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Generational Analysis of Financial Decision- Making Among Gen-X, Gen-Y, and Gen-Z

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Abstract

This study investigates how demographic factors—specifically income, gender, and occupation—shape the financial decision-making behaviors of three generational cohorts (Gen-X, Gen-Y, and Gen-Z) in urban Indonesia, focusing on Jakarta, Bandung, and Surabaya. Using a quantitative approach, data were collected through an online survey of 381 respondents and analyzed with Kruskal-Wallis and ANCOVA tests. Results indicate that income level significantly influences financial decision-making ($p < .05$), with higher-income individuals exhibiting more informed choices. While gender and occupation do not show overall significant effects, women and Gen-Y display relatively stronger saving discipline and discount awareness, though these differences are descriptive rather than statistically conclusive. City-level comparisons reveal that Jakarta respondents demonstrate more consistent saving and timely payment behaviors compared to Bandung and Surabaya. A novel aspect of this study is the application of ribbon chart visualizations, which provide clearer insights into intergenerational and intercity financial behavior patterns. Theoretically, the findings contribute to behavioral accounting by highlighting the pivotal role of income and contextual demographic factors in shaping financial decisions. Practically, they inform financial advisors and policymakers in designing income-sensitive and locally tailored financial education and advisory programs.

Keywords: Cohorts, behavioral accounting, financial decision-making, income level, gender

1. Introduction

Financial decision-making has become an increasingly important topic in behavioral accounting, where cognitive and demographic factors are examined in relation to the preparation, interpretation, and use of financial information (Hendricks & Payne, 2019). In Indonesia, rapid technological development and socioeconomic transformation have reshaped financial attitudes and behaviors, particularly among different generational cohorts—Gen-X, Gen-Y, and Gen-Z. These cohorts are embedded in distinct historical, cultural, and economic contexts that may influence their saving, spending, and investment patterns (Mei & Zhang, 2021).

Previous research highlights that demographic variables such as income, gender, and occupation play significant roles in shaping financial decisions (Lusardi, 2012; Pang & Kumar, 2020). Studies in Indonesia have explored financial literacy, banking product adoption, and consumer behavior, particularly among millennials in urban areas (Alfian et al., 2017; Purwanto & Budiawan, 2021). However, most of these studies focus on a single generation or a specific financial product, providing limited insight into intergenerational comparisons. Systematic examinations of Gen-X, Gen-Y, and Gen-Z across Indonesia's major cities—Jakarta, Bandung, and Surabaya—remain scarce (Priyono et al., 2016). Moreover, few studies investigate how demographic factors such as income and occupation interact with generational characteristics to shape financial behaviors.

From a theoretical perspective, Prospect Theory emphasizes that risk preferences and decision frames vary according to psychological biases and resources (Barberis, 2013). The Theory of Planned Behavior highlights how subjective norms and perceived behavioral control influence financial actions (Ajzen, 2020). Agency Theory further suggests that generational differences may affect how stakeholders interpret financial information and disclosure (Hassan et al., 2021). Yet, these models have rarely been applied to compare multiple generations within the Indonesian context.

This study addresses these gaps by examining the intersection of income, gender, and occupation with generational cohorts in shaping financial decision-making across three urban centers in Indonesia. Beyond traditional statistical tests, it employs multivariate methods (Kruskal-Wallis and ANCOVA) and ribbon chart visualizations to capture intergenerational and intercity variations. Accordingly, this study aims to:

a) Assess differences in financial decision-making behaviors among Gen-X, Gen-Y, and Gen-Z in Jakarta, Bandung, and Surabaya.
b) Examine the effects of occupation, income level, and gender on intergenerational financial decisions.
c) Explore how city-specific contexts shape patterns of saving, timely payment, and discount utilization.

By situating the analysis within behavioral accounting, this study contributes to theoretical understanding of demographic segmentation and provides practical implications for financial literacy initiatives, policy design, and advisory services tailored to different income groups and urban contexts.

2. Methods

This study adopts a quantitative explanatory design to analyze how demographic factors influence financial decision-making across three generational cohorts (Gen-X, Gen-Y, Gen-Z) in urban Indonesia. A survey method was employed, consistent with behavioral accounting research that emphasizes large-scale data collection to capture attitudinal and behavioral constructs (Hendricks & Payne, 2019).

2.1. Sampling and Participants

The target population consists of Gen-X, Gen-Y, and Gen-Z individuals residing in Jakarta, Bandung, and Surabaya. A simple random sampling strategy was applied within the survey distribution to ensure that each eligible individual had an equal chance of selection. Inclusion criteria required respondents to fall within the recognized age ranges for their generation and to be permanent residents of one of the three cities. A total of 381 valid responses were obtained, with each city contributing at least 120 participants distributed across the three generational cohorts.

2.2. Instrument Development

Data were collected through an online questionnaire (Google Forms) consisting of two sections: (1) demographic information (age, gender, occupation, income level) and (2) financial decision-making behaviors. The behavioral items were adapted from established instruments in financial literacy and behavioral accounting studies (Lusardi, 2012; Pang & Kumar, 2020). Key constructs included saving habits, timely payment behavior, financial plan adjustments, and discount considerations, each measured on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree).

To ensure content validity, the instrument was reviewed by two experts in behavioral accounting and piloted with 30 respondents. Reliability was tested using Cronbach's Alpha, with all constructs exceeding the 0.70 threshold, indicating acceptable internal consistency. Minor revisions were made to refine ambiguous wording before full deployment.

2.3. Data Analysis

Data analysis followed a multi-step procedure:

1) Descriptive statistics were calculated to summarize demographic characteristics.
2) Kruskal-Wallis Test was used to identify significant differences in financial decision-making across the three generational cohorts. This nonparametric test was chosen because it does not assume normal distribution of data.
3) Analysis of Covariance (ANCOVA) was conducted to assess the effects of occupation, income level, and gender on financial decision-making while controlling for generational cohort. This approach allowed the identification of specific demographic variables that significantly influenced behavior.
4) Ribbon chart visualization was applied using Microsoft Power BI. Unlike traditional bar or line charts, ribbon charts illustrate comparative patterns across multiple groups simultaneously (e.g., city, generation, gender), thereby providing richer insights into intergenerational and intercity financial behaviors. The inclusion of ribbon charts is intended not as a substitute for statistical rigor, but as an exploratory complement to aid interpretation and highlight subtle behavioral dynamics.

This combination of statistical tests and visualization techniques enables a robust examination of both overall group differences and nuanced demographic effects, aligning with recent methodological developments in behavioral accounting research (Aziz et al., 2019; Kusumawardani & Ishak, 2022).

3. Results and Discussion

3.1. Result

Table 1 comprised 381 valid responses drawn from three cities Bandung, and Surabaya representing Gen-X, Gen-Y, and Gen-Z. Descriptive results indicate a relatively balanced distribution of gender and occupational types, with each city contributing at least 120 respondents. Preliminary analysis suggests that Jakarta respondents reported higher average incomes, potentially reflecting that city's position as Indonesia's capital and leading economic hub (Purwanto

& Budiawan, 2021). By contrast, Bandung and Surabaya showed slightly lower income levels on average, though still diverse across generational cohorts.

Table 1: Respondent profile

City	Generations (X, Y, Z)	Gender		Total
		Men	Women	
Bandung	Gen X	31	17	48
	Gen Y	16	30	46
	Gen Z	17	25	42
	Total	64	72	136
Jakarta	Gen X	21	24	45
	Gen Y	33	25	58
	Gen Z	15	29	44
	Total	69	78	147
Surabaya	Gen X	15	18	33
	Gen Y	6	24	30
	Gen Z	17	18	35
	Total	38	60	98

To examine whether Gen-X, Gen-Y, and Gen-Z differ significantly in their overall financial decision-making behavior, a Kruskal-Wallis test was conducted (see Table 2). The resulting p-value (.813) exceeded the 0.05 threshold, suggesting no statistically significant difference in the broad measure of financial decision-making across the three generations. This finding aligns with some previous studies indicating that generational labels alone may not comprehensively explain variations in financial attitudes (Priyono et al., 2016). Despite the lack of significance in the global test, subsequent post-hoc comparisons hinted at minor numerical differences among the cohorts, particularly in specific behavioral dimensions such as saving habits and discount considerations.

Table 2: Kruskal Wallis Difference Test

Test Statistics a,b	
Kruskal-Wallis H	.414
Df	2
Asymp. Sig.	.813

a) Kruskal Wallis Test

b) Grouping Variable: Gen

Based on the SPSS output in the Test Statistics table above, the value of Asymp.Sig is 0.813, which is greater than 0.05. As a result, H0 is accepted and H1 is rejected, indicating that there is no significant difference in how Gen-X, Gen-Y, and Gen-Z make financial decisions. Given the importance of demographic factors in behavioral accounting (Hendricks & Payne, 2019; Kusumawardani & Ishak, 2022). This study employed an Analysis of Covariance (ANCOVA) to evaluate the influence of occupation (Pek), income level (Gaji), and gender (Sx) on financial decision-making, controlling for generational cohort. Table 3 shows that income level ($p < .05$) exerts a significant impact, whereas occupation type and gender do not.

Table 3: Ancova Test Tests of Between-Subjects Effects

Type III Sum of Squares	Source	df	Mean Square	F	Sig.
Corrected Model	5991.634a	5	1198.327	4.548	0.000
Intercept	80375.434	1	80375.434	305.020	0.000
Pek	62.694	1	62.694	0.238	0.626
Gaji	4743.569	1	4743.569	18.002	0.000
Sx	153.811	1	153.811	0.584	0.445
Gen	455.316	2	227.658	0.864	0.422
Error	98552.366	374	263.509		
Total	2722364.000	380			
Corrected Total	104544.000	379			

a. R Squared = 0.057 (Adjusted R Squared = .045)

The ANCOVA results indicate that job type does not significantly influence financial decision-making ($p = 0.626$). Similarly, gender shows no significant effect ($p = 0.445$). In contrast, income level emerges as a strong determinant, exerting a significant impact on financial decisions ($F = 18.002$, $p < 0.001$). These findings suggest that among Generations X, Y, and Z, income is the primary demographic factor shaping financial behaviors, while job type and gender play a negligible role.

a) H0 was rejected, but H1 was accepted, indicating that income levels have a different impact on financial decisions among Generations X, Y, and Z.
b) H0 is accepted and H1 is rejected, indicating that gender has no effect on financial decisions among Gen-X, Gen-Y, and Gen-Z.

The findings indicate that generational cohorts exhibit broadly similar financial decisions. This suggests that other factors, such as education, family background, and personal experience, may play a role in the formation of financial habits and attitudes.

Gens X, Y, and Z have similar approaches to financial decision-making that are unaffected by job type or gender. This suggests that other factors, such as financial education, personal experience, or culture, may have a greater influence on financial knowledge and attitudes. These similarities in financial decisions among Gen-X, Gen-Y, and Gen-Z may be influenced by more universal factors such as financial literacy, education, and cultural values. Previous studies have shown that financial literacy tends to shape decision-making patterns across demographic groups regardless of age (Lusardi, 2012; Kusumawardani & Ishak, 2022). Moreover, cultural norms and family financial practices often provide a shared foundation that reduces intergenerational differences (Priyono et al., 2016).

Income levels influence financial decisions differently across generations, with higher incomes having greater access to information and resources to make better financial decisions. Income levels influence financial decisions differently across generations, according to the findings, which are consistent with previous research showing that individuals with higher incomes have better access to financial information and resources (Gathergood, 2012). To deepen understanding of specific financial behaviors such as saving habits, timely payments, financial plan adjustments, and discount considerations a ribbon chart was generated for each city and gender group (see Figure 1).

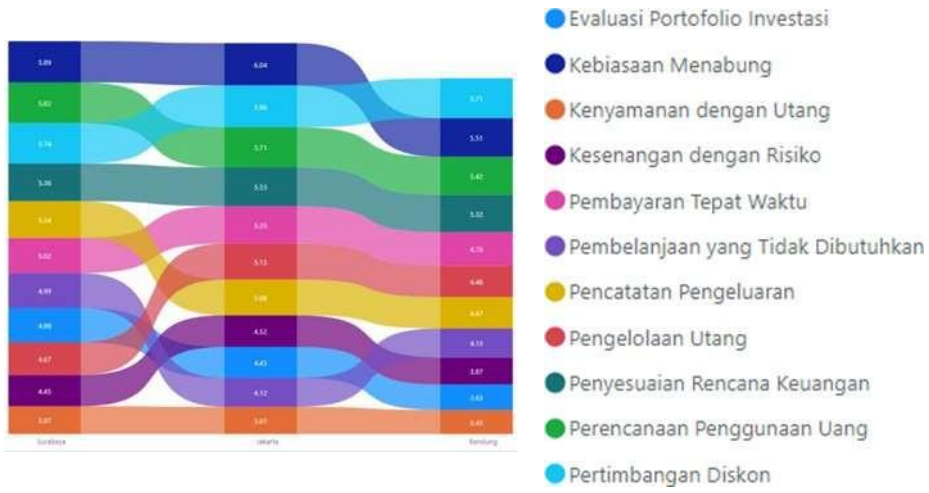


Figure 1: ribbon chart of financial decision behavior by city

According to the ribbon chart analysis, there are several variables that exhibit clear dynamics. Saving Habits, On-Time Payments, Financial Plan Adjustments, and Discount Considerations are the variables. The interpretations for each of those variables are as follows:

3.1.1. Saving Habits

There were significant differences in the values of saving habits observed in the three cities studied. Jakarta has the highest score (6.04), followed by Surabaya (5.89) and Bandung (5.51). This demonstrates a clear dynamic in these cities' saving habits. Jakarta has better saving habits, while Surabaya also saves quite well. Bandung, on the other hand, has poor saving habits. Interpretations may include differences in saving awareness, greater availability of resources, or other factors influencing saving habits in individual cities.

3.1.2. On-Time Payment

The ribbon chart data shows a clear dynamic in the financial plan adjustment. Jakarta has the highest score of 5.53, followed by Surabaya (5.36), and Bandung (5.36). (5.32). This demonstrates that people in Jakarta are more likely to

pay on time than those in Surabaya and Bandung. These dynamics may reflect differences in the importance of paying bills on time, financial stability, or adherence to payment deadlines.

3.1.3. Financial Plan Adjustment

The ribbon chart data shows a clear dynamic in the financial plan adjustment. Jakarta has the highest score of 5.53, followed by Surabaya (5.36), and Bandung (5.36). (5.32). This demonstrates that, when compared to Surabaya and Bandung, Jakarta residents are more adept at adjusting their financial plans. These dynamics can indicate a level of awareness and ability to deal with financial changes or overcome new challenges in personal finance management.

3.1.4. Discount Considerations

Discount considerations are also evident in the ribbon chart data. Jakarta has the highest score of 5.96, followed by Surabaya (5.74), and Bandung (5.74). (5.71). This demonstrates that, when compared to Surabaya and Bandung, Jakarta residents pay more attention to and take advantage of discount offers in their purchases. This dynamic can reflect a person's awareness of the financial benefits that can be obtained through discount offers, as well as their ability to optimize their spendng.

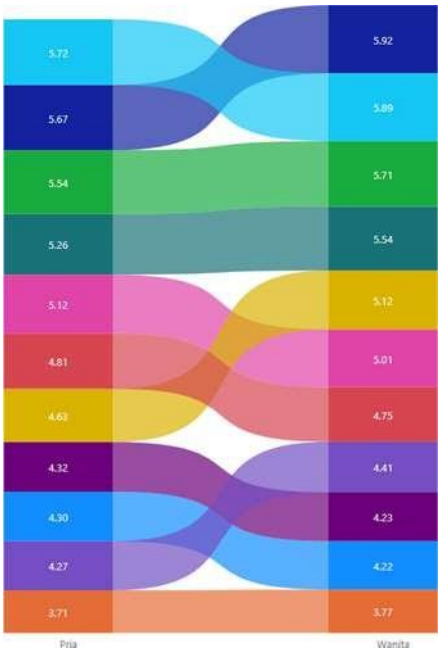


Figure 2: ribbon chart of financial decision behavior by

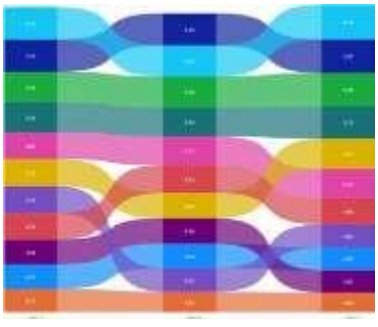
According to the ribbon chart, the most prominent dynamics occurred between the sexes in the variables Saving Habits and Timely Payment (men and women). Here's how those dynamics are interpreted:

a) Saving Habits

The most noticeable dynamic occurs in the variable of men's and women's saving habits. Women scored higher in saving habits, with a score of 5.92, than men, who scored 5.67. This demonstrates that women have better saving habits than men. According to this dynamic, women may be more aware of the importance of saving and better able to manage their finances in order to achieve long-term financial goals.

b) On-Time Payment

The most prominent dynamic also occurs in the variable of timely payments between men and women. Women had a higher score in on-time payment habits with a score of 5.01, compared to men who had a score of 5.12. This suggests that women tend to have slightly better on-time payment habits compared to men. The interpretation of this dynamic is



that women may have higher discipline in managing bills and paying on time, which can provide financial stability and avoid additional penalties or interest.

Figure 3: ribbon chart of financial decision behavior by generation

The most prominent dynamics, according to ribbon chart analysis, occur in the variables Saving Habits and Discount Considerations. Here's how those dynamics are interpreted:

a. Saving Habits

The most pronounced dynamics occurred between the observed generations in the variables of saving habits. With a score of 5.97, Gen-Y has the best saving habits, followed by Gen-X (5.70) and Gen-Z (5.40). (5.75). This demonstrates that Generation Y has better saving habits than previous generations. According to this dynamic, Gen-Y may be more aware of the importance of saving and being able to manage their finances well in order to achieve long-term financial goals.

b. Discount Considerations

The most notable dynamics occurred in the variable of discount consideration between the observed generations as well. With a score of 6.14, Gen-Y leads the way in discount consideration, followed by Gen-X (5.51) and Gen-Z. (5.77). This demonstrates that, when compared to other generations, Gen-Y pays more attention to and takes advantage of discount offers in their spending. According to this dynamic, Gen-Y has a better ability to optimize their spending by taking advantage of existing discount offers, saving money and increasing the value of each purchase made. The most prominent dynamics in the variables Saving Habits and Discount Consideration show that Gen-Y has a more positive attitude toward personal financial management. They are more aware of the importance of saving and are better able to take advantage of discounts, which can contribute to financial stability and the ability to optimize their spending.

3.2. Discussion

3.2.1. Reconciling Findings with Existing Behavioral Theories

The results confirm that income plays a central role in shaping financial decision-making, consistent with behavioral accounting perspectives emphasizing the role of resource availability (Lusardi, 2012; Hassan et al., 2021). In line with Prospect Theory, higher-income individuals may exhibit lower loss aversion and stronger capacity to make calculated decisions (Barberis, 2013).

3.2.2. The Paradox of Generational Similarities

Despite common assumptions, the Kruskal-Wallis and ANCOVA tests show no significant overall generational differences in financial decision-making. This supports critiques that generational boundaries are often blurred by cultural, technological, and economic influences (Mei & Zhang, 2021). Nevertheless, Gen-Y's descriptive advantage in saving and discount awareness may reflect greater digital literacy and access to e-commerce promotions.

3.2.3. Local Context and Cultural Factors

The higher saving and payment discipline in Jakarta suggests that local economic pressures and higher living costs foster stronger financial discipline (Purwanto & Budiawan, 2021). This underscores the importance of contextualizing financial behaviors within city-specific environments rather than treating them as purely generational phenomena.

3.2.4. Implications for Accounting and Policy

The lack of significant gender and occupational effects indicates that income-based segmentation is more relevant for financial education and advisory services. Accounting professionals and policymakers should focus on income-sensitive strategies rather than relying heavily on generational or gender stereotypes. Moreover, the observed city-level variations suggest that region-specific financial literacy programs could improve effectiveness by aligning with local cultural and economic conditions.

4. Conclusion

This study demonstrates that income level is the most influential factor shaping financial decision-making among Gen-X, Gen-Y, and Gen-Z in Jakarta, Bandung, and Surabaya. Contrary to common assumptions, generational, gender, and occupational categories did not yield significant differences, suggesting that financial behaviors are shaped more by resource availability than by demographic labels. These findings reinforce behavioral accounting perspectives that highlight the centrality of financial capacity in risk perception and decision-making.

From a practical standpoint, the results suggest that financial planners and policymakers should prioritize income-based segmentation strategies rather than relying on generational or gender stereotypes. Tailored financial education

programs that address the needs of lower-income groups across age cohorts may yield more effective outcomes. Moreover, the observed city-level variations emphasize the importance of designing financial literacy initiatives that are sensitive to local economic and cultural contexts.

This study is limited by its cross-sectional design and focus on three urban centers, which may restrict generalizability to rural or other regional populations. Future research could employ longitudinal or mixed-method approaches to examine how financial behaviors evolve over time and across diverse contexts. Additionally, exploring the influence of cultural values, digital financial platforms, and intergenerational knowledge transfer could provide deeper insights into the dynamics of financial decision-making in emerging markets.

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