positive financial attitude encourages individuals to be more careful in evaluating financial priorities and considering the long-term consequences of their financial actions. These findings are consistent with the studies conducted by Mishra et al.,(2024) and Kumar, Islam, et al., (2023), which also found that financial attitude positively influences financial decision making, suggesting that individuals with healthier financial attitudes are more likely to demonstrate rational financial behavior.

5. CONCLUSION AND SUGGESTION

CONCLUSION

This study investigates the effects of digital financial literacy and financial attitude on online loan decisions and financial decision-making among Generation Z in Sidoarjo Regency. The results demonstrate that both digital financial literacy and financial attitude exert a positive and significant influence on financial decision-making, indicating that individuals with stronger digital financial competencies and more favourable financial attitudes are more likely to engage in rational and responsible financial behaviour. In contrast, neither digital financial literacy nor financial attitude shows a significant impact on online loan decisions. This suggests that the adoption of online lending services among Generation Z is shaped not only by internal financial knowledge and attitudes, but also by external determinants such as accessibility, lifestyle-related pressures, peer influence, and immediate financial needs. Additionally, digital financial literacy emerges as the most dominant factor influencing financial decision-making, underscoring the critical role of enhancing digital financial capabilities in improving the quality of financial choices among Generation Z in Sidoarjo Regency.

SUGGESTION

The recommendations of this study are addressed to future researchers and Generation Z. Future studies are encouraged to include additional variables that may influence online loan decisions and financial decision-making in order to provide more comprehensive findings. Researchers are also advised to expand the research scope to different regions, larger sample sizes, or other generational groups so that the results can achieve broader generalisation. Furthermore, for Generation Z, it is important to continuously improve digital financial literacy and develop responsible financial attitudes to support better financial decision-making. They are also encouraged to be more careful and selective in using online loan services by considering financial risks, repayment ability, and long-term financial consequences before making borrowing decisions.

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