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Modeling Financial Behavior of E-Wallet Users in Palembang: Exploring Financial Literacy and Lifestyle Factors

Rabin Ibnu Zainal
Universitas Sumatera Selatan, Palembang, Indonesia
Email: Rabin@uss.ac.id

Nopri Seftiani Sari
Universitas Sumatera Selatan, Palembang, Indonesia
Email: seftianisnopri@gmail.com

Dina Mellita
Universitas Bina Darma, Palembang, Indonesia
Email: dinamellita@binadarma.ac.id

Teuku Muhammad Haqiqi
Universitas Sumatera Selatan, Palembang, Indonesia
Email: haqiqi.teuku@uss.ac.id

Abstract

The rapid growth of digital financial ecosystems has transformed financial management, primarily through the adoption of e-wallets. This study examines the impact of Financial Literacy and Lifestyle on Financial Behavior among 95 e-wallet users in Palembang City, employing the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. Findings reveal that Financial Literacy has a statistically significant but weak effect on Financial Behavior, explaining 28% of its variance. These findings suggest s that cognitive financial skills, while crucial, have limited influence in this context. Conversely, lifestyle has a substantial impact, accounting for 51.9% of the variance in financial behavior, emphasizing the critical role of behavioral and environmental factors in shaping decision-making. Theoretically, this study validates the importance of integrating cognitive (Financial Literacy) and behavioral (Lifestyle) dimensions in understanding financial behavior in digital payment systems. Policymakers are urged to enhance financial literacy programs and strengthen consumer protection, while e-wallet providers should prioritize security, transparency, and user-focused features. Future research should incorporate additional variables to offer a more comprehensive understanding of financial behavior in digital ecosystems.

Keywords*: Financial Literacy, Lifestyle, Financial Behavior, E-Wallet.*

Abstrak

Pertumbuhan pesat ekosistem keuangan digital telah mentransformasi pengelolaan keuangan, terutama melalui adopsi dompet digital (e-wallet). Penelitian ini mengkaji dampak Literasi Keuangan dan Gaya Hidup terhadap Perilaku Keuangan di antara 95 pengguna e-wallet di Kota Palembang dengan menggunakan pendekatan Partial Least Squares Structural Equation Modeling (PLS-SEM). Hasil penelitian menunjukkan bahwa Literasi Keuangan memiliki pengaruh yang signifikan secara statistik tetapi lemah terhadap Perilaku Keuangan, menjelaskan 28% dari variansnya. Hal ini menunjukkan bahwa keterampilan keuangan kognitif, meskipun penting, memiliki pengaruh terbatas dalam konteks ini. Sebaliknya, Gaya Hidup menunjukkan dampak yang kuat dan signifikan, menjelaskan 51,9% dari variansi Perilaku Keuangan, yang menekankan peran penting faktor perilaku dan lingkungan dalam membentuk pengambilan keputusan. Secara teoretis, penelitian ini memvalidasi pentingnya mengintegrasikan dimensi kognitif (Literasi Keuangan) dan perilaku (Gaya Hidup) dalam memahami perilaku keuangan dalam sistem pembayaran digital. Pembuat kebijakan didorong untuk meningkatkan program literasi keuangan dan memperkuat perlindungan konsumen, sementara penyedia e-wallet perlu memprioritaskan keamanan, transparansi, dan fitur yang berfokus pada pengguna. Penelitian selanjutnya perlu mengintegrasikan variabel tambahan untuk memberikan pemahaman yang lebih komprehensif tentang perilaku keuangan dalam ekosistem digital.

Kata kunci: Literasi Keuangan, Gaya Hidup, Perilaku Keuangan, Dompet Digital.

1. Introduction

This study focuses on the growing use of e-wallets in Indonesia, particularly in Palembang, a major city undergoing significant digital transformation. In recent years, e-wallet usage has surged across Indonesia, driven by the convenience and accessibility offered by financial technology *(fintech*). Research indicates that e-wallets have become the preferred payment method among young consumers in Indonesia, especially in urban centers where digital technology adoption is accelerating (Ming & Jais, 2022; Prasetya et al., 2021). The COVID-19 pandemic has further accelerated this trend, prompting a significant shift toward cashless transactions, making e-wallets one of the most widely utilized payment methods in the country (Ramadhan et al., 2023). However, this rapid adoption of e-wallets has also introduced challenges, such as impulsive spending and ineffective financial management, often linked to low financial literacy among users. Putrantona & Pasaribu (2024) emphasize that limited understanding of transaction fees or interest rates within e-wallet systems frequently results in excessive spending, particularly among younger users.

The theoretical foundation of this study is rooted in the Theory of Planned Behavior (Ajzen, 1991), which posits that financial behavior is shaped by attitudes, subjective norms, and perceived behavioral control. Within this framework, financial literacy serves as a cognitive factor influencing users' attitudes toward financial decision-making, while lifestyle reflects environmental and social influences that shape financial habits and consumption patterns. Financial literacy, defined as the ability to understand financial concepts and risks, plays a vital role in enabling informed decision-making. Agustin et al. (2023)found that higher financial literacy improves financial satisfaction and supports responsible decision-making among e-wallet users. Moreover, financial literacy helps users optimize features such as transaction tracking and budgeting tools, which are increasingly available in e-wallet systems.

Lifestyle, on the other hand, encompasses consumption patterns, habits, and preferences that influence how users interact with financial technology. Yang et al. (2021) observed that e-wallet features aligned with users' lifestyle needs significantly impact their intention to use such technologies. Lifestyle factors, including spending habits and social influences, play a key role in determining e-wallet adoption and usage patterns. Additionally, trust and perceived security are critical elements that affect user acceptance of e-wallets, as highlighted by Ramadhani et al. (2022). These findings suggest that a better understanding of how lifestyle and financial literacy interact is essential for addressing behavioral challenges and promoting responsible e-wallet usage.

Given these dynamics, this study aims to explore and model the financial behavior of e-wallet users in Palembang by examining financial literacy and lifestyle as key factors. The findings are expected to provide valuable insights into how these variables influence users' financial decisions and offer recommendations for improving financial literacy programs and enhancing e-wallet features. Addressing these issues can support better financial management practices and contribute to the development of effective strategies for promoting responsible financial behavior in the digital payment ecosystem.

2. Literature Review

2.1 Adoption and Development of E-Wallets

The adoption and development of e-wallets in Indonesia have shown remarkable growth since their emergence in the early 2010s. Initially introduced as a solution to facilitate seamless and efficient digital transactions, e-wallets have become an integral part of Indonesia's financial ecosystem. Major providers such as GoPay, OVO, DANA, ShopeePay, and LinkAja dominate the market, offering a wide range of services from online shopping and bill payments to financial investments. These platforms have successfully integrated themselves into both digital and traditional economies, providing consumers with convenience and accessibility (Ciptarianto, 2022).

As of 2022, approximately 107 million Indonesians have used e-wallets, reflecting a substantial annual increase of 16 million users, according to Statista. This rapid growth underscores the shifting preferences of Indonesian consumers toward cashless and digital payment systems, driven by convenience, promotions, and the expansion of digital infrastructure (Agustin et al., 2023). Factors such as ease of use, perceived security, promotional benefits, and lifestyle compatibility are hypothesized to play significant roles in this transition (Rahman et al., 2021; Saputra et al., 2023). Understanding these motivators and barriers is essential for service providers to optimize their offerings and encourage broader adoption across various demographic segments. This insight is pivotal for ensuring that e-wallets continue to play a significant role in the digitalization of Indonesia's economy (Daragmeh et al., 2021).

2.2 Financial Literacy

Financial behavior encompasses individuals' attitudes, knowledge, and actions related to financial management. It reflects the integration of financial literacy, involving financial knowledge, attitudes, and practices that enable informed decision-making for achieving financial well-being. Marlina & Irawati (2018) highlight the role of financial literacy in fostering responsible financial decision-making. This perspective is further supported by Setyawan et al. (2022), who underscore the necessity of financial knowledge and skills for effective financial management.

In the context of e-wallets, financial behavior takes on new dimensions as these digital tools revolutionize financial management. E-wallets are favored for their convenience and efficiency, particularly among younger demographics (Adam et al., 2017). Their adoption is heavily influenced by perceived ease of use and usefulness, which shape users' behavioral intentions (Herispon, 2019). Research indicates that users who perceive e-wallets as easy to use and beneficial are more likely to adopt them, leading to a shift toward cashless transactions and necessitating new approaches to budgeting and spending (Dewi et al., 2020).

2.3 Lifestyle

The interaction between financial behavior and e-wallet usage underscores the importance of financial education in promoting responsible practices. Features of e-wallets, such as transaction tracking and spending analysis, empower users to monitor their finances, fostering responsible behavior (Robba et al., 2024). To optimize the benefits of e-wallets, users must acquire financial education to enhance informed decision-making and overall financial literacy (Arumsari et al., 2023). This need for financial literacy is critical, as it equips users with the skills necessary to navigate the evolving financial landscape shaped by digital payment systems.

Lifestyle reflects consumption patterns, habits, and preferences that influence financial decision-making. Yang et al. (2021) observed that the compatibility of e-wallet features with users' lifestyle needs significantly impacts adoption. Lifestyle factors, including spending habits and social influences, play a key role in determining e-wallet adoption and usage patterns. Additionally, trust and perceived security are critical elements that affect user acceptance of e-wallets, as highlighted by Ramadhani et al. (2022). These findings suggest that a better understanding of how lifestyle and financial literacy interact is essential for addressing behavioral challenges and promoting responsible e-wallet usage.

2.4 Research Gap and Hypotheses

There is a lack of empirical studies combining financial literacy and lifestyle as predictors of financial behavior, particularly among e-wallet users in Palembang. Existing research has often focused on different contexts, such as other countries or distinct demographic groups, making their findings less

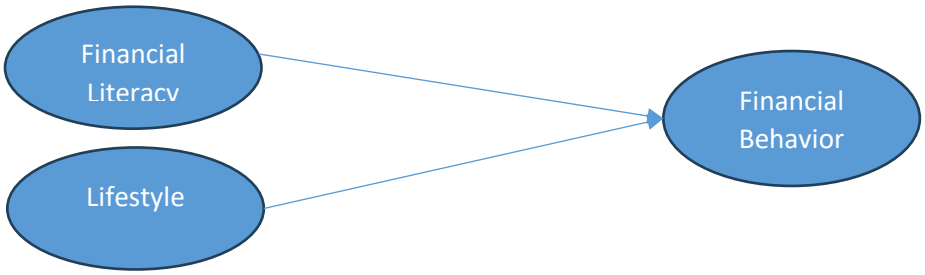
relevant to Palembang's socio-economic environment. This study seeks to bridge this gap by exploring the relationship between financial literacy, lifestyle, and financial behavior using Structural Equation Modeling (SEM), which has proven effective for analyzing complex variable interactions.

H1: Financial literacy has a significant positive influence on financial behavior among e-wallet users.
H2: Lifestyle has a significant positive influence on financial behavior among e-wallet users.

2.5 Conceptual Framework

The conceptual framework visualizing the relationships between key variables is illustrated below:

Figure 1. Coneptual Framework



Source: Data processed, 2024

The conceptual framework presented above illustrates the hypothesized relationships between financial literacy, lifestyle, and financial behavior. Financial literacy is positioned as a cognitive determinant that equips individuals with the knowledge and skills necessary to make informed financial decisions, directly influencing their financial behavior. Lifestyle, on the other hand, represents behavioral and environmental factors, encompassing consumption patterns, habits, and social influences that shape financial practices. Both constructs are posited to have direct, significant effects on financial behavior, which serves as the dependent variable in this study. This model underscores the interplay between cognitive competencies and contextual influences in shaping financial decision-making, providing a comprehensive lens to analyze how these factors contribute to financial behavior in the context of e-wallet users.

3. Research Methodology

This study is conducted in Palembang City from May to August 2024, focusing on e-wallet users aged 17–40 who have engaged in e-wallet transactions within the past three months. The sample comprises 95 respondents selected using purposive sampling, which ensures participants meet predetermined criteria aligned with the research objectives (Yin, 2009). The sample size is determined based on SEM guidelines, with five times the 19 indicators used, adhering to Foster & Johansyah (2021). This approach guarantees representativeness and relevance to the study objectives.

3.1 Data Collection

Data is gathered using three primary techniques (Creswell, 2014):

1. Observation: This method allows researchers to analyze real-time behavioral patterns and practices influencing financial behavior among e-wallet users.
2. Questionnaires: Structured statements measured on a Likert scale collect responses related to financial literacy, lifestyle, and financial behavior. This enables subjective opinions to be quantified into measurable data points.
3. Documentation: Secondary sources, including books, reports, and scientific articles, provide contextual and theoretical support for the analysis.

3.2 Data Analysis

Data analysis is conducted using SEM with Smart PLS 4.1, which combines factor analysis and regression to examine relationships between variables. This variance-based method accommodates reflective and formative indicators, making it suitable for the study's objectives (Purwanto et al., 2021).

1. Outer Model: Assesses indicator validity and reliability using:
   Factor Loadings: Must exceed 0.7.
   Composite Reliability: Minimum of 0.7.
   Average Variance Extracted (AVE): Must exceed 0.5 (Hair et al., 2017).
2. Inner Model: Tests relationships between latent variables using:
   R-squared values: Interpretations include 0.75 (strong), 0.50 (moderate), and 0.25 (weak) (Ghozali & Latan, 2015).
   Path Coefficients: Assessed for significance using bootstrapping with t-values of 1.65 (10%), 1.96 (5%), and 2.58 (1%).

3.3 Operationalization of Variables

The variables in this study and their indicators are defined as follows:

1. Financial Literacy (X1): Encompasses knowledge and skills such as budgeting, saving, and financial decision-making, measured by six reflective indicators (Huston, 2010; Marlina & Irawati, 2018).
2. Lifestyle (X2): Refers to consumption habits, social influences, and preferences, measured through seven reflective indicators (Mahrizal, 2023; Yuneline & Rosanti, 2023).
3. Financial Behavior (Y): Involves actions like spending, saving, and financial planning, measured through six reflective indicators (Widyastuti et al., 2020).

3.4 Proposed Mathematical Model

The relationships between the variables are modeled as follows:

$$Y=\beta 1X1+\beta 2X2+\epsilon$$

Where:

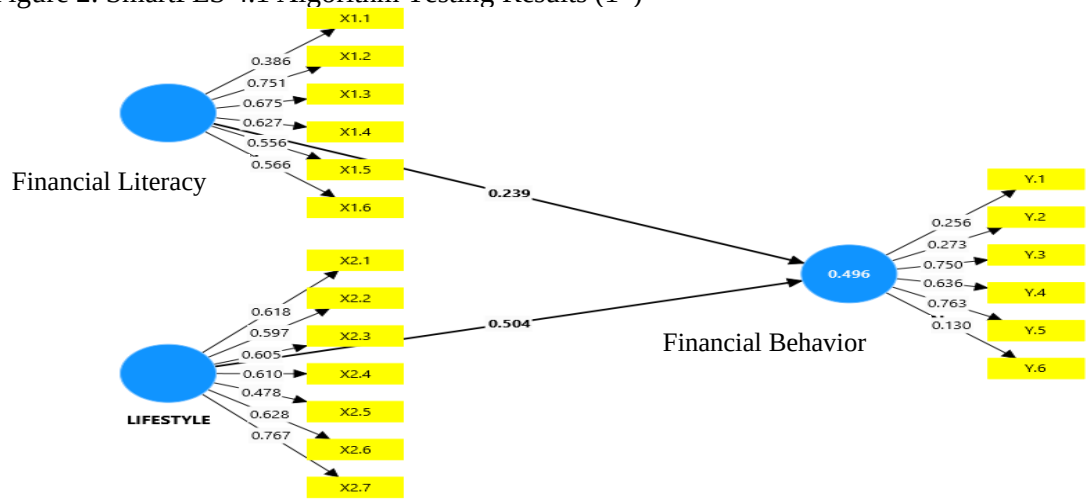
$\beta 1$: Path coefficient of financial literacy (X1) on financial behavior (Y),
$\beta 2$: Path coefficient of lifestyle (X2) on financial behavior (Y),
ϵ : Error term.
R^2: Measures the proportion of variance in financial behavior (Y) explained by financial literacy (X1) and lifestyle (X2).

4. Result and Discussion

4.1 Result

The Outer Model, commonly known as the indicator test, functions as an essential measurement model that establishes a connection between indicators and latent variables. During the execution of the indicator test, a comprehensive model evaluation is conducted, incorporating both validity and reliability assessments. Within the context of Partial Least Squares Structural Equation Modeling (PLS-SEM), construct validity is appraised through two principal dimensions: convergent validity and discriminant validity. To achieve valid and reliable outcomes, we utilize the SmartPLS 4.1 application, which has undergone rigorous validation to confirm its efficacy. Preliminary testing indicated that certain results were both invalid and unreliable; therefore, a systematic methodology was employed to exclude indicators from the variables that demonstrated low values or fell below acceptable thresholds.

Figure 2. SmartPLS 4.1 Algorithm Testing Results (1st)



Source : Output from SmartPLS 4.1., 2024.

The results presented in the figure above illustrate the testing of the outer model (indicator test) focusing on three key aspects: convergent validity, discriminant validity, and reliability. A detailed explanation of these results can be found in the accompanying table.

The Convergent validity test parameters can be evaluated by examining the *smart*PLS algorithm output, which includes *outer loading*, *Average Variance Extracted* (AVE). From table 4.8 above, it can be seen that several indicators have an *outer loading* value that does not meet the requirements <0.7, and the AVE value for each variable also does not reach the standard or is less than 0.5. Therefore, it can be concluded that the variables and indicators of this study have not met the criteria for convergent validity.

Table 1. Indicator Test Result

Validity and Reliability	**Test Result**				**Status**
	Indicator	**Financial Behavior**	**Financial Literacy**	**Lifestyle**	
Outer Loading (Convergent Validity)	Y1	0.256			Invalid
	Y2	0.273			Invalid
	Y3	0.750			Valid
	Y4	0.636			Invalid
	Y5	0.763			Valid
	Y6	0.130			Invalid
	X1. 1	0.386			` Invalid
	X1. 2	0.751			Valid
	X1. 3	0.675			Invalid
	X1. 4	0.627			Invalid
	X1. 5	0.556			Invalid
	X1. 6	0.566			Invalid
	X2. 1	0.618			Invalid
	X2. 2	0.597			Invalid
	X2. 3	0.605			Invalid
	X2. 4	0.610			invalid
	X2. 5	0.478			Invalid
	X2. 6	0.628			Invalid
	X2. 7	0.767			Valid
Average Variance Extracted (AVE)	Financial Behavior		0.384		Invalid
	Financial Literacy		0.365		Invalid
	Lifestyle		0.284		Invalid

Validity and Reliability	Test Result				Status
	Indicator	Financial Behavior	Financial Literacy	Lifestyle	
Composite Reliability	Financial Behavior		0.811		Valid
	Financial Literacy		0.711		Valid
	Lifestyle		0.647		Invalid

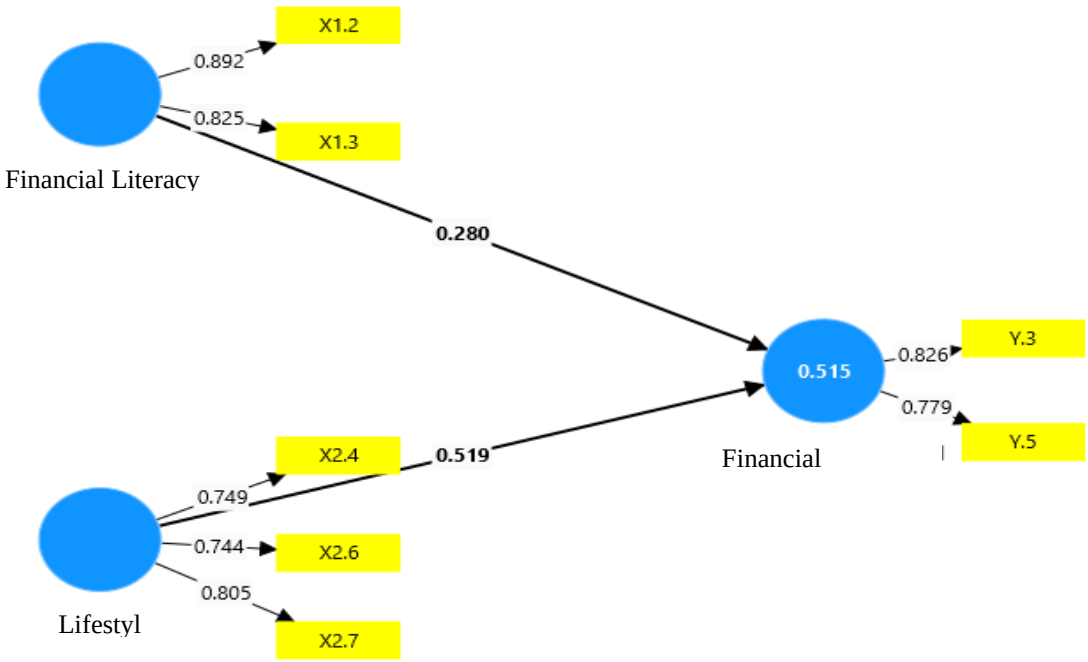
Source : Output Smart PLS 4.1, 2024

The Discriminant validity test parameters can be analyzed from the *smart*PLS algorithm *output* in the form of *cross loading*. In this test, the highest *loading* value seen on an indicator represents the indicator's actual contribution to its variable. If there are indicators that do not reflect the true value of the measured variable, then the indicator needs to be removed from the analysis. This elimination process is carried out even though the indicator shows a valid value or above 0.7. Table 4.8 shows that the indicators used to measure financial behavior, financial literacy, and *lifestyle* variables are still invalid or show values that are not real. Thus, it can be concluded that the variables and indicators used in this study have not met the criteria for discriminant validity.

From the Reliability Test Result measure by reliability of a construct with reflective indicators can be done using two methods, namely with *Cronbach's alpha* or *composite reliability*. The rule in assessing the reliability of a construct is that it must be greater than 0.70. However, using *Cronbach's alpha* to test the reliability of a construct will give a lower value (*under estimate*) so it is more advisable to use *composite reliability* (Ghozali & Latan, 2015).

Based on the results of the indicator test above, it can be concluded that the variables and indicators used in this study are still invalid or have not met convergent validity and discriminant validity, this indicates that the second testing process will be carried out onwards by removing indicators that have a value below 0.70 until the results of convergent validity and discriminant validity become valid. After three tests, the following results were obtained:

Figure 3. SmartPLS 4.1 Algorithm Testing Results (3rd)



Source : Output SmartPLS 4.1

The figure shows the results of testing the third *outer model* (indicator test). A more detailed explanation of the picture above will be explained in the table:

Table 2. The result of Indicator Test (3rd)

Validity and Reliability	Test Result				Status
	Indicator	Financial Behavior	Financial Literacy	Lifestyle	
Outer Loading (Convergent Validity)	Y.3	0.826			
	Y.5	0.779			
	X1.2		0.892		
	X1.3		0.825		
	X2.4			0.749	
	X2.6			0.744	
	X2.7			0.805	
Average Variance Etracted (AVE)	Perilaku Keuangan		0.588		Valid
	Literasi Keuangan		0.738		Valid
	Lifestyle		0.645		Valid
Composite Reliability	Perilaku Keuangan		0.810		Valid
	Literasi Keuangan		0.849		Valid
	Lifestyle		0.784		Valid

Source : Output SmartPLS 4.1

Based on table 4.10 of the third indicator results, it can be explained that each indicator has an *Outer* loading value above 0.7, and the AVE value for each variable is greater than 0.5. Therefore, it can be concluded that the variables and indicators used in this study can be considered valid or have met the convergent validity criteria.

Moreover from the table above, it is known that the indicators used to measure the variables of financial behavior, financial literacy, and *lifestyle* are valid or have shown the real value. Thus, it can be concluded that the variables and indicators used in this study have met discriminant validity. Then, it is known that the variables used in this study have a *composite* reliability value of more than 0.70. So it can be concluded that the variables used in this study are reliable. Thus it can be concluded that the variables and indicators used have met convergent validity, discriminant validity, and reliability tests.

After ensuring that all indicators and variables are valid and reliable, the next step is to analyze the influence between one latent variable and other latent variables, both exogenous and endogenous, as well as its significance by looking at the coefficient of determination (R^2), *Effect Size* (f^2), *Predictive relevance* (Q^2) dan P *Values*. The results of the coefficient of determination (R^2) obtained are as follows: The coefficient of determination is carried out with the intention of measuring how far the model's ability to explain the variation in the dependent variable. The following are the results of the coefficient of determination test which will be explained in the following table:

Table 3. Coefficient of Determination (R^2)

Evaluation	Result	Status
Financial Literacy	0.280	Weak
Lifestyle	0.519	Moderate

Source : Output SmartPLS 4.1

The results indicate varying degrees of influence between the independent variables and financial behavior among e-wallet users in Palembang City. The Financial Literacy variable demonstrates a correlation coefficient of 0.280, suggesting a weak relationship with financial behavior. This finding implies that financial literacy accounts for only 28% of the variance in financial behavior, leaving the

remaining 72% attributable to other factors not included in this study. The result highlights the limited role of financial literacy in shaping e-wallet users' financial management practices within this context. In contrast, the Lifestyle variable exhibits a stronger correlation with financial behavior, with a coefficient of 0.519. This moderate relationship suggests that lifestyle factors influence 51.9% of financial behavior among e-wallet users, while 49.1% remains unexplained by this variable or others excluded from the study. These findings underscore the significant yet partial role of lifestyle in determining financial behavior, pointing to the necessity of exploring additional variables to achieve a comprehensive understanding of e-wallet users' financial practices.

Table 4. *Effect Size*

Evaluation	Result	Status
Lifestyle	0,372	Strong
Financial Literacy	0,108	Moderate

Source : Output SmartPLS 4.1

The findings reveal varying degrees of influence exerted by the independent variables on financial behavior among e-wallet users in Palembang City. The Financial Literacy construct demonstrates a relatively weak correlation with financial behavior, as evidenced by a path coefficient of 0.280. This suggests that financial literacy explains only 28% of the variance in financial behavior, while the remaining 72% is influenced by other unexamined factors. This result underscores the limited but notable role of financial literacy in shaping the financial practices of e-wallet users, necessitating further exploration of complementary variables to fully understand its impact.

Conversely, the Lifestyle construct exhibits a moderate correlation with financial behavior, reflected by a path coefficient of 0.519. This indicates that lifestyle accounts for 51.9% of the variance in financial behavior, leaving 49.1% attributable to other factors not included in the model. These findings highlight the significant influence of lifestyle on financial decision-making and behavioral patterns among e-wallet users. The results emphasize the importance of examining additional contextual and psychological variables to provide a more comprehensive understanding of financial behavior in the digital payment ecosystem.

Tabel 5. Q-Square Predictive Relevance (Q^2)

	Q^2predict	RMSE	MAE
Financial Behavior	0.429	0.791	0.526

Source : Output SmartPLS 4.1

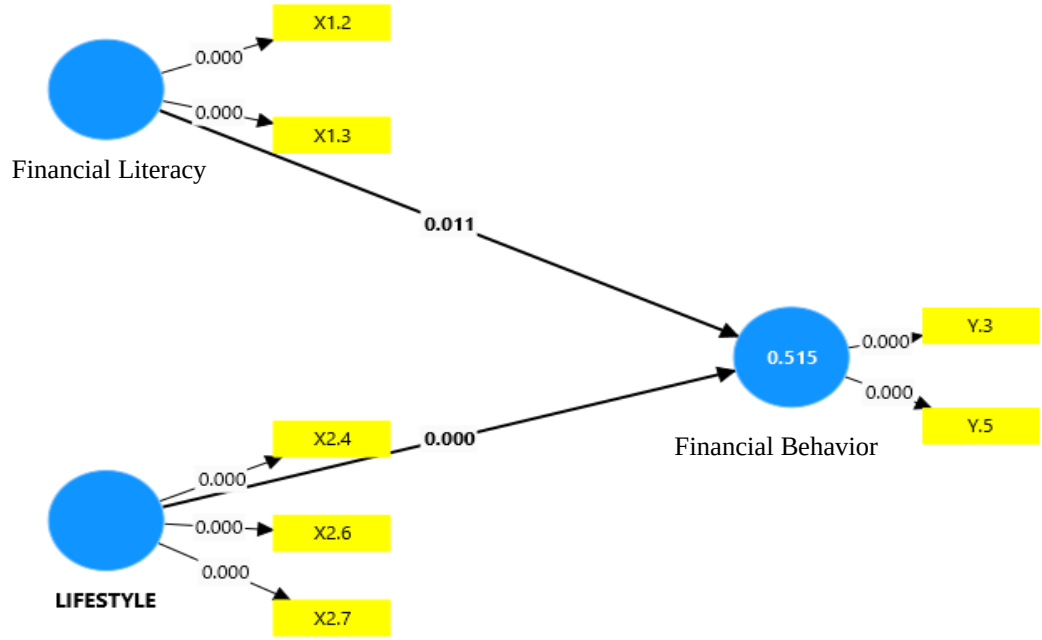
Based on the results of the calculations, the Q^2 value of 0.429, which is greater than 0, indicates that the model possesses good predictive relevance. This result suggests that the observed values generated by the model align well with the expected outcomes, as the Q^2 value approaches 1, further affirming the model's capacity to predict the observed phenomena effectively.

The evaluation of the structural model (inner model) focuses on examining the relationships between latent variables. This includes key metrics such as R-squared (R^2) to assess explanatory power, effect size (f^2) to determine relative impact, predictive relevance (Q^2) to evaluate model predictability, and hypothesis testing to determine the significance of relationships within the model.

The significance of the hypothesized relationships within the structural model is evaluated through the path coefficient values derived from hypothesis testing. This analysis employs the bootstrapping technique in SmartPLS 4.1, which provides a rigorous statistical framework for assessing the strength and significance of relationships between exogenous and endogenous latent variables. The primary criterion for significance is the P-value, which serves as a key metric in determining the reliability of

the proposed relationships. The subsequent section details the results of these calculations and their implications for the validity and robustness of the structural model:

Figure 4. SmartPLS 4.1 Bootsrapping Test Results



Source : Output SmartPLS 4.1

The figure displays the results of the *bootstrapping* test, for more detailed information, it will be explained in the table below:

Table 6. Hypothesis Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
Lifestyle -> Financial Behavior	0.519	0.530	0.120	4.324	0.000
Financial Literacy -> Financial Behavior	0.280	0.286	0.122	2.294	0.011

Source: Output Smart PLS 4.1

The results of the hypothesis testing and analysis reveal that both the Lifestyle and Financial Literacy variables significantly influence Financial Behavior. Specifically, the Lifestyle variable exhibits a P-value of 0.000, well below the significance threshold of 0.05, indicating a robust and statistically significant relationship with Financial Behavior. Similarly, the Financial Literacy variable demonstrates a P-value of 0.011, also below the 0.05 threshold, confirming its statistically significant effect on Financial Behavior. These findings provide empirical support for the proposed hypotheses, highlighting the critical roles of Lifestyle and Financial Literacy in shaping financial.

4.2 Discussion

Based on the analysis conducted, this study investigates the effects of Financial Literacy and Lifestyle on the Financial Behavior of e-wallet users in Palembang City using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The findings highlight significant insights into the

relationships among these variables. The findings of this study reveal that Financial Literacy has a measurable yet weak influence on the Financial Behavior of e-wallet users in Palembang City. The coefficient of determination (R-square) for the Financial Literacy variable is 0.280, indicating that 28% of the variance in Financial Behavior can be explained by Financial Literacy, while the remaining 72% is influenced by other factors not examined in this study. Despite the weak correlation ($R^2 < 0.30$), the P-value of 0.011 (<0.05) confirms that the relationship is statistically significant. This suggests that higher financial literacy positively impacts financial decision-making and behavior, even if its overall explanatory power is limited.

These findings demonstrated a negative yet significant influence of Financial Literacy on students' consumptive behavior. The results emphasize the critical role of Financial Literacy in equipping individuals with the knowledge and skills necessary for making informed financial decisions. However, the relatively weak explanatory power observed in this study suggests that additional variables, such as financial attitudes or technological efficacy, may also play a significant role in shaping Financial Behavior in the context of e-wallet usage. This indicates the need for further exploration of complementary factors that interact with Financial Literacy to influence financial behavior more holistically.

The study also demonstrates that Lifestyle has a significant and moderate influence on the Financial Behavior of e-wallet users in Palembang City. The R-square value for the Lifestyle variable is 0.519, indicating that 51.9% of the variance in Financial Behavior can be attributed to Lifestyle, while the remaining 48.1% is explained by other unexamined variables. The P-value of 0.000 (<0.05) further confirms the statistical significance of this relationship, highlighting Lifestyle as a stronger determinant of Financial Behavior compared to Financial Literacy.

These findings established a significant relationship between Lifestyle and Financial Behavior among e-wallet users. The results suggest that Lifestyle factors, including spending habits, interests, and engagement with digital platforms, significantly shape how individuals manage their finances. The stronger explanatory power of Lifestyle underscores the importance of behavioral and environmental influences in financial decision-making, particularly in a digitalized economy where e-wallets are increasingly integrated into daily financial practices.

5. Conclusion

This research confirm that both Financial Literacy and Lifestyle significantly influence Financial Behavior, with Lifestyle exerting a stronger effect. These results provide a foundation for future studies and practical strategies aimed at fostering responsible financial management in the digital age. By addressing both cognitive and behavioral dimensions, stakeholders can create a more inclusive and sustainable financial ecosystem for e-wallet users.

The comparative analysis of Financial Literacy and Lifestyle highlights the more substantial role of Lifestyle in influencing Financial Behavior. While Financial Literacy provides the foundational knowledge for informed decision-making, Lifestyle reflects the practical application of such knowledge in alignment with individual preferences, habits, and environmental factors. The findings suggest that e-wallet providers and policymakers should prioritize interventions that address both cognitive and behavioral dimensions of financial management. For instance, integrating financial education with tools that promote responsible spending, such as personalized budget trackers, could amplify the positive effects of Financial Literacy.

Moreover, the significant impact of Lifestyle on Financial Behavior points to the need for a deeper understanding of consumer preferences and patterns in the context of digital finance. Policymakers and service providers must consider lifestyle compatibility when designing and promoting financial

products to ensure that they align with user habits and encourage sustainable financial practices. While this study provides valuable insights, certain limitations must be acknowledged. First, the relatively weak influence of Financial Literacy on Financial Behavior suggests that additional variables, such as digital trust, technological efficacy, or socio-economic factors, may play a critical role in shaping financial behavior. Future research should explore these factors to provide a more comprehensive understanding of the dynamics influencing e-wallet users' financial practices. Additionally, expanding the geographic scope of the study beyond Palembang City could enhance the generalizability of the findings and uncover regional variations in financial behavior.

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