

The Role of Locus of Control in the Relationship Between Financial Literacy and Lifestyle on Financial Management

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KEYWORDS: Locus of Control, Financial Literacy, Lifestyle, Financial Management

ABSTRACT

This study aims to determine the profile of financial literacy, lifestyle, locus of control, and financial management among employees of the Community and Village Empowerment Agency (DPMD) of Muaro Jambi Regency, as well as to identify and analyze the influence of financial literacy and lifestyle on financial management through the locus of control among employees of the Community and Village Empowerment Agency (DPMD) of Muaro Jambi Regency. The study employs a descriptive-verification research design. This study employed the PLS analysis method. Based on the research findings, it can be concluded that, descriptively, the levels of financial literacy, lifestyle, locus of control, and financial management among employees of the Community and Village Empowerment Agency (DPMD) of Muaro Jambi Regency fall into the “good” to “rational” categories. Inferential analysis indicates that financial literacy and lifestyle have a positive and significant effect on locus of control, and all three (financial literacy, lifestyle, and locus of control) have a positive and significant effect on financial management. Furthermore, locus of control was found to mediate the relationship between financial literacy and lifestyle on financial management; thus, it can be concluded that improving financial literacy and maintaining a healthy lifestyle will strengthen locus of control, which ultimately enhances employees’ financial management capabilities.

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1. INTRODUCTION

Good financial management is a key factor in maintaining an individual’s financial stability and well being. An individual’s ability to manage finances is determined not only by the amount of income but also by behavior, knowledge, and attitudes toward making financial decisions. In reality, many individuals still face difficulties in managing their personal finances, such as low savings rates, high levels of unplanned consumption, and uncontrolled use of debt. This situation indicates that financial management is not yet fully supported by adequate financial face difficulties understanding in financial and behavior. management understanding of financial literacy (Husnan & Pudjiastuti, 2018).

Financial literacy is a key factor in fostering healthy financial management behaviors. Individuals with a high level of financial literacy tend to understand basic financial concepts, plan their expenditures, manage risks, and make more rational financial decisions. However, financial literacy alone does not always guarantee optimal financial management. In practice, there are still individuals with fairly good financial literacy but who exhibit irresponsible financial behavior, particularly in consumption patterns and lifestyle choices. Financial literacy is the knowledge and skills that enable someone to make effective financial decisions. Additionally, a consumerist lifestyle poses a unique challenge for individuals with fixed incomes, such as employees (Soetiono & Setiawan, 2018).

Lifestyle is another factor influencing financial management. Advances in technology, social media, and modern

consumption trends encourage individuals to adopt lifestyles that tend to be consumptive. A lifestyle that is out of balance with one's financial capacity can lead to financial stress, a decline in the ability to save, and an increased risk of long-term financial problems. Lifestyle plays a strategic role in determining how an individual allocates and controls their financial resources. A shift toward a lifestyle that prioritizes trends and desires over needs leads to uncontrolled spending. Therefore, it is important to examine the influence of financial literacy and lifestyle on employees' financial management (Putri & Lestari, 2019).

In addition to financial literacy and lifestyle, psychological factors such as locus of control also influence individual financial behavior. Locus of control describes an individual's belief regarding the extent to which they can control events and outcomes in their life. Individuals with an internal locus of control tend to believe that financial success and failure are influenced by personal effort and decisions, leading them to take greater responsibility in managing their finances. Conversely, individuals with an external locus of control are more likely to attribute their financial condition to external factors, such as luck or the environment, which can lead to poor financial control. (Cahyaningrum & Fikri, 2021) This study is relevant for understanding how financial literacy and lifestyle can be transformed into healthy financial behaviors through the influence of locus of control.

Various previous studies have shown that financial literacy and lifestyle influence financial management. However, the results of these studies remain inconsistent, particularly regarding the strength and direction of these influences. This suggests that other variables play a role in strengthening or weakening these relationships. In this context, locus of control is viewed as a relevant variable for explaining differences in financial management behavior among individuals.

Based on the above discussion, this study aims to analyze the role of locus of control in the relationship between financial literacy and lifestyle on financial management. This study is expected to provide a theoretical contribution to the development of financial behavior research, particularly by incorporating psychological factors as important variables, as well as offering practical implications for individuals and stakeholders in efforts to improve the quality of financial management.

2. LITERATURE REVIEW

Financial Literacy

The development of the financial services industry is increasingly growing and becoming more complex, thereby altering the conditions of the financial market. Therefore, individuals need to understand basic financial knowledge related to the keys to modern financial security (Mandell & Klein, 2013). As stated (Horne & Wachowicz, 2015), financial literacy can help individuals make better financial decisions and achieve greater benefits. Financial literacy is knowledge of financial concepts and risks, as well as the skills to apply them in effective financial decision-making (OECD, 2016). Other research reinforces this by stating that financial literacy is defined as an understanding of finance aimed at avoiding financial problems (Lusardi & Mitchell, 2014).

Lifestyle

Lifestyle describes a person's overall self in interacting with their environment (Kotler & Armstrong, 2016). This definition is supported by other research stating that a person's lifestyle can be observed through their routine activities, interests in certain objects, and their perspectives on those objects (Kanserina et al., 2015). From this definition, it can be concluded that lifestyle is a person's way of life, manifested in their activities, interests, and views regarding how they spend their money and allocate their time. From an economic perspective, lifestyle refers to how an individual allocates their income when selecting products or services and making various other choices.

Locus of Control

Locus of control refers to an individual's level of belief regarding events, fate, luck, and destiny that occur to them (Kalechstein et al., 2021). Gunawan (2011) defines locus of control as an individual's perception of the source of their fate. Meanwhile, Irwandi in Gunawan (2011) states that the concept of locus of control has a theoretical background in social learning theory. Some individuals believe that they can control what happens to them, while others believe that what happens to them is controlled by external forces such as luck and chance.

Relationships among research variables

The Effect of Financial Literacy on Locus of Control

Financial literacy can facilitate individuals in financial management, thereby improving financial well being. Research by Pradiningtyas and Lukiajstuti (2019) demonstrates that locus of control acts as an intervening variable between financial literacy and financial management; however, findings differ in a study by (Rahmawati & Haryono, 2020), which concludes that locus of control cannot serve as an intervening variable between financial literacy and financial attitude regarding financial management.

H1: The effect of financial literacy has a positive and significant influence on locus of control

The Effect of Lifestyle on Locus of Control

A hedonistic lifestyle is largely influenced by an individual's locus of control. Locus of control indicates the degree to which a person believes they can control events that affect their life. Based on the approach, locus of control can be divided into two sources of control: internal and external. An individual with a high internal locus of control believes that the outcomes of events are primarily influenced by their own behavior and actions. Conversely, a person with a high external locus of control believes that

fate or luck determines the events in their life, including success or failure. Based on research conducted by (Hidayah & Iramani, 2023), it is stated that lifestyle has a significant influence on locus of control.

H2: Lifestyle has a positive and significant effect on locus of control

The Effect of Financial Literacy on Financial Management

Financial literacy is important for everyone to implement because it helps improve well-being. Financial literacy is not meant to complicate the use of one’s money, but rather to enable individuals to maximize the benefits of their financial resources. The higher one’s financial knowledge, the greater their ability to manage their finances, as high financial literacy means they understand financial concepts, risks, and instruments and possess the skills to apply them. Someone with high financial literacy will be able to use money according to their needs because they tend to have already planned their finances. Conversely, people with low financial literacy tend not to plan their finances, including failing to plan for the future and having few assets. This leads them to face financial problems such as being burdened by debt and high credit costs.

H3: The effect of financial literacy has a positive and significant impact on financial management

The Influence of Lifestyle on Financial Management

A lifestyle that is excessive and inconsistent with one’s financial capacity and available funds can lead to difficulties in managing finances. An individual with a poor lifestyle reflects low financial management skills. This is because they tend to spend more money to maintain their lifestyle. Conversely, an individual with a good lifestyle one who can maintain their lifestyle in line with their financial capacity indicates high financial management skills.

H4: Lifestyle has a positive and significant effect on financial management

The Effect of Locus of Control on Financial Management

Locus of control refers to the perception of whether control over outcomes stems from internal (internal) or external (external) factors. An individual with an external locus of control tends to rely heavily on others and seeks favorable conditions. Meanwhile, an individual with an internal locus of control relies more on their own abilities than on favorable conditions (Mufidah, 2018). Thus, the presence of a locus of control within an individual enables them to resist temptations arising through financial management among MSME operators. Research findings by Herlindawati (2017) and Mufidah (2018) indicate that locus of control has a significant positive effect on financial management behavior. However, these findings contradict the research (Novianti, 2019) , which suggests that the locus of control variable does not influence financial management.

H5: Locus of control has a positive and significant effect on financial management

3. RESEARCH METHOD

The subjects of this study were employees of the Community and Village Empowerment Agency (DPMD) of Muaro Jambi Regency. Primary data was used. The researcher employed a questionnaire-based data collection technique. The population for this study consisted of all civil servants (PNS) at the Community and Village Empowerment Agency (DPMD) of Muaro Jambi Regency, totaling 56 individuals. Based on a population of 56 employees, the sample was determined using the saturation sampling method (Umar, 2013) Based on the saturation sampling method, the sample size for this study is 56 employees. The analysis method used is quantitative descriptive. The analytical tools used are instrument validity and reliability tests. The analysis technique used by the researcher in this case is Partial Least Squares (PLS), and the hypothesis test used is the t test (partial).

4. RESULTS AND DISCUSSION

The results of this study were measured using factor loadings and average variance extracted (AVE). Average Variance Extracted (AVE) is a statistical measure used to assess convergent validity in factor analysis, particularly in models such as Partial Least Squares (PLS) and Confirmatory Factor Analysis (CFA). By ensuring that the AVE is greater than 0.5, you can verify that the latent construct has adequate convergent validity and that the indicators used in the model adequately reflect the construct being measured. The AVE values are as follows:

Table 1: Average Variace Extracted Values

Variable	AVE Value	Description
Financial Literacy (X1)	0,764	Valid
Lifestyle (X2)	0,737	Valid
Locus of control (Y)	0,771	Valid
Financial Management (Z)	0,757	Valid

Source: Data Analysis Smart PLS 3 (2026)

Table 1 shows the Average Variance Extracted (AVE) values for each research variable, namely financial literacy (X1), lifestyle (X2), locus of control (Y), and financial management (Z). Data analysis results using Smart PLS 3 (2025) show that all

variables have AVE values above 0.50, namely financial literacy at 0.764, lifestyle at 0.737, locus of control at 0.771, and financial management at 0.758.

AVE values greater than 0.50 indicate that each construct is capable of explaining more than 50% of the variance in its respective indicators. This means that convergent validity in this research model can be considered met. Thus, the indicators used to measure each research variable are appropriate and can adequately represent the intended constructs. Overall, these results indicate that the research instrument possesses adequate validity, making it suitable for use in subsequent analysis stages to test relationships among variables.

The discriminant validity test used cross-loading values and was conducted to ensure that each concept of the latent variables differed from the other variables. An indicator was deemed to meet discriminant validity if its cross-loading value was greater than 0.7. The results of the discriminant validity test are as follows:

Table 2: Cross-Loading

	Financial Literacy (X1)	Lifestyle(X2)	Locus of Control (Y)	Financial Management(Z)
X1.1	0,872	0,835	0,827	0,817
X1.2	0,876	0,845	0,843	0,842
X1.3	0,918	0,867	0,868	0,860
X1.4	0,880	0,882	0,885	0,890
X1.5	0,856	0,853	0,862	0,866
X1.6	0,836	0,823	0,819	0,842
X1.7	0,888	0,853	0,879	0,879
X1.8	0,863	0,815	0,828	0,843
X2.1	0,861	0,903	0,899	0,899
X2.2	0,870	0,874	0,875	0,862
X2.3	0,806	0,833	0,809	0,799
X2.4	0,766	0,806	0,792	0,794
X2.5	0,822	0,848	0,817	0,819
X2.6	0,826	0,874	0,859	0,851
X2.7	0,826	0,860	0,847	0,843
X2.8	0,825	0,851	0,822	0,825
X2.9	0,859	0,869	0,864	0,876
X2.10	0,856	0,863	0,842	0,852
Y.1	0,853	0,859	0,891	0,876
Y.2	0,838	0,863	0,872	0,862
Y.3	0,883	0,883	0,896	0,888
Y.4	0,864	0,883	0,883	0,879
Y.5	0,853	0,840	0,871	0,854
Y.6	0,871	0,859	0,867	0,871
Y.7	0,825	0,857	0,865	0,863
Y.8	0,835	0,849	0,869	0,856
Y.9	0,852	0,865	0,878	0,867
Y.10	0,827	0,815	0,847	0,841
Y.11	0,875	0,871	0,888	0,877
Y.12	0,825	0,853	0,844	0,848
Y.13	0,867	0,861	0,876	0,856
Y.14	0,904	0,910	0,940	0,924
Z.1	0,820	0,824	0,820	0,855
Z.2	0,853	0,872	0,875	0,881
Z.3	0,854	0,859	0,858	0,863
Z.4	0,844	0,858	0,873	0,877
Z.5	0,842	0,823	0,853	0,847

	Financial Literacy (X1)	Lifestyle(X2)	Locus of Control (Y)	Financial Management(Z)
Z.6	0,878	0,894	0,882	0,895
Z.7	0,882	0,877	0,867	0,892
Z.8	0,829	0,840	0,867	0,847
Z.9	0,868	0,869	0,865	0,879
Z.10	0,832	0,841	0,869	0,868
Z.11	0,871	0,883	0,881	0,891
Z.12	0,844	0,838	0,851	0,860
Z.13	0,831	0,830	0,825	0,846
Z.14	0,872	0,846	0,870	0,879

Source: Data Analysis Smart PLS 3 (2026)

Table 2 presents the results of the cross-loading test used to measure the discriminant validity among indicators for their respective constructs. In principle, an indicator is considered to meet discriminant validity if the loading value on its own construct is higher than the loading on other constructs.

Based on the results in the table, it is evident that all indicators financial literacy (X1), lifestyle (X2), locus of control (Y), and financial management (Z) have loading values above 0.80. Furthermore, although there are relatively high correlations with other constructs, the highest loading values remain within their original constructs. This indicates that each indicator is better able to represent its respective construct compared to other constructs. A composite reliability test was conducted to determine the value indicating the extent to which a measurement tool can be trusted for use. (Wiyono, 2011) All variables are considered reliable if their loading values are above 0.70. The composite reliability and Cronbach’s Alpha values for each variable can be seen in Table 3 as follows:

Table 3: Composite Reliability and Cronbach’s Alpha

Variable	Composite Reliability	Description	Cronbach Alpha	Description
Financial Literacy (X1)	0,963	Reliabel	0,956	Reliabel
Lifestyle (X2)	0,966	Reliabel	0,960	Reliabel
Locus of control (Y)	0,979	Reliabel	0,977	Reliabel
Financial Management (Z)	0,978	Reliabel	0,975	Reliabel

Source: Data Analysis Smart PLS 3 (2026)

Table 3 presents the results of the reliability test, measured using the Composite Reliability and Cronbach’s Alpha values for each research variable: financial literacy (X1), lifestyle (X2), locus of control (Y), and financial management (Z). The results indicate that all variables have Composite Reliability values above 0.70. This suggests that the indicators used to measure each variable exhibit excellent internal consistency, making them reliable for use in subsequent analyses.

Thus, these results indicate that all measurement instruments in this study have been proven reliable, both in terms of internal consistency and indicator stability. This strengthens the validity of the instruments used and provides a solid foundation for proceeding to the structural model analysis stage. Structural model testing in SEM PLS analysis using SmartPLS 3 involves the coefficient of determination (R²), which measures the model’s ability to explain the variance of the dependent variable.

When evaluating a model with PLS, the process begins with the R-Square for each dependent latent variable. Table 4 presents the estimated R-Square values using SmartPLS 3:

Table 4. R-Square Values

Variable	R-Square
Locus of control (Y)	0,973
Financial Management (Z)	0,985

Source: Data Analysis Smart PLS 3 (2026)

Table 4 shows the results of the R-Square test used to determine the extent to which the independent variables can explain the dependent variable. The R-Square value for the locus of control variable (Y) is 0.973. This means that 97.3% of the variation in locus of control can be explained by the financial literacy (X1) and lifestyle (X2) variables a strong correlation while the remaining 2.7% is explained by other variables not included in this research model. Meanwhile, the R-Square value for the financial management variable (Z) is 0.985. This indicates that the financial literacy (X1), lifestyle (X2), and locus of control (Y) variables can explain 98.5% of the variation in financial management with a strong category, while the remaining 1.5% is explained by other

factors outside the research model.

5. DISCUSSION

1. Overview of Financial Literacy, Lifestyle, Locus of Control, and Financial Management

To understand the profile of financial literacy, lifestyle, locus of control, and financial management at the Muaro Jambi Regency Community and Village Empowerment Agency (DPMD), it can be seen that, in general, the variables studied among employees of the Muaro Jambi Regency Community and Village Empowerment Agency (DPMD) fall into the “good” category. The financial literacy variable (X1) achieved a total score of 1,833 with an average of 229, which falls into the “good” category. This indicates that employees possess adequate knowledge, understanding, and skills in managing personal finances, including in terms of planning, spending, and financial record-keeping. Good financial literacy serves as a crucial foundation for employees in making wise financial decisions, including managing income, expenses, and preparing for future needs.

2. The Effect of Financial Literacy on Locus of Control

The research results indicate that the financial literacy variable has a positive and significant influence on locus of control. These findings align with the study (Pradiningtyas & Lukiastuti, 2019) , which states that financial literacy has a positive and significant influence on locus of control. Financial literacy has a positive effect on locus of control because employees who are able to plan and manage their finances well will be more confident in making independent financial decisions. Knowledge of basic financial principles also helps employees understand how to manage expenses, balance income, and avoid mistakes in spending. Awareness of the importance of regular saving makes employees more disciplined in controlling themselves to avoid being wasteful. Similarly, an understanding of the benefits of insurance as risk protection gives employees a sense of security in facing financial uncertainty. All of these factors foster the development of strong internal control, as employees feel that a sound financial situation is the result of their own decisions and actions, not merely external factors.

3. The Influence of Lifestyle on Locus of Control

Research findings indicate that lifestyle variables have a positive and significant influence on locus of control. These results align with the findings of a study (Hidayah & Iramani, 2023), which states that lifestyle has a positive and significant influence on locus of control. Lifestyle influences employees’ locus of control because the habit of routinely recording income and expenses enables employees to better manage their personal cash flow. By aligning expenses with income levels, employees train themselves to avoid falling into excessive consumerist behavior. Utilizing time and income for productive activities also reflects a high level of discipline in financial management. On the other hand, although there is a tendency to follow lifestyle trends or purchase branded goods, such behavior remains under control when employees are aware of their financial limitations. This indicates that a rational lifestyle can enhance employees’ belief that the financial decisions they make stem from self-control, rather than external influences alone. Thus, a balanced lifestyle strengthens employees’ internal locus of control.

4. The Influence of Financial Literacy on Financial Management

Research findings indicate that the relationship between the financial literacy variable has a positive and significant effect on financial management. These results align with studies conducted by (Ayuga Luni Amita Sari & Sawidji Widodoatmodjo, 2023), (Irawati & Kasemetan, 2023), (Aida & Rochmawati, 2022), and (Rabbani et al., 2024), which state that financial literacy has a positive and significant effect on financial management. Financial literacy has a significant impact on financial management because employees who understand basic financial principles are better equipped to plan and prioritize their spending. This knowledge encourages employees to always spend within their means so they do not face a deficit in meeting their daily needs. Financial literacy also instills an awareness of the importance of tracking income and expenses, which forms the foundation for more transparent and measurable budget management. This practice helps employees identify which budget categories need to be reduced or increased, thereby minimizing the risk of waste. Additionally, understanding the importance of regular saving enables employees to build an emergency fund, strengthening their ability to handle urgent needs. Thus, the better an employee’s financial literacy, the more effectively they can manage their finances sustainably.

5. The Influence of Lifestyle on Financial Management

Research findings indicate that lifestyle variables have a positive and significant impact on financial management. These results align with studies conducted by (Rabbani et al., 2024) and (Irawati & Kasemetan, 2023), which state that lifestyle has a positive and significant impact on financial management. Lifestyle significantly influences financial management because employees’ consumption patterns and daily habits determine how they manage their income and expenses. Employees who are accustomed to tracking their finances and aligning their spending with their income naturally find it easier to control cash flow, thereby avoiding waste. Conversely, a lifestyle that tends toward extravagance such as prioritizing trends or purchasing branded items despite their high cost can disrupt financial stability. With a rational lifestyle, employees can allocate their income toward productive endeavors, such as savings, investments, or personal development, which directly enhance the quality of financial management. Therefore, lifestyle not only reflects consumption habits but also serves as a key factor in determining whether someone is capable of managing their finances effectively or not.

6. The Influence of Locus of Control on Financial Management

Research findings indicate that the locus of control variable has a positive and significant effect on financial management. These results align with studies conducted by (Ayuga Luni Amita Sari & Sawidji Widodoatmodjo, 2023), (Irawati & Kasemetan, 2023), (Aida & Rochmawati, 2022), and (Rabbani et al., 2024), who state that locus of control has a positive and significant influence on financial management. Locus of control has a significant effect on financial management because employees with a high internal locus of control tend to believe that good financial conditions are the result of their own efforts and decisions. Employees with an internal locus of control will be more disciplined in making financial decisions, such as spending within their means, paying bills on time, and refraining from excessive consumerist behavior. An internal locus of control reinforces the habit of creating realistic financial plans and striving to implement them gradually. This leads to increased long-term financial stability, as every financial decision is based on rational consideration rather than momentary impulses. In other words, the higher an employee's locus of control, the better their ability to manage finances both for current needs and for future interests.

7. The Influence of Financial Literacy on Financial Management Through Locus of Control

Financial literacy influences financial management by enhancing the locus of control, as financial knowledge and skills give employees the confidence to manage their lives. Employees who understand how to create a budget, save, and manage loans will feel that they have full control over their financial situation. The higher the level of financial literacy, the stronger the employees' sense of responsibility for the financial decisions they make. This makes them more disciplined in controlling expenses, prioritizing needs, and avoiding wasteful spending habits.

In other words, financial literacy not only enhances technical skills in managing money but also strengthens self-control, which is the cornerstone of sound financial management. With a strong locus of control, employees also focus more on long-term financial goals, such as buying a home, funding their children's education, or preparing for retirement. All of this demonstrates that financial literacy provides practical knowledge, locus of control provides internal motivation, and together they strengthen the effectiveness of financial management. Thus, the higher an employee's financial literacy, the stronger the locus of control that develops, enabling financial management to be conducted more wisely, purposefully, and sustainably.

8. The Influence of Lifestyle on Financial Management Through Locus of Control

Lifestyle influences financial management by enhancing locus of control because the lifestyle one leads reflects how they view, manage, and control their finances. Employees with a simple, measured lifestyle that aligns with their financial capabilities tend to have a strong internal locus of control the belief that financial success or difficulties stem from personal actions and decisions, not external factors.

The enhancement of locus of control through lifestyle is also evident in how an individual prioritizes needs over wants. Individuals with a financially healthy lifestyle tend to prioritize basic needs, postpone consumptive desires, and strive to set aside a portion of their income for savings or investments. This pattern fosters a sense of responsibility that they are in control of their financial condition, not their social environment or the lifestyle pressures of others. For example, someone who can resist the urge to shop excessively or buy items for the sake of social status demonstrates a high level of internal locus of control. This belief leads to more effective financial management, as every decision is based on planning and self-control. Thus, a simple and measured lifestyle not only reflects good financial habits but also strengthens an individual's psychological ability to manage finances independently and rationally. When someone chooses a frugal and productive lifestyle, they tend to be conscious of planning for the future, such as emergency funds, retirement savings, or long-term investments. This process reinforces the belief that their financial future is within their own control, thereby increasing their internal locus of control. This differs from individuals with a consumptive lifestyle, who often perceive financial difficulties as a result of insufficient income, rather than the consumptive behavior itself.

6. CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that the financial literacy, lifestyle, locus of control, and financial management of employees at the Muaro Jambi Regency Community and Village Empowerment Agency are generally in the "good" category. This indicates that employees have a sufficient understanding of financial management and are able to adopt a relatively rational lifestyle in meeting their daily needs. The research results also show that financial literacy and lifestyle have a positive influence on locus of control, meaning that the better one's financial understanding and the more rational their lifestyle, the stronger their ability to control the financial decisions they make. Additionally, financial literacy, lifestyle, and locus of control have also been proven to positively influence financial management. This indicates that individuals with good financial knowledge, a controlled lifestyle, and confidence in their ability to control decisions are more likely to manage their finances effectively. Locus of control also acts as a mediating variable that strengthens the influence of financial literacy and lifestyle on financial management; thus, the better one's financial understanding and the more rational their lifestyle, the better their self-control and the quality of their financial management will be.

It is recommended that agencies regularly enhance financial literacy training programs, such as financial planning, simple investments, and financial risk management, so that employees better understand the importance of financial management for the

future. Additionally, education on adopting a frugal and productive lifestyle is needed through activities such as budget planning workshops, wise spending strategies, and personal financial record-keeping practices. Institutions are also advised to provide motivational guidance or financial counseling to strengthen employees' self-control in making financial decisions. Furthermore, guidelines or education on debt management are necessary so that employees can make wiser decisions regarding loans. For future research, it is recommended to include other variables that may influence financial management, such as motivation, self control, consumer behavior, as well as external factors like access to financial services and the social environment, thereby providing a more comprehensive understanding of the factors affecting individual financial management.

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