

THE INFLUENCE OF INCOME AND LIFESTYLE ON CONSUMPTIVE BEHAVIOR: THE ROLE OF FINANCIAL LITERACY

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ABSTRACT

This study is driven by the fact that people's consuming habits are changing due to the availability of increasingly advanced digital technologies, particularly in terms of shopping becoming more consumptive. All groups, even teens from generation Z, are susceptible to this consumptive habit. With financial literacy serving as a moderating variable, the aim of this study was to examine how generation Z's consumption patterns in Tulungagung Regency were impacted by lifestyle and income level. This study employs a quantitative methodology and an associative research design. Up to 100 respondents from generation Z in Tulungagung Regency completed questionnaires, which served as the major data source. The Slovin formula and proportionate stratified random sampling are the sampling methods employed. Using the SEM-PLS approach and the SmartPLS 4.0 program, questionnaire data were examined. 1) Income level has a favorable and considerable impact on consumption behavior, according to the study's findings. 2) Lifestyle significantly and favorably influences consumer behavior. 3) The influence that income level has on consumer behavior can be mitigated (increased) by financial literacy. 4) Financial literacy can mitigate the impact of lifestyle choices on consumer behavior. 5) Lifestyle and income level have an impact on consumer behavior, whereas financial literacy acts as a moderating factor.

Keywords: *Income Level, Lifestyle, Financial Literacy, Consumer Behavior, Generation Z*

INTRODUCTION

As living beings, humans naturally have diverse needs, which drive them to engage in consumption. According to Abraham Maslow's theory, "humans tend to fulfill their lower-level needs first before moving on to higher-level ones." Once consumers have satisfied their basic needs such as clothing, food, and shelter, other, higher-level needs usually begin to emerge—and so the cycle continues (Jenanu et al., 2025).

Consumer behavior is generally aimed at purchasing goods or services that are genuinely needed and beneficial, with decisions made after careful consideration (Bongomin et al., 2018). However, behavioral patterns have undergone significant changes due to the advent of globalization, which has influenced various aspects of human life. The rapid advancement of digital technology particularly the emergence of internet-based commerce systems has facilitated easier access for individuals in fulfilling their needs (Tulcanaza-Prieto et al., 2025).

Nevertheless, this development also carries negative consequences, particularly in altering consumption patterns within society. One notable impact is the tendency toward more consumptive and less controlled shopping behavior (Owusu et al., 2019). Individuals often make purchases without thoroughly evaluating whether the goods or services are essential or merely driven by desire, which can lead to increasingly consumptive tendencies. Such behavior often results in excessive spending, fostering wastefulness and ultimately contributing to financial instability (Novanda & Prakoso, 2024).

Consumptive behavior can be found across all segments of society, including among members of Generation Z. Generation Z refers to individuals born between 1997 and 2012, whose current age generally ranges from adolescence to their mid-twenties. This life stage is particularly prone to consumptive tendencies. From a psychological standpoint, adolescence is a critical period of identity formation, during which individuals are highly susceptible to external influences. Adolescents within this generation often

exhibit a tendency to explore new experiences, driven by a desire to follow prevailing trends or to maintain a certain social image. When self-control is lacking, these individuals may be inclined to continuously pursue their desires, ultimately fostering persistent patterns of consumptive behavior (Alzura & Khalifaturofi'ah, 2024).

Based on field observations conducted by the researcher, a phenomenon of consumptive behavior among Generation Z has been identified in Tulungagung Regency. The total population of Generation Z in Tulungagung amounts to approximately 232,280 individuals. The significant proportion of Generation Z within the region contributes to the emergence of consumptive behavior symptoms. Some members of this generation frequently spend their time and money on social activities such as hanging out at cafés—especially considering the growing number of coffee shops established in Tulungagung. In addition, they often purchase goods to enhance their appearance and keep up with current fashion trends. This behavior is further reinforced by the fact that Generation Z has grown up in the digital era, where the internet has become an integral part of daily life (Rahmadani et al., 2023).

According to internet usage data from Tulungagung Regency in 2023, internet usage among Generation Z is relatively high. The age group of 25–27 years holds the highest proportion of youth internet users at 38.46%, followed by those aged 19–24 years at 36.75%, and those aged 16–18 years with the lowest proportion at 24.79%. Generation Z's high level of digital literacy enables them to more easily and quickly fulfill both their needs and desires through online platforms. Current technological developments have contributed to a consumer-oriented lifestyle among this generation. They tend to be more attracted to social media advertisements and frequently engage in online shopping. These conditions, whether directly or indirectly, can stimulate consumptive behavior.

There are several factors that can influence an individual's level of consumptive behavior, including income, lifestyle, and financial literacy (Tantri Oktarini & Habiburahman, 2024; Owusu et al., 2019). Income is the result of material sacrifices made by an individual to support their daily needs. Generation Z derives their income from various sources. Some earn wages or salaries through employment, others gain income from their own businesses, while some receive allowances from their parents or earn from other sources (Hermawan, 2023). This income is typically used to purchase desired goods or services. Furthermore, an increase in income can trigger excessive spending habits, often without adequate consideration of other financial obligations.

The second factor influencing consumptive behavior is lifestyle. Lifestyle refers to the way an individual utilizes money, time, and other aspects in daily life. Consumer lifestyle is characterized by an individual's interest in certain symbols, which include daily habits, hobbies, attitudes, social activities, as well as tendencies to choose luxury goods, excessive affection for items, and signs that indicate social status. This phenomenon can be observed in some members of Generation Z who adopt a hedonistic lifestyle and consistently follow trends, unwilling to be perceived as outdated. They engage in consumptive behavior to boost self-confidence and maintain social prestige. As a result, they spend considerable time and money on pleasure without adequately considering whether such expenditures are necessary. An individual with a hedonistic lifestyle tends to exhibit more consumptive behavior. The higher a person's lifestyle level, the greater their tendency to engage in consumptive behavior (Gunawan, 2023).

Finally, financial literacy is a factor. The knowledge and abilities necessary for efficient money management are referred to as financial literacy. A person's ability to effectively manage their finances enhances their quality of life. Indonesia's financial inclusion score is 75.02%, while its financial literacy index is 65.43%, per the 2024 National Survey on Financial Literacy and Inclusion (SNLIK). According to age-group-based data, people

between the ages of 15 and 17 are less financially literate and inclusive than the national average. 13 For Generation Z to efficiently and responsibly handle their funds, they must therefore have high financial literacy abilities. 14. So, they can stay away from consumptive behavior.

According to the full description given above, the anticipated objective of this research is to investigate how lifestyle and income level affect consumption patterns among Generation Z in Tulungagung Regency, using financial literacy as a moderating factor

LITERATURE REVIEW

Theory of Planned Behavior

The Theory of Planned Behavior explains that behavioral intention is influenced not only by attitudes toward the behavior and subjective norms, but also by perceived behavioral control, or an individual's perceived ability to perform the behavior (Ajzen, 2001). Good behavioral control is a combination of two factors: self-efficacy and controllability. Self-efficacy refers to an individual's belief in their ability to perform a specific behavior, while controllability refers to the belief that they have control over their own behavior. Therefore, when someone possesses a high level of behavioral control, it can enhance their confidence in their ability to carry out certain behaviors (Conner & Armitage, 1998).

Consumptive Behavior

Consumer behavior refers to the actions directly involved in acquiring, consuming, and disposing of goods and services, including the decision-making processes that precede and follow these actions (Tantri Oktarini & Habiburahman, 2024). There are two types of consumer behavior, namely: (a) **Rational behavior** refers to consumer actions in purchasing goods or services that prioritize urgent needs, primary necessities, and the utility of the product itself. (b) **Irrational behavior** refers to consumer actions that do not prioritize essential or important needs.

Based on the types of consumer behavior mentioned above, irrational consumer behavior can trigger individuals to become consumptive. Lubis explains that consumptive behavior refers to the act of fulfilling one's desires without any consideration, which can lead to unconscious wastefulness and excessive spending. Consumptive behavior has a negative impact on the lives of Generation Z. They tend to be wasteful because they prioritize wants over needs, which can ultimately be detrimental to themselves. Philip Kotler and Gary Armstrong claim that a number of elements: (a) **Cultural and subcultural Factors**: Core beliefs, views, lifestyles, customs, and the ways in which people consume different commodities and services are all examples of how culture shapes people's preferences and behaviors. Subcultures within each culture offer their members more specialized socialization and identification. (b) **Social Aspects**: Three things affect a person's consumption habits: social roles and status, family, and reference groups. (c) **Individual Factors**: Personal characteristics, such as age and life stage, occupation and financial status, lifestyle, and individual personality and self-concept, all have an impact on consumer behavior. (d) **Aspects of Psychology**: Four significant psychological factors—motivation, perception, knowledge, and beliefs—also have an impact on consumer behavior.

Some indicators that can be used to measure consumptive behavior include (Bongomin et al., 2018; Owusu et al., 2019): (a) Purchasing products to maintain appearance and support prestige, (b) Buying products based on price considerations (not based on usefulness), (c) Buying goods merely to maintain social status, (d) Purchasing products due to conformity with models endorsing the products, (e) Buying high-priced products to boost self-confidence, (f) Trying two or more similar products with different brands.

Income Level

Income as the total revenue obtained from a particular business or activity. Income includes all types of earnings, including income received by a person without performing any activity. Income include money that received by an individual in the form of wages/salaries, profits, rent, social benefits (such as social assistance, scholarships), and others, which are obtained within a certain period of time (Firdaus & Pusposari, 2022).

According to Keynesian theory, current consumption is greatly influenced by disposable income, or the income available for spending at present. A person's consumption largely depends on their income. When disposable income increases, consumption will also increase because consumers have more money to spend (Ajzen, 2001).

Income level is a very important factor influencing consumer behavior. However, an increase in a person's income does not always lead to an increase in demand for a particular good. This depends on the type of goods consumed, whether they are inferior goods, normal goods, or superior goods.

A person's income should be used to determine their level of welfare, as their income can directly or indirectly cover daily living needs. Income can be obtained from two sources, namely: (a) Income from one's own business, for example, online shops, traders, laborers, and so on, (b) Income from other businesses generated without using labor and considered as secondary income. This income comes from asset rentals, dividends, donations from others, scholarships, pensions, and so forth.

According to Samuelson and Nordhaus, several indicators can be used to measure income levels, including: (a) Main income or primary income, which is usually in the form of wages or salaries. For early-stage Generation Z individuals who are still in school or college and have not yet worked, income can come in the form of allowances given by parents, (b) Additional income, which is income earned from sources outside the primary income. For example, side businesses such as online shops, freelancing, and so on. Income from other sources is passive income earned without exerting labor, such as government receipts (in the form of scholarships or various types of social assistance), dividends, and others.²⁴

Lifestyle

Hawkins, Best, and Coney explain that a person's lifestyle influences purchasing behavior, which can determine many individual consumption decisions and may change due to environmental influences. Kotler explains that lifestyle is described by a person's activities, interests, and opinions. Therefore, a person's lifestyle determines their activities (Tulcanaza-Prieto et al., 2025).

An individual's lifestyle is dynamic and changes over time; it is usually not fixed and can change rapidly. This is related to the concept of self-concept. Changes in lifestyle reflect the actual self-concept, which describes how a person views themselves, the ideal self-concept, which represents the person they aspire to be, and the social self-concept, which reflects how they want to be seen by others.²⁷ Essentially, lifestyle determines how a person spends their time, money, and energy, and reflects their values, tastes, and preferences. The lifestyle a person desires can influence their consumption behavior and, ultimately, affect and change their lifestyle.

Kotler and Keller emphasize three important aspects to evaluate consumers' daily lifestyles, namely the AIO dimensions, which include (Arnesya et al., 2024): (a) **Activities** refer to what consumers do in their daily lives, the products they purchase to support their activities, and how they utilize their available time. (b) **Interests** discuss the things that consumers pay special attention to when planning, deciding, and determining what to buy

to meet their needs, (c) **Opinions** relate to consumers' views and feelings about topics and events in their surroundings, such as moral, economic, and social issues.²⁹

Financial Literacy

The Financial Services Authority defines financial literacy as a series of activities aimed at improving knowledge, skills, and confidence so that individuals are able to manage their finances optimally and more effectively. Awareness of the importance of financial literacy has a long-term impact, as it helps maintain financial conditions that are normal, stable, safe, peaceful, and prosperous. Therefore, financial literacy is crucial because it can help individuals avoid financial problems, such as financial difficulties (Irawan & Khoir, 2025). These issues often arise when finances are not managed properly, for example, due to a lack of financial skills and planning. Financial literacy knowledge has many benefits for individuals, including: (a) Easier to manage finances according to needs and purposes, (b) More wise in utilizing finances in a better way, (c) Avoidance of fraud issues that are increasingly prevalent, such as illegal online loans, fraudulent investments, and so on. There are three indicators used to measure financial literacy according to Chen and Volpe, namely (Palupi et al., 2023): (a) Basic Personal Finance Knowledge, (b) Savings and Loans, (c) Insurance, (d) Investment.

HYPOTHESIS

The Influence of Income Level on Consumptive Behavior

Income refers to all earnings received over a certain period. It includes all types of income, whether derived from business activities or other endeavors, as well as unearned income received without any effort. An individual's level of consumption is highly dependent on their income. When a person's income increases, their consumption level also tends to rise. A study by (Hermawan, 2023; Irawan & Khoir, 2025; Tantri Oktarini & Habiburrahman, 2024) found that income level has a positive effect on consumption behavior.

H₁: Income level has a significant effect on the consumptive behavior of Generation Z in Tulungagung Regency.

The Influence of Lifestyle on Consumptive Behavior

Lifestyle refers to the way a person lives, including how they spend their time on daily activities, what they consider important in their environment, and how they perceive themselves and the world around them. A person's desired lifestyle can influence their consumption behavior, which in turn may lead to changes in their overall lifestyle. A study (Pangestu et al., 2024; S & Haruna, 2021; Firdaus & Pusposari, 2022) explains that lifestyle has a positive and significant effect on consumptive behavior.

H₂: Lifestyle has a significant effect on the consumptive behavior of Generation Z in Tulungagung Regency.

Income Level, Consumptive Behavior, and Financial Literacy

Financial literacy is the process of improving a person's knowledge, skills, and confidence to be able to manage their finances optimally and more effectively. Financial literacy is crucial for individuals, as it helps them avoid financial problems. An increase in income can lead to more consumptive behavior. However, with financial literacy, individuals can control themselves from becoming overly consumptive. A study by (Enrico et al., 2013; Gunawan, 2023; Muridno et al., 2024) states that financial literacy has a negative effect on consumptive behavior. Therefore, financial literacy is expected to help individuals manage and use their finances wisely and responsibly, so they do not engage in unconscious overspending.

H₃: Financial literacy significantly moderates the influence of income level on the consumptive behavior of Generation Z in Tulungagung Regency.

Lifestyle, Consumptive Behavior, and Financial Literacy

Financial literacy refers to knowledge of financial products and concepts that enables individuals to identify and understand financial risks in order to make effective and appropriate financial decisions. Individuals with a high level of financial literacy are expected to restrain themselves from falling into a hedonistic lifestyle that may trigger consumptive behavior. A study (Rahmadani et al., 2023; Hermawan, 2023) states that financial literacy can moderate the influence of lifestyle on consumptive behavior.

H₄: Financial literacy significantly moderates the influence of lifestyle on the consumptive behavior of Generation Z in Tulungagung Regency.

Income Level, Lifestyle, Consumptive Behavior, and with Financial Literacy

Several previous studies have shown that consumer behavior factors can influence consumptive behavior. According to (Ayuningrum & Nabhan, 2024) indicates that lifestyle and income affect consumptive behavior. The study by (Irawan & Khoir, 2025) also found that lifestyle and income level simultaneously have a positive effect on consumption behavior. Financial literacy is essential for individual needs and interests. When someone has a high level of financial literacy, they are expected to be able to manage their finances well and make effective financial decisions. As a result, they are less likely to behave irrationally or consume goods and services excessively.

H₅: Income level and lifestyle have a significant effect on consumptive behavior with financial literacy as a moderating variable among Generation Z in Tulungagung Regency.

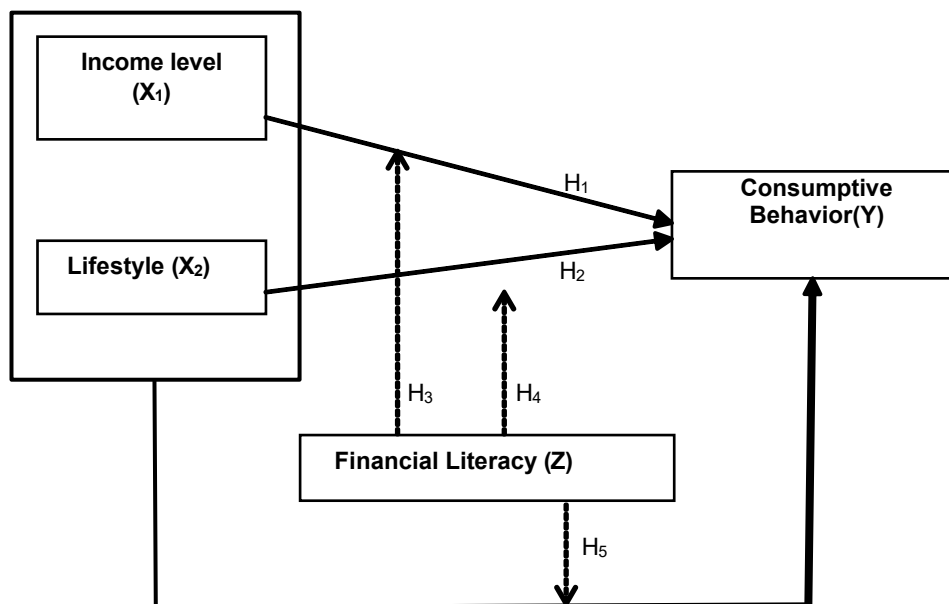


Figure 1. Research Framework
Source: Processed Data (2025)

METHODS

This study employs a quantitative methodology and an associative research design to explain how lifestyle (X₂) and income level (X₁) affect consumption behavior (Y), with financial literacy (Z) acting as a moderating variable. In Tulungagung Regency, the study's population consists of 232,280 members of Generation Z. Proportionate Stratified Random Sampling is the method employed for sampling. Using the Slovin formula, the sample for this study is made up of 100 Generation Z respondents, ages 16 to 27. There are 33 respondents in the 16–19 age group, 34 in the 20–24 age group, and 33 in the

25–27 age group. These are the sample sizes for each age group. The research data came from primary data collected using Google Forms questionnaires. In this study, a Likert scale with a range of 1 to 5 was employed. Partial Least Squares (PLS) data analysis techniques were employed in this study using SmartPLS 4.0 as the analysis tool. By examining the measurement model (outer model) and the structural model (inner model), PLS-SEM is evaluated and analyzed. The moderation effect is then started in PLS via bootstrapping.

RESULTS

The questionnaire distributed consisted of 27 statements divided into 4 categories. Income level (X1) has 4 statements, lifestyle (X2) has 4 statements, consumptive behavior (Y) has 11 statements, and financial literacy (Z) has 8 statements. Based on the data obtained from the questionnaire recap, the main SEM-PLS model was formed and the measurement model (outer model) evaluation was conducted. One of the steps involved examining the outer loadings values to analyze convergent validity. According to Chin, an outer loading value greater than 0.6 is considered sufficient to meet the convergent validity requirement. Based on Table 1 below, all statement items for each variable have outer loading values greater than 0.6. This means all statement items meet the convergent validity criteria and are declared valid.

In addition, it can also be seen from the Average Variance Extracted (AVE) values. A variable is considered valid if each variable has an AVE value greater than 0.5. Based on Table 2, the AVE values for each variable are greater than 0.5. This means that all indicators for each variable in the study are considered valid.

Table 1. Outer Loadings

Variabel	Item	Outer Loadings
Level of Income (X ₁)	X1.1	0,712
	X1.2	0,743
	X1.3	0,709
	X1.4	0,742
Lifestyle (X ₂)	X2.1	0,800
	X2.2	0,760
	X2.3	0,830
	X2.4	0,644
Consumptive Behavior (Y)	Y ₁	0.690
	Y ₂	0.729
	Y ₃	0.769
	Y ₄	0.764
	Y ₅	0.798
	Y ₆	0.702
	Y ₇	0.796
	Y ₈	0.699
	Y ₉	0.735
	Y ₁₀	0.624
	Y ₁₁	0.756
Financial Literacy (Z)	Z ₁	0,611
	Z ₂	0,729
	Z ₃	0,616

Variabel	Item	Outer Loadings
Financial Literacy (Z)	Z ₄	0,782
	Z ₅	0,803
	Z ₆	0,745
	Z ₇	0,772
	Z ₈	0,743

Source: Processed Data (2025)

Table 2. Construct Reliability and Validity

Variabel	Average Variance Extracted (AVE)
Level of Income (X ₁)	0,528
Lifestyle (X ₂)	0,580
Consumptive Behavior (Y)	0,539
Financial Literacy (Z)	0,530

Source: Processed Data (2025)

The discriminant validity was further evaluated using the Fornell-Larcker criterion. This criterion states that a construct's square root of AVE should exceed its correlations with other constructs. As shown in Table 3, each indicator has the highest cross-loading on its own latent construct compared to others. Therefore, the indicators exhibit good discriminant validity, confirming the validity of each variable.

Tabel 3. Fornell-Larker Criterion

Variabel	X ₁	X ₂	Y	Z
Level of Income (X ₁)	0,727			
Lifestyle (X ₂)	0,329	0,762		
Consumptive Behavior (Y)	0,493	0,580	0,734	
Financial Literacy (Z)	0,452	0,320	0,467	0,728

Source: Processed Data (2025)

Cronbach's alpha and composite reliability values were then examined as part of the reliability test. The indicators of a variable are deemed reliable if both the composite reliability value and Cronbach's alpha are higher than 0.7. According to Table 4 below, each variable's composite reliability values and Cronbach's alpha values are both higher than 0.7. This indicates that all of the study's variables have been deemed dependable.

Table 4. Construct Reliability and Validity

Variabel	Cronbach's alpha	Composite reliability
Level of Income (X ₁)	0,703	0,817
Lifestyle (X ₂)	0,757	0,846
Consumptive Behavior (Y)	0,914	0,928
Financial Literacy (Z)	0,874	0,900

Source: Processed Data (2025)

Using the coefficient of determination (R-square) test, the structural model (inner model) is then evaluated. According to Table 5 below, the dependent variable's corrected R-square value is 0.484. This suggests that lifestyle, income level, and financial literacy as moderating variables can account for 48.4% of the variation in consumption behavior, with other factors outside the tested model accounting for the remaining 51.6%. Thus, it

can be concluded that there is little correlation between the independent variables and the dependent one.

Table 5. R-Square Test Results

Variabel	R-square	R-square adjusted
Consumptive Behavior (Y)	0,510	0,484

Source: Processed Data (2025)

Next, an effect size test (F-square) was conducted to assess the goodness of the research model. Based on Table 6, the following conclusions were drawn: (a) X₁ on Y has small effect as bis as 0,063, (b) X₂ on Y has a moderate effect size of 0.324, (c) Z moderates the effect of X₁ on Y with a large effect size of 0.067, (d) Z moderates the effect of X₂ on Y with a large effect size of 0.036.

Table 6. F-Square Test Result

Variabel	F-square
X ₁ -> Y	0,063
X ₂ -> Y	0,324
Z x X ₁ -> Y	0,067
Z x X ₂ -> Y	0,036

Source: Processed Data (2025)

Next, the goodness of fit (GoF) test was conducted to validate the combined performance of the outer and inner models by examining the SRMR value. Based on Table 7, the SRMR value for the estimated model is 0.088, which is less than 0.10. This indicates that the model fit in this study is considered good and has achieved goodness of fit.

Table 7. Model Fit

	Saturated model	Estimated model
SRMR	0,088	0,088

Source: Processed Data (2025)

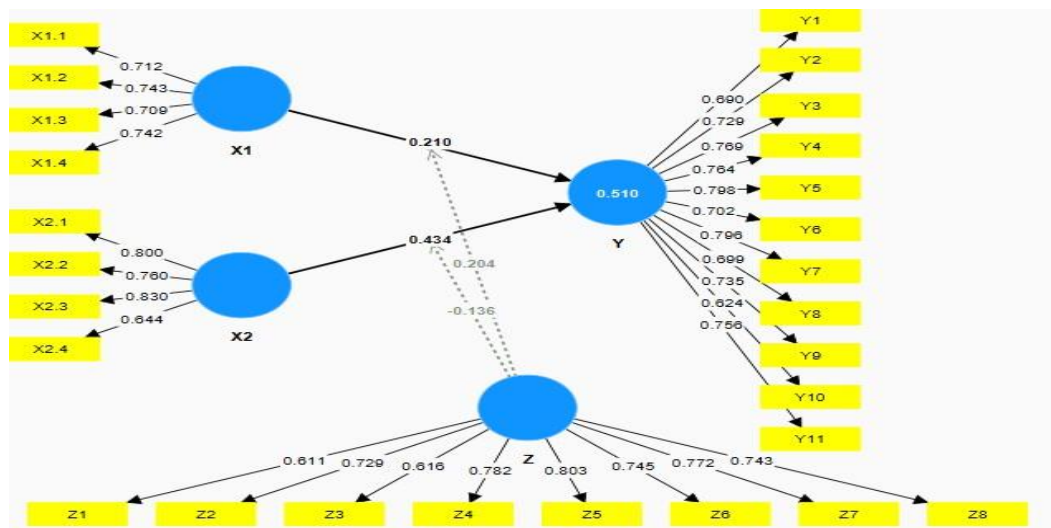


Figure 2. Path Analysis
Source: Processed Data (2025)

The next step is to perform hypothesis testing using the bootstrapping technique to determine the direction and significance of the relationships among latent variables. Hypothesis testing is assessed based on the original sample value (to determine the direction of the relationship), t-statistics, and P-values (to determine the significance of the relationship). The alternative hypothesis is accepted if the P-value is less than 0.05 with a 5% significance level, and the T-statistic is greater than 1.96 with a 5% significance level

Table 8. Path Coefficient

Variabel	Original sample	Sample mean	Standard deviation	T statistics	P values
X ₁ -> Y	0,210	0,219	0,089	2,366	0,018
X ₂ -> Y	0,434	0,440	0,071	6,149	0,000
Z x X ₁ -> Y	0,204	0,192	0,076	2,676	0,007
Z x X ₂ -> Y	-0,136	-0,124	0,067	2,031	0,042

Source: Processed Data (2025)

Based on Table 8 above, the results of the hypothesis testing are as follows:

The Influence of Income Level on Consumptive Behavior

With an original sample value of 0.210, a p-value of 0.018 (< 0.05), and a t-statistic of 2.366 (> 1.96), the influence of income level (X1) on consumptive behavior (Y) is acknowledged. This indicates that income level significantly and favorably influences consumer behavior. It suggests a positive correlation between consumption and income levels.

Keynesian theory, which holds that an individual's present disposable income affects their consumption expenditures, lends credence to this study. People tend to consume more when their income is higher. This is a result of customers' increased purchasing power. On the other hand, a person's level of consumption will decrease with decreasing income since they will take into account a variety of considerations before making purchases. This is in line with the research by (Hermawan, 2023; Irawan & Khoir, 2025; Tantri Oktarini & Habiburahman, 2024) which states that income level has a positive and significant effect on consumptive behavior.

Income level is one of the factors that determine a person's purchasing power. Having an income enables Generation Z in Tulungagung Regency to engage in consumption activities. Income level can trigger them to exhibit consumptive behavior. The higher the income received, the greater the likelihood that they will spend larger amounts of money to meet various needs, whether primary, secondary, or even tertiary. In other words, Generation Z with high income tend not to think twice when it comes to spending their money on shopping. In contrast, Generation Z with low income will consider many factors before using their money for consumption activities.

The Influence of Lifestyle on Consumptive Behavior

H2 is approved because lifestyle (X2) has a significant impact on consumption behavior (Y), as evidenced by an original sample value of 0.434, a t-statistic of 6.149 (> 1.96), and a p-value of 0.000 (< 0.05). This indicates that lifestyle significantly and favorably influences consumer behavior. This suggests that Generation Z is more likely to participate in consumptive behavior the more affluent they are.

This study is supported by the Hawkins, Best, and Coney theory, which holds that a person's lifestyle affects their needs, wants, and behavior, including their shopping decisions. This purchasing pattern can influence a variety of personal consumption choices and may alter as a result of external factors. This implies that people's purchase

behavior and lifestyle choices influence how they consume or acquire products and services.

This study is in line with the research conducted by (Pangestu et al., 2024; S & Haruna, 2021; Firdaus & Pusposari, 2022) which states that lifestyle has a significant influence on consumptive behavior. The study by Reysa Anggita Wahyudi and Rochmawati also states that lifestyle has a positive and significant partial influence on consumptive behavior. Everyone's lifestyle is different and changes over time. A person's lifestyle influences their buying behavior, which in turn affects or changes their lifestyle. They choose products, services, places, or activities that align with their lifestyle. Therefore, for those who live Therefore, individuals who lead a luxurious lifestyle tend to have higher consumption patterns and are more likely to engage in consumptive behavior.

Generation Z is known as the generation that grew up in the digital era, so their lifestyle is often shaped by continuous exposure to digital platforms, including e-commerce, social media, and influencers who serve as role models. They tend to choose lifestyles that follow trends to keep up with the times. This makes them more easily tempted to purchase goods or services even if they are not necessarily needed. Therefore, the higher the lifestyle of Generation Z in Tulungagung Regency, the higher their consumptive behavior.

The Influence of Income Level on Consumptive Behavior with Financial Literacy as a Moderating Variable

The influence of income level (X1) on consumptive behavior (Y) with financial literacy (Z) as a moderating variable shows an original sample value of 0.204, a p-value of 0.007 (< 0.05), and a t-statistic of 2.676 (> 1.96), therefore H3 is accepted. This means that financial literacy is able to moderate (strengthen) the influence of income level on consumptive behavior. This indicates that the higher the financial literacy understanding of Generation Z, the stronger the relationship between income level and their consumptive behavior. Conversely, if financial literacy skills are low, income level will still affect the consumptive behavior of Generation Z in Tulungagung Regency.

In general, financial literacy can help individuals manage their finances well. Generation Z will be better able to control themselves and ideally should be able to avoid consumptive behavior. This study shows that Generation Z has good financial literacy knowledge, yet they still tend to increase their consumption as their income rises. This means that Generation Z with good financial literacy does not always practice wise financial habits. Some Generation Z individuals in Tulungagung Regency stated that even though they possess good financial literacy knowledge, they cannot always resist consumptive behavior when their income increases. They sometimes find it difficult to apply theoretical knowledge to everyday life because of other factors such as social media influence, trends, and their surroundings, which encourage them to continue exhibiting consumptive behavior despite having good financial literacy knowledge.

This study is supported by the Theory of Planned Behavior (TPB), which states that a person's intention to engage in certain behavior is influenced not only by self-control but also by attitudes and subjective norms. In this case, even though Generation Z in Tulungagung Regency has good financial literacy, if their attitudes or environment support consumptive behavior, financial literacy alone is not enough to inhibit such behavior. Therefore, in the relationship between income level and consumptive behavior, financial literacy acts as a moderator that strengthens this relationship. This means that financial literacy does not reduce consumptive behavior as income increases. However, individuals who have a better understanding of financial literacy are better off than those who lack such knowledge, because financial literacy can help Generation Z manage their finances better and enable them to change their consumption patterns to be more

purposeful.

This study is in line with the research conducted by (Enrico et al., 2013; Gunawan, 2023; Muridno et al., 2024) which states that financial literacy strengthens the influence of financial behavior bias on investment decisions. In this study, female investors who are highly financially literate tend to be more confident and show a positive relationship between overconfidence and investment decisions. Thus, it can be said that financially literate female investors exhibit greater confidence when making investment decisions, which can lead to more impulsive investing. However, financial literacy strengthens their confidence, making them more assured in their investment decisions compared to women with low financial literacy.

The Influence of Lifestyle on Consumptive Behavior with Financial Literacy as a Moderating Variable

The influence of lifestyle (X2) on consumptive behavior (Y) with financial literacy (Z) as a moderating variable shows an original sample value of -0.136, a p-value of 0.042 (< 0.05), and a t-statistic of 2.031 (> 1.96), therefore H4 is accepted. This means that financial literacy is able to moderate (weaken) the influence of lifestyle on consumptive behavior. This indicates that Generation Z with high financial literacy can weaken the relationship between lifestyle and their consumptive behavior. Conversely, Generation Z with low financial literacy does not reduce the influence of lifestyle on their consumptive behavior.

This study is supported by the Theory of Planned Behavior, which states that a person's intention and behavior are influenced by perceived behavioral control. High behavioral control can increase a person's confidence in their ability to perform a certain behavior. In this case, if Generation Z has a good understanding of financial literacy, they tend to be able to restrain themselves from falling into a high lifestyle that can trigger consumptive behavior. This study is in line with the research (Rahmadani et al., 2023; Hermawan, 2023), which states that financial literacy can moderate the influence of lifestyle on consumer behavior.

Financial literacy plays a role as a controlling factor on the impact of lifestyle on consumptive behavior. Individuals with good financial literacy are more selective in spending their money, even while following a modern lifestyle. They are wiser in their consumption because they are aware of the long-term effects of excessive consumption, such as financial instability. This makes Generation Z more cautious in following popular trends so that they do not fall into a hedonistic lifestyle.

The Influence of Income Level and Lifestyle on Consumptive Behavior with Financial Literacy as a Moderating Variable

The research conducted found that income level (X1) and lifestyle (X2) affect consumptive behavior (Y) with financial literacy as a moderating variable. This can be seen from the adjusted R-square value of 0.484. This means that the influence of income level and lifestyle on consumptive behavior, moderated by financial literacy, accounts for 48.4%, while the remaining 51.6% is represented by various factors outside the tested model. Therefore, it can be said that income level and lifestyle, when moderated by financial literacy, have a weak relationship with consumptive behavior.

This study is supported by Keynesian theory, which states that a person's consumption expenditure is influenced by income, as well as the theory of Hawkins, Best, and Coney, which states that lifestyle affects purchasing behavior. This study aligns with the research of (Ayuningrum & Nabhan, 2024) which states that the variables of lifestyle and income level have a positive influence on Islamic consumption behavior.

The impact of these two factors is not always the same for every individual, especially when financial literacy acts as a moderating variable. Financial literacy can change the way a person manages their finances and determine how they utilize their income according to the lifestyle they adopt. This study is supported by the Theory of Planned Behavior (TPB), which states that a person's intention and behavior are influenced by behavioral control. In this case, if Generation Z has a good understanding of financial literacy, they tend to be able to restrain themselves from engaging in consumptive behavior. This study shows that financial literacy is able to moderate the influence of income level and lifestyle on consumptive behavior. This is in line with the research by Nuri Annisa Fitri and Hisbullah Basri, which states that financial literacy can act as a moderating variable

CONCLUSION

Based on the results of the research and discussion, the following conclusions can be drawn: (1) Income level has a positive and significant effect on consumptive behavior, (2) Lifestyle has a positive and significant effect on consumptive behavior, (3) Financial literacy is able to moderate (strengthen) the influence of income level on consumptive behavior, (4) Financial literacy is able to moderate (weaken) the influence of lifestyle on consumptive behavior, (4) Income level and lifestyle affect consumptive behavior with financial literacy as a moderating variable.

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