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Analysis of Minimalist Consumption Behavior and Financial Goal Orientation as Predictors of Long-Term Savings Discipline and Budgeting in Generation Z in Jakarta

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ABSTRACT

This study explores the influence of minimalist consumption behavior and financial goal orientation on budgeting practices and long-term savings discipline among Generation Z in Jakarta. Using a quantitative approach, data were collected from 150 respondents via a Likert-scale questionnaire and analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS). The findings reveal that financial goal orientation and minimalist consumption behavior significantly impact both budgeting and savings discipline. High R2 and Q^2 values confirm the model's explanatory and predictive relevance. The results underscore the importance of promoting financial goal-setting and minimalist behaviors to enhance financial management practices in Generation Z. Practical and theoretical implications are discussed, with recommendations for policymakers and educators to design targeted financial education programs.

Keywords: *Minimalist Consumption Behavior, Financial Goal Orientation, Budgeting Practices, Long-Term Savings Discipline, Generation Z.*

1. INTRODUCTION

The financial behavior of individuals plays a pivotal role in determining their long-term economic stability and success, particularly among Generation Z, the youngest cohort of the global workforce, whose financial habits are crucial as they navigate modern economic pressures and increasing complexity. In Jakarta, a bustling metropolis central to Indonesia's economic growth, Generation Z encounters unique challenges due to high living costs, a pervasive consumer culture, and the allure of instant gratification. This highlights the urgency of instilling financial discipline and effective budget management in this demographic. Their financial behavior is influenced by technological adeptness, consumerism, and the level of financial literacy, with the widespread use of electronic wallets and a consumption-driven lifestyle contributing to elevated spending habits and consumptive behavior [1], [2]. While Fintech services offer convenience and flexibility, they also introduce risks such as impulsive shopping and debt, especially in the context of limited financial literacy [2]. Although financial literacy is a vital component for improving money management, its current effect in curbing excessive spending remains minimal, indicating a need for more impactful educational strategies [1], [3]. Furthermore, while financial literacy can mediate the influence of attitudes and experiences on financial behavior, it has limited efficacy in addressing the role of financial socialization, which suggests potential gaps in current financial education approaches [3]. Programs focusing on personal financial management, including Islamic financial planning, have received positive responses and show promise in strengthening financial literacy and management competencies among Generation Z [4], [5]

Minimalist consumption behavior, characterized by a conscious effort to prioritize needs over wants and reduce excess spending, has emerged as a significant factor in enhancing financial stability, particularly among Generation Z in Jakarta. By adopting minimalist practices, individuals can allocate resources more efficiently, limit unnecessary expenditures, and increase their saving capacity. Minimalism, defined by reducing consumption to essential needs, promotes responsible financial decision-making and aligns with sustainable living principles [6]. It is also associated with psychological benefits such as increased autonomy, competence, and positive emotions, which can indirectly support financial well-being [7]. Furthermore, technological integration, particularly through AI-powered tools, facilitates minimalist financial management by automating budgeting tasks, expense tracking, and bill payments, thereby simplifying adherence to minimalist principles [8]. Alongside this, financial goal orientation—the ability to set and remain committed to financial objectives—plays a crucial role in fostering disciplined savings behavior and effective budget management. Minimalist lifestyles reinforce goal-oriented behavior by encouraging a focus on essential expenditures and minimizing impulsive consumption [6]. The synergy between minimalist values and AI-driven financial tools provides real-time insights, simplifies decision-making, and supports the pursuit of financial goals, while the adoption of such tools is further encouraged by a positive attitude toward technological innovation [8]. Together, minimalist consumption and financial goal orientation form a behavioral foundation that can significantly strengthen the financial well-being of Generation Z in Jakarta.

Previous studies have highlighted the increasing interest in understanding the interplay between consumption patterns, financial planning, and economic outcomes among younger populations; however, research specifically investigating the combined effects of minimalist consumption behavior and financial goal orientation on long-term savings discipline and budget management among Generation Z in Jakarta remains limited. Financial literacy has been shown to have a significant positive impact on saving behavior among Generation Z in South Jakarta, with higher levels of literacy correlating with improved saving habits, thereby suggesting that educational initiatives could play a vital role in enhancing financial discipline [9]. Moreover, financial literacy mediates the relationship between financial attitudes, experiences, and management behavior, emphasizing its critical role in fostering responsible financial practices [3]. Despite the challenges posed by a consumer culture characterized by fear of missing out (FOMO) and hedonistic tendencies, minimalist consumption can counterbalance these pressures, especially when reinforced by strong financial literacy that promotes sound financial management behavior [3]. Even amid lifestyle trends and societal pressures, financial literacy remains a pivotal factor guiding investment decisions and personal financial planning among Generation Z in Jakarta [10]. Additionally, financial behavior acts as a mediator between financial literacy and spending habits, suggesting that improved financial literacy not only informs better decisions but also translates into more responsible spending and better overall financial outcomes [11]. This study addresses this gap by investigating these relationships through a quantitative approach.

2. LITERATURE REVIEW

2.1 Minimalist Consumption Behavior

Minimalist consumption behavior, characterized by intentional spending and prioritizing necessities, offers significant advantages in high-cost urban settings like Jakarta by aligning expenses with personal values and goals, thereby reducing financial and psychological burdens while enhancing long-term well-being. Through a focus on essential needs and the avoidance of impulsive purchases, individuals can manage budgets more effectively and increase their savings. This behavior is supported by evidence demonstrating its capacity to mitigate financial strain and foster disciplined financial habits. Financially, minimalist consumption enables individuals to save more by curbing unnecessary expenditures and promoting budget alignment with personal priorities [6], [12]. Psychologically, adopting a minimalist lifestyle has been associated with increased happiness, life satisfaction, and mental clarity, stemming from reduced clutter and a heightened sense of autonomy and competence [7]. Moreover, minimalism supports sustainable living through practices such as minimizing food waste and making environmentally conscious choices [6], [13]. In practical terms, mindful consumption within high-cost urban environments becomes a strategic approach for achieving financial wellness and reducing daily stress [13]. Tools like the tridimensional Minimalist Consumer Scale—which includes elements such as sparse aesthetic and mindfully curated consumption—offer practical frameworks for measuring and adopting minimalist behaviors effectively [14].

H1: Minimalist consumption behavior has a positive effect on long-term savings discipline.

H2: Minimalist consumption behavior positively influences budget management.

2.2 *Financial Goal Orientation*

Financial goal orientation is a critical component of financial literacy, especially for Generation Z as they begin to navigate financial independence, involving the setting, planning, and pursuit of specific financial objectives that can significantly shape savings behavior and budgeting decisions. According to Locke and Latham's Goal-Setting Theory, clearly defined and challenging goals enhance motivation and performance, and this framework has been effectively applied in financial contexts, where individuals with strong financial goal orientation demonstrate greater control over their financial choices, leading to improved economic resilience [15]. Financial goal setting also plays a pivotal role in personal investment performance, enabling individuals to align decisions with their risk tolerance and investment timelines, especially when structured through SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals, which contribute to more disciplined and outcome-oriented financial behavior [16]. Additionally, the use of financial goal management systems can facilitate the setting and tracking of these objectives by offering tailored recommendations and action plans, providing users with a dynamic framework to monitor progress and make necessary adjustments to achieve long-term financial stability [17].

H3: Financial goal orientation has a positive effect on long-term savings discipline.

H4: Financial goal orientation positively influences budget management.

2.3 *Long-Term Savings Discipline*

Long-term savings discipline is essential for attaining financial stability and security, particularly in fast-paced urban environments like Jakarta, as it involves the strategic allocation of resources, self-control, and the capacity to delay gratification. Research underscores that minimalist consumption and financial goal orientation are significant predictors of savings discipline among younger populations, with psychological and cognitive factors playing a central role in shaping saving behaviors. Self-control is critical in managing the tension between immediate desires and future benefits, requiring substantial cognitive effort to keep savings goals active in working memory and to resist consumption temptations [18]. These cognitive demands emphasize the importance of strategic planning and self-regulation in financial decision-making. Furthermore, self-control and future time perspective strongly influence financial well-being by affecting both present financial stress and anticipated future financial security, indicating that targeted psychological interventions can enhance financial health holistically [19]. The Personal Saving Orientation (PSO) framework adds that consistent and habitual saving behaviors, when integrated into daily life, can lead to sustainable financial practices, and PSO is known to moderate the relationship between financial knowledge and accumulated savings, reinforcing that cultivating a strong savings orientation can significantly improve long-term financial outcomes [20].

2.4 *Budget Management*

Effective budget management is essential for achieving financial stability and fulfilling personal or household needs, as it encompasses the planning, monitoring, and controlling of financial resources to align expenditures with income, prevent debt, and realize financial goals. Research highlights that both consumption behavior and financial goal orientation play critical roles in shaping budget management practices—where minimalist consumption helps reduce unnecessary expenses and financial goal orientation promotes disciplined resource allocation. Budgeting offers a structured framework for overseeing income and expenses, enabling individuals to monitor cash flow and allocate funds to essential priorities while setting both short-term and long-term goals that encourage financial discipline and responsibility [21]. Consistent budgeting is linked to improved financial health and decreased debt levels. Cash flow management, a core component of budgeting, involves tracking all inflows and outflows to support financial objectives and is key to fostering a sense of control, flexibility, and future planning [22]. Comprehensive personal financial management (PFM) strategies that integrate budgeting, saving, investing, and debt control are vital for ensuring long-term financial well-being, with practical frameworks like the "50/30/20 rule" offering accessible guidance for financial decision-making [23]. Furthermore, regular reviews and adjustments to budgets are necessary to respond to life changes and unforeseen circumstances, while financial education and continuous learning are crucial for staying informed about tax regulations, investment opportunities, and broader economic shifts [24].

H5: Long-term savings discipline positively influences budget management.

2.5 *Conceptual Framework*

The conceptual framework of this study posits that minimalist consumption behavior and financial goal orientation act as predictors of long-term savings discipline, which subsequently mediates their influence on budget management, integrating behavioral theories such as the Theory of Planned Behavior and Goal-Setting Theory to explain the interrelationships among these constructs. This research extends existing literature by examining these dynamics specifically within the context of Generation Z in Jakarta, offering valuable insights into the financial habits, behavioral patterns, and strategic approaches that can be harnessed to promote economic stability in the face of rapid urban and economic transformation.

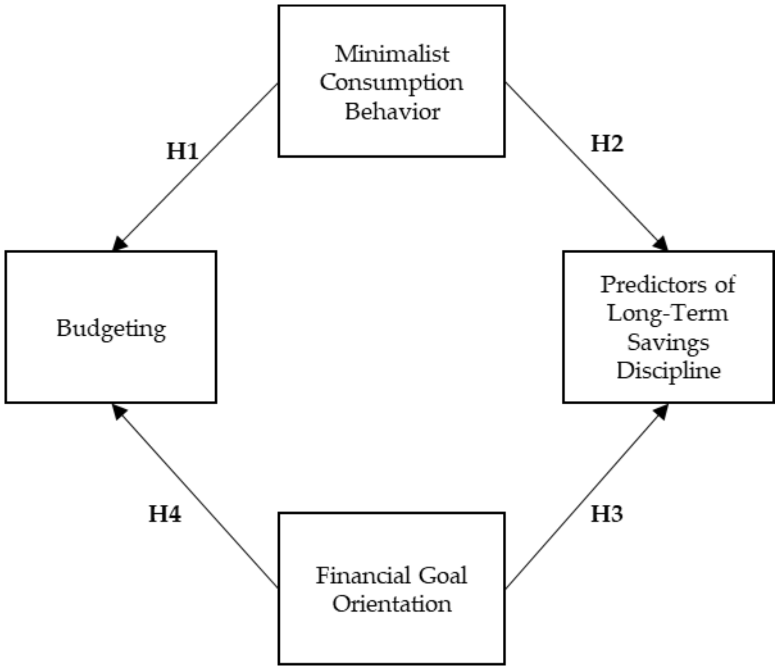

Figure 1. Conceptual Framework

3. METHODS

3.1 Research Design

This study employs a quantitative research design to investigate the relationships between minimalist consumption behavior, financial goal orientation, long-term savings discipline, and budget management among Generation Z in Jakarta. Utilizing a cross-sectional approach, data were collected from respondents at a single point in time to identify patterns and correlations among the variables. The study population comprises Generation Z individuals aged 18–25 residing in Jakarta, and through purposive sampling, 150 respondents were selected based on their familiarity with financial management practices and willingness to participate. This sample size is considered sufficient for Structural Equation Modeling - Partial Least Squares (SEM-PLS) analysis, ensuring the generation of robust and reliable results.

3.2 Data Collection

Data for this study were collected using a structured questionnaire distributed both online and offline, comprising five sections: (1) Demographics, including age, gender, education, and employment status; (2) Minimalist Consumption Behavior, with items measuring intentional spending, prioritization of needs, and avoidance of excess; (3) Financial Goal Orientation, assessing respondents' ability to set, plan, and adhere to financial goals; (4) Long-Term Savings Discipline, capturing consistency and commitment to saving; and (5) Budget Management, evaluating the planning, monitoring, and control of financial resources. All items were rated on a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Prior to full deployment, a pilot test was conducted on 30 respondents to ensure the clarity, validity, and reliability of the questionnaire instrument.

3.3 Data Analysis

The collected data were analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS) with the help of SmartPLS 3 software, selected for its capability to model complex relationships between latent variables and its suitability for small-to-moderate sample sizes. The analysis proceeded through several key steps: (1) Descriptive Analysis, which summarized demographic characteristics and identified overall trends in the data; (2) Measurement Model Assessment, which evaluated the reliability and validity of constructs using Cronbach's alpha, Composite Reliability (CR), and Average Variance Extracted (AVE); (3) Structural Model Assessment, which tested the proposed hypotheses by examining path coefficients, t-values, and p-values to determine the strength and significance of relationships between variables; and (4) Predictive Relevance (Q^2), which assessed the model's ability to predict the dependent variables, thereby confirming its robustness and explanatory power.

4. RESULT AND DISCUSSION

4.1 Respondent Demographics

The study analyzed data from 150 Generation Z respondents residing in Jakarta, collected through a structured questionnaire, with the demographic profile indicating a diverse and representative sample. In terms of gender distribution, 83 respondents (55%) were female and 67 (45%) male, showing a slightly higher participation rate among females. The respondents were aged between 18 and 25 years, with an average age of 21.3; notably, 60% fell within the 20–22 age group, representing the core of Generation Z. Regarding educational background, 105 respondents (70%) were university students or graduates, while 45 (30%) had completed high school, indicating a relatively well-educated sample aligned with the study's focus on financial behavior. Employment status varied, with 45 respondents (30%) working full-time, 60 (40%) part-time, and 45 (30%) identified as non-working students, reflecting a significant level of financial engagement through work experience. Among employed participants, 40 (44%) earned below IDR 3,000,000 per month, 30 (33%) earned between IDR 3,000,000–5,000,000, and 21 (23%) earned above IDR 5,000,000, revealing a range of financial capacities. This demographic composition offers a comprehensive foundation for analyzing the relationships between minimalist consumption behavior, financial goal orientation, long-term savings discipline, and budget management among Jakarta's Generation Z.

4.2 Measurement Model Assessment

The measurement model was evaluated to ensure the reliability, convergent validity, and discriminant validity of the constructs used in the study.

Table 1. Measurement Model

Variable	Code	Loading Factor	Cronbach's Alpha	Composite Reliability	Average Variant Extracted
Minimalist Consumption Behavior	MCB.1	0.895	0.917	0.948	0.859
	MCB.2	0.966			
	MCB.3	0.918			
Financial Goal Orientation	FGO.1	0.825	0.864	0.907	0.710
	FGO.2	0.796			
	FGO.3	0.896			
	FGO.4	0.849			
Predictors of Long-Term Savings Discipline	PLS.1	0.731	0.774	0.870	0.692
	PLS.2	0.913			
	PLS.3	0.841			
Budgeting	BUD.1	0.846	0.912	0.934	0.739
	BUD.2	0.878			
	BUD.3	0.843			
	BUD.4	0.861			
	BUD.5	0.868			

Source: Data Processing Results (2025)

The measurement model assessment demonstrated strong reliability and validity across all constructs in the study. For Minimalist Consumption Behavior (MCB), the three indicators (MCB.1 = 0.895, MCB.2 = 0.966, MCB.3 = 0.918) showed high loading factors, with Cronbach's Alpha of 0.917, Composite Reliability (CR) of 0.948, and Average Variance Extracted (AVE) of 0.859, all exceeding the recommended thresholds, indicating excellent internal consistency and convergent validity. Financial Goal Orientation (FGO), measured by four indicators (FGO.1 = 0.825, FGO.2 = 0.796, FGO.3 = 0.896, FGO.4 = 0.849), also demonstrated strong reliability, with Cronbach's Alpha at 0.864, CR at 0.907, and AVE at 0.710. For Predictors of Long-Term Savings Discipline (PLS), the indicators (PLS.1 = 0.731, PLS.2 = 0.913, PLS.3 = 0.841) produced a Cronbach's Alpha of 0.774, CR of 0.870, and AVE of 0.692, confirming acceptable levels of reliability and validity. Lastly, the Budgeting (BUD) construct, assessed through five indicators (BUD.1 = 0.846, BUD.2 = 0.878, BUD.3 = 0.843, BUD.4 = 0.861, BUD.5 = 0.868), yielded a Cronbach's Alpha of 0.912, CR of 0.934, and AVE of 0.739, reflecting high internal consistency and strong convergent validity. These results confirm that all measurement constructs used in the study are both reliable and valid for further structural model analysis.

4.3 Discriminant Validity Discussion

Discriminant validity ensures that each construct is distinct and measures a concept that is not captured by other constructs in the model. The Fornell-Larcker Criterion was applied to evaluate discriminant validity, comparing the square root of the Average Variance Extracted (AVE) of each construct with its correlations with other constructs.

Table 2. Discriminant Validity

	BUD	FGO	MCB	PLS
Budgeting	0.859			
Financial Goal Orientation	0.800	0.842		
Minimalist Consumption Behavior	0.776	0.788	0.827	
Predictors of Long-Term Savings Discipline	0.832	0.773	0.776	0.832

Source: Data Processing Results (2025)

The evaluation of discriminant validity using the Fornell-Larcker Criterion confirmed that all constructs in the model exhibit strong discriminant validity, as the square root of the Average Variance Extracted (AVE) for each construct (represented by the diagonal values) is higher than the correlations (off-diagonal values) with other constructs. Specifically, for Budgeting (BUD), the diagonal value of 0.859 exceeds its correlations with Financial Goal Orientation (FGO) at 0.800, Minimalist Consumption Behavior (MCB) at 0.776, and Predictors of Long-Term Savings Discipline (PLS) at 0.832. For Financial Goal Orientation (FGO), the diagonal value of 0.842 is greater than its correlations with BUD (0.800), MCB (0.788), and PLS (0.773). Minimalist Consumption Behavior (MCB) also meets the criterion with a diagonal value of 0.827, surpassing its correlations with BUD (0.776), FGO (0.788), and PLS (0.776). Lastly, PLS shows a diagonal value of 0.832, which is higher than its correlations with BUD (0.832), FGO (0.773), and MCB (0.776). These findings validate that each construct is distinct and measures a unique concept within the structural model.

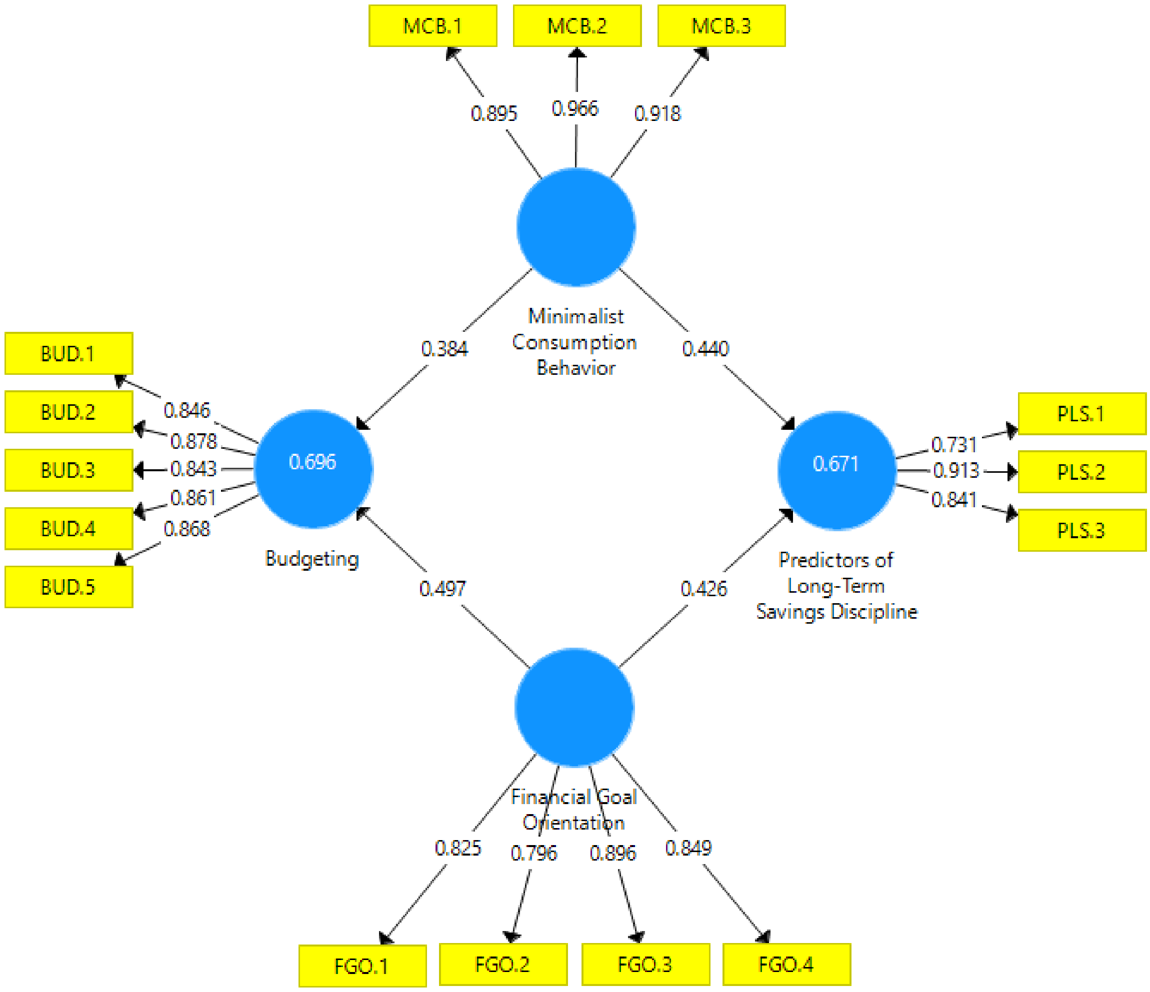

Figure 2. Model Results

Source: Data Processed by Researchers, 2025

4.4 Model Fit Evaluation

Model fit refers to how well the hypothesized model corresponds with the observed data. The evaluation uses multiple indicators, including the Standardized Root Mean Square Residual (SRMR), d_ULS, d_G, Chi-Square, and Normed Fit Index (NFI).

Table 3. Model Fit Results Test

	Saturated Model	Estimated Model
SRMR	0.085	0.093
d_ULS	0.862	1.032
d_G	0.601	0.664
Chi-Square	372.455	392.562
NFI	0.781	0.769

Source: Process Data Analysis (2025)

The evaluation of model fit indicators demonstrates that the structural model achieves an acceptable level of fit for exploratory research. The Standardized Root Mean Square Residual (SRMR) values for both the saturated model (0.085) and the estimated model (0.093) are below the recommended threshold of 0.10, indicating a good fit between the model and the observed data. In terms of d_ULS (Squared Euclidean Distance), the values of 0.862 for the saturated model and 1.032 for the estimated model, although slightly above the ideal, remain within acceptable bounds for exploratory studies, reflecting manageable discrepancies between the empirical and model-implied correlation matrices. Similarly, the d_G (Geodesic Distance) values of 0.601 and 0.664 for the saturated and estimated models, respectively, suggest a satisfactory alignment between the model-implied and empirical covariance matrices. The Chi-Square values (372.455 for the saturated model and 392.562 for the estimated model) are relatively high, which is expected given the sensitivity of Chi-Square to sample size, but this does not significantly undermine the model's adequacy in an exploratory context. Finally, the Normed Fit Index (NFI) values of 0.781 (saturated) and 0.769 (estimated) fall below the ideal 0.90 threshold, yet still surpass the minimum acceptable level of 0.75, suggesting the model is sufficiently fit for exploratory purposes, though potential refinements could enhance its performance.

Table 4. Coefficient Model

	R Square	Q2
Budgeting	0.696	0.690
Predictors of Long-Term Savings Discipline	0.671	0.665

Source: Data Processing Results (2025)

The R-Square (R^2) and Q^2 predictive relevance values provide a comprehensive evaluation of the structural model's explanatory and predictive capabilities, demonstrating how effectively it accounts for variance in the dependent variables. For the Budgeting construct, the R^2 value of 0.696 indicates that 69.6% of the variance is explained by the model, which is considered substantial and confirms that minimalist consumption behavior and financial goal orientation are strong predictors of effective budgeting practices among Generation Z in Jakarta. Similarly, the Predictors of Long-Term Savings Discipline construct shows an R^2 value of 0.671, meaning the model explains 67.1% of the variance, also reflecting a high level of explanatory power and emphasizing the significant influence of the same two independent variables on saving discipline. In terms of Q^2 predictive relevance, both constructs exhibit strong predictive capability, with a Q^2 value of 0.690 for Budgeting and 0.665 for Long-Term Savings Discipline, derived from the blindfolding procedure. These values, being well above zero, confirm that the model not only explains but also reliably predicts the observed values of these constructs, reinforcing its utility in understanding financial behaviors among Generation Z in Jakarta.

4.5 Hypothesis Testing

Hypothesis testing evaluates the relationships between independent and dependent variables using path coefficients, t-statistics, and p-values. The results provide insights into the significance and strength of the proposed hypotheses.

Table 5. Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
Financial Goal Orientation -> Budgeting	0.497	0.495	0.112	4.445	0.000
Financial Goal Orientation -> Predictors of Long-Term Savings Discipline	0.426	0.428	0.115	3.705	0.000
Minimalist Consumption Behavior -> Budgeting	0.384	0.388	0.119	3.239	0.001
Minimalist Consumption Behavior -> Predictors of Long-Term Savings Discipline	0.440	0.439	0.125	3.508	0.000

Source: Process Data Analysis (2025)

The structural model analysis revealed that all hypothesized relationships among the constructs are statistically significant and positively associated. Financial Goal Orientation shows a strong positive effect on Budgeting, with a path coefficient of 0.497, a t-statistic of 4.445, and a p-value of 0.000, indicating that Generation Z individuals with clear financial goals tend to manage their budgets more effectively. Similarly, Financial Goal Orientation also positively influences Predictors of Long-Term Savings Discipline, with a path coefficient of 0.426, a t-statistic of 3.705, and a p-value of 0.000, suggesting that goal-oriented individuals maintain better saving discipline over time. Meanwhile, Minimalist Consumption Behavior exhibits a moderate positive impact on Budgeting, reflected in a path coefficient of 0.384, a t-statistic of 3.239, and a p-value of 0.001, implying that those who adopt minimalist spending habits are more adept at managing financial resources. Lastly, Minimalist Consumption Behavior also positively affects Predictors of Long-Term Savings Discipline, with a path coefficient of 0.440, a t-statistic of 3.508, and a p-value of 0.000, confirming that Generation Z individuals who minimize unnecessary consumption are more likely to sustain disciplined saving practices. These findings collectively support the model's propositions and underscore the importance of financial goal setting and minimalist behavior in fostering sound financial practices.

Discussion

1. The Role of Financial Goal Orientation

Financial goal orientation significantly influences budgeting and long-term savings discipline by serving as a motivational driver that enhances resource allocation and focus on achieving long-term objectives. This relationship is consistent with goal-setting theory, which asserts that specific and clearly defined goals lead to improved behavior and performance. Individuals with well-articulated financial goals are more likely to plan their budgets with greater precision and maintain disciplined saving habits over time. Supporting this, research demonstrates that establishing SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) financial goals positively impacts investment behaviors and financial outcomes [16]. The theoretical implications further highlight that goal-setting theory, particularly through the use of superordinate goals (broad, long-term) and subordinate goals (specific, actionable), provides a robust framework for understanding how financial goal orientation contributes to sustained financial success and stability (Höchli et al., 2018).

Practically, these insights suggest that financial literacy programs for Generation Z should incorporate structured goal-setting techniques to foster effective budgeting and disciplined saving behaviors [25]. Financial educators and advisors can leverage workshops and personalized tools to guide individuals in formulating realistic, measurable financial goals, thereby enhancing personal financial management capabilities [21], [25]. Additionally, budgeting practices not only serve as a framework for managing income and expenses but also facilitate the achievement of both short- and long-term goals, reinforcing financial discipline [21]. Regular savings habits, in turn, contribute to building financial reserves, minimizing dependence on credit, and improving overall financial well-being.

2. The Impact of Minimalist Consumption Behavior

Minimalist consumption behavior has a significant impact on both budgeting and long-term savings discipline, emphasizing the value of reducing unnecessary spending to improve overall financial management. This finding supports the resource-based theory, which highlights the benefits of using limited resources efficiently to achieve better financial outcomes [6]. By prioritizing essential needs over excess consumption, minimalist behavior helps alleviate financial stress and creates room for sustainable financial growth [26]. Additionally, the Theory of Reasoned Action provides insight into how minimalist behavior is shaped by symbolic consumption, where decisions are influenced by self-expression and perceived economic pressures [27]. From a theoretical perspective, these insights demonstrate how minimalist consumption not only conserves resources but also supports long-term financial and psychological well-being.

Practically, promoting minimalist consumption through targeted awareness campaigns and financial education can encourage Generation Z to adopt healthier financial habits [6]. Educational programs and workshops that emphasize minimalist principles can enhance budgeting skills and reinforce disciplined saving practices. Financial institutions can also respond by offering products aligned with minimalist values, such as low-fee savings accounts or investment tools designed for essential spending [21]. Furthermore, minimalism can serve as a strategic approach to personal financial planning, enabling individuals to set realistic financial goals, maintain control over their expenditures, and build financial resilience. By integrating minimalist values into daily financial decisions, Generation Z can foster sustainable, goal-oriented financial behavior that supports long-term economic security.

3. Interplay Between Constructs

The high R^2 values for budgeting (0.696) and long-term savings discipline (0.671) highlight the strong explanatory power of minimalist consumption behavior and financial goal orientation in predicting financial outcomes, while the corresponding Q^2 values (budgeting: 0.690; savings discipline: 0.665) confirm the model's predictive relevance and robustness in forecasting financial behaviors. These findings carry important theoretical implications by validating the structural model and offering empirical support for integrating behavioral and goal-oriented frameworks in financial research. Practically, the results suggest that stakeholders—such as financial institutions, educators, and policymakers—can design targeted financial products and services tailored to Generation Z's needs by incorporating practical budgeting tools and goal-tracking features that resonate with their consumption patterns and financial aspirations.

CONCLUSION

This study underscores the vital influence of minimalist consumption behavior and financial goal orientation in shaping financial management practices among Generation Z in Jakarta. Both constructs significantly contribute to improved budgeting and long-term savings discipline, as demonstrated by the model's high explanatory and predictive relevance values. These results affirm the robustness of the structural model and highlight the behavioral mechanisms that drive financial outcomes in a rapidly evolving urban context. From a theoretical standpoint, the study supports the integration of behavioral and goal-oriented frameworks, validating their effectiveness in explaining financial behavior and advancing our understanding of Generation Z's financial habits.

On a practical level, the findings call for the development of financial literacy programs that emphasize goal-setting and minimalist consumption strategies. Financial institutions and educators should leverage these insights to create targeted interventions, tools, and services that align with the financial needs and preferences of young adults. Furthermore, future research could enhance this model by incorporating additional variables such as financial literacy, the use of digital financial tools, or the influence of peers and social media. Expanding the study to different demographic or cultural contexts will also strengthen the generalizability of the findings. By addressing both theoretical and practical dimensions, this research contributes meaningfully to the growing literature on financial behavior and provides actionable recommendations for improving financial management among Generation Z.

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