



Factors affecting saving behavior of generation Z in Batam city


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Abstract

Savings make a significant contribution to a nation's economic development and are beneficial to people's lives. This study intends to analyze the variables that may affect Generation Z's saving behaviors in Batam City. Data were gathered between November 2022 and March 2023 from 458 Generation Z members in Batam City using purposive sampling through an online questionnaire survey. The method used to analyze the data is the partial least squares - structural equation model (PLS-SEM). The result of this study indicates that financial literacy, religious belief, and future orientation significantly positively influence saving intention. Furthermore, peer influence, parent socialization, and saving intention significantly influence saving behavior. Saving intention also mediates the relationship between financial literacy, religious belief, and future orientation with saving behavior. This study's limitation is that it solely examines Generation Z in Batam City. It is advised to conduct more studies to include other factors in the model.

Keywords: Financial literacy, Generation Z, Savings, Saving behavior, Saving intention.

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1. Introduction

Savings is a portion of income that people put aside to cover potential unforeseen costs as well as their future requirements. Savings rates have a positive effect on people's lives as well as a nation's economic development (Ling, 2021). Savings enable people to accumulate assets, be ready for investing possibilities, and start retirement accounts. The act of setting money aside and making investments for the future is called saving behavior (Hashim & Kamarudin, 2018). Savings constitute a form of internal capital accumulation for a country, and the savings rate can be used to assess a country's growth. Even during economic downturns, governments and corporations can use savings as a source of funds rather than seeking external investment from outside the country (Suppakitjarak & Krishnamra, 2015). However, according to data from the World Bank, (2022), Indonesia's gross savings as a percentage of GDP has been declining since 2010, reached just 29% in 2020. In comparison to other Southeast Asian countries, Brunei Darussalam has reached 51% and 40% in Singapore.

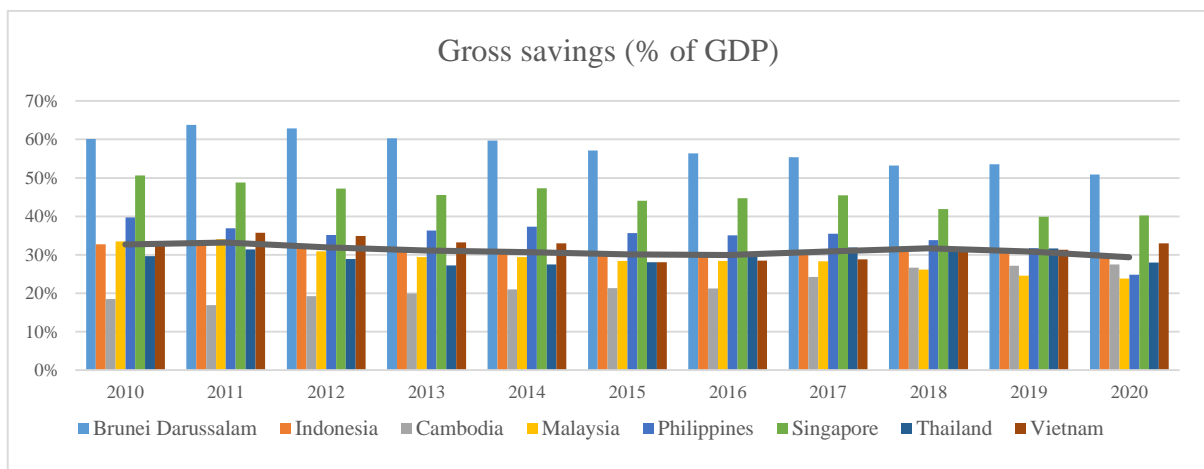


Figure 1. Gross savings as a percentage of GDP
Source: World Bank, (2022)

To contribute to the national savings, according to data from Bank Indonesia, (2022), when comparing the quantity of savings in Batam City to the national level, the amount of savings in Batam City contributes less than 1%. Batam City, As the biggest city in the islands of Kepulauan Riau Province, can make a larger contribution to the total savings amount, the data can be seen in Table 1. An increasing savings rate promotes rapid economic growth; consequently, taking steps to boost savings in an economy is vital because it ensures personal prosperity and overall economic development.

Table 1. Comparison of Savings in Batam City and Savings throughout Indonesia
(In millions of rupiah)

Period		Indonesia's Total Savings	Batam City's Total Savings	% Batam
2020	Q1	Rp 1.953.000	Rp 18.545	0,95%
	Q2	Rp 2.005.000	Rp 19.017	0,95%
	Q3	Rp 2.072.000	Rp 19.579	0,94%
	Q4	Rp 2.195.000	Rp 20.284	0,92%
2021	Q1	Rp 2.152.000	Rp 20.185	0,94%
	Q2	Rp 2.261.000	Rp 21.311	0,94%
	Q3	Rp 2.312.000	Rp 21.786	0,94%
	Q4	Rp 2.452.000	Rp 22.390	0,91%

(In millions of rupiah)

Period		Indonesia's Total Savings	Batam City's Total Savings	% Batam
2022	Q1	Rp 2.455.000	Rp 22.720	0,93%
	Q2	Rp 2.537.000	Rp 23.415	0,92%

Source: Bank Indonesia, (2022)

Those born between 1995 and 2010 are referred to as Generation Z (Turner, 2015). They are said to have been raised in the new technology period and to have traits including a strong dependence on technology, a tendency toward practicality, and social interaction in the virtual world. These characteristics contribute to a high level of consumerism. Data From Badan Pusat Statistik (BPS) shows that in 2020, the population of Batam reached 1,196,396 people, with Millennials accounting for 30.44% and Generation Z closely following at 27.12% (BPS Kota Batam, 2020). The large number of Generation Z as a future workforce presents an opportunity to drive economic growth by increasing the savings rate in Batam City. However, according to a survey by the IDN Research Institute and Populix, (IDN & Populix, 2022), Generation Z spends approximately 70.59% of their income on food, followed by entertainment and other expenses. Because saving benefits both people and the economy, this study was done to examine the factors affecting saving behavior among Batam City's Generation Z.

The purpose of this study is to examine the factors that could affect Generation Z's saving behavior in Batam City in light of the background information provided above by investigating factors such as peer influence, self-control, financial literacy, religious belief, future orientation and parent socialization mediated by saving intention because according to Theory of Planned Behavior (TPB) proposed by Ajzen, (1991), the precedent of any behaviour is the formation of an intention towards that behaviour. This research is a developmental and replication study of previous similar research (Ismail et al., 2018; Satsios et al., 2020; Rhu et al., 2021; Ling, 2021; Angela & Pamungkas, 2022; Alfi & Yusuf, 2022) but with different objects, variables, and periods. The distinction between this study and prior research lies in the development of the research object, which is the saving behavior of Generation Z, and the period for conducting the analysis. The researcher is interested in conducting this study because Batam City, one of Indonesia's prominent industrial hubs, has demonstrated remarkable resilience in the face of economic challenges triggered by the COVID-19 pandemic. Despite a sluggish start, the city managed to rebound in 2021, achieving an impressive economic growth rate of 4.75%, followed by an even more robust 6.84% growth in 2022 (BP Batam, 2023). A key driving force behind this resurgence has been their strategic focus on infrastructure development, which includes the construction of vital road networks connecting to ports and airports, the revitalization of the airport, and ambitious projects like the planned Light Rapid Transit (LRT) system. Additionally, Batam is consistently working on establishing Special Economic Zones (SEZ) to stimulate investment (BP Batam, 2023). While foreign investment plays a vital role, the city can also look to internal capital accumulation as an additional source of funds for sustained development. Generation Z represents a new wave of the workforce entering the job market. Previous research on saving behavior has mostly focused on Generation Y or Millennials as the research objects given that the majority of Generation Y is still within the productive age range (Murdayanti et al., 2020; Budiman & Yanty, 2022; Yuwono & Sutini, 2022; Lopez et al., 2023). The use of factors like religious belief and future orientation, which have not been thoroughly investigated in terms of their impact on saving behavior, is another novelty of this study. Particularly in highly religious nations like Indonesia, religion has a tremendous impact on how people think and behave. The choices made in terms of saving habits might also be reflected in one's attitude toward the future.

2. Literature Review and Hypothesis Development

The Theory of Planned Behavior is an expansion of the Theory of Reasoned Action that integrates belief assessment and perceived behavioral control to address activities in which individuals have imperfect control over their choice (Ajzen & Fishbein, 1977; Ajzen, 1985, Ajzen, 1991). TPB predicts people's intentions to take part in a certain behavior at a specific time and place. To forecast financial and saving habits, TPB-based models have been regularly used in the field of finance and money management (Ajzen, 2002). The Theory of Planned Behavior provides a framework for exploring the beliefs that influence an individual's financial behavior. Thus, TPB is helpful in investigating and creating strategies to assist in adopting positive financial behaviors. Saving behavior is the psychological act of avoiding spending money in the present and instead holding it in an account for future use (Hashim & Kamarudin, 2018). From a financial standpoint, saving behavior develops when the quantity of money spent is less than the amount of revenue produced, and a monthly cost limit is set. (Ahmad et al., 2015).

Peer influence is the term used to describe the impact of a social group made up of two or more people who have positive social interactions and shared personality traits, such as being of a similar age (Amilia et al., 2018). According to Salim & Pamungkas, (2022), everyday interactions with peer groups who have a saving habit can drive others to save as well. The study's findings are likewise consistent with the results of (Kadir et al., 2021), (Ling, 2021), (Danish et al., 2021) and (Dangol & Maharjan, 2018). As a result, previous research suggests that Peer Influence affects saving behavior.

H1: Peer influence has a significant influence on saving behavior.

Self-control is defined as the ability to understand one's own desires and is distinguished by accountability and the ability to reject instant fulfillment. Rhu et al., (2021) found that individuals with strong self discipline can continuously save, display responsible financial conduct, recognize their most important requirements, and abstain from splurging on useless stuff. Additionally, several research has discovered a positive link between self-control and saving intention (Strömbäck et al., 2017; Ling, 2021).

Further research by Rhu et al., (2021) on Malaysian students suggests that self-control and saving behavior have significance through the mediation of saving intention. This implies that the likelihood of engaging in wise saving behavior increases with higher degrees of self-control, which is supported by a high saving intention as well. These findings are similar to the research conducted by (Danish et al., 2021) and (Strömbäck et al., 2017).

H2: Self-control has a significant influence on saving intention.

H8: Self-control has a significant influence on saving behavior with the mediation of saving intention.

Financial literacy is the awareness and grasp of ideas and hazards, and the capacity to utilize such knowledge in making good decisions in a variety of financial circumstances (Garg & Singh, 2018). Financial knowledge and capability are influenced by various factors such as experience, skills, income, and individual needs. Additionally, this may increase individual consumers' interest in financial services and market (Marheni, 2020). According to Peiris, (2021) on the saving behavior of Sri Lankan employees, increased knowledge of the financial system can help individuals make more educated and effective decisions about money management and saving. The findings of Widjaja et al., (2020) indicate a significant positive influence between financial literacy and saving intention, as the integration and effectiveness of financial knowledge utilization, such as personal financial management, budgeting, and saving, is highlighted by financial literacy. These findings are in accordance with previous research by

(Gilenko & Chernova, 2021), (Morgan & Long, 2020), (Nguyen & Doan, 2020) dan (Kadir et al., 2021).

Further research by Peiris, (2021) states that the relationship between financial literacy and saving behavior is mediated by saving intention. This is because understanding the financial system can encourage the formation of stronger saving intentions and help foster good saving behavior. These findings are supported by the research of Widjaja et al., (2020) which indicates that saving intention mediates the influence of financial literacy on saving behavior. This is because having a thorough understanding of financial assets, including their types, attitudes toward them, and awareness of them, will motivate people to display high-saving behavior. The findings of this study are consistent with past studies done by (Widyastuti et al., 2016) and (Danish et al., 2021).

H3: Financial literacy has a significant influence on saving intention.

H9: Financial literacy has a significant influence on saving behavior with the mediation of saving intention.

Religious belief refers to a person's faith and veneration for God or deities, as well as their engagement in belief-based activities (Adeyemo & Adeleye, 2008). The study on the saving intentions of the Indonesian Muslim population researched by Hariyanto & Nafi'ah, (2022) indicated a significant positive relationship between religious belief and saving intention. This is because religion frequently encourages saving and discourages frivolous spending. Alfi & Yusuf, (2022) also revealed that, because religious teachings forbid lavish spending, religious belief has a strong positive impact on saving intention. This study is also consistent with the research conducted by (Ismail et al., 2018), (Goi et al., 2019), (Hadjidakis & Satsios, 2017) dan (Nugroho et al., 2017).

Subsequent research by Alfi & Yusuf, (2022) into how religiosity affects saving behavior among Muslim students in Indonesia demonstrates that saving intention acts as a mediator between the impact of religious belief and saving behavior. Strongly religious people are more inclined to have good thoughts about saving and to act on those goals by saving money. Similar findings can be seen in the study conducted by Satsios & Hadjidakis, (2018).

H4: Religious belief has a significant influence on saving intention.

H10: Religious belief has a significant influence on saving behavior with the mediation of saving intention.

Future orientation is a mindset that examines a broader perspective, prefers to conduct with a future emphasis, and necessitates long-term thinking and short-term cost planning to reap long-term rewards (Buccioli & Zarri, 2019). Rabinovich & Webley, (2007) found that households with forward-looking tendencies understand the importance of saving, are more likely to make savings plans, and consistently stick to those plans. This study is also aligned with the findings of (Alkhwaja & Albaity, 2022), (Brounen et al., 2016), (Kimiyağahlam et al., 2019) and (Rolison et al., 2017). Further research by Rabinovich et al., (2010) stated that saving intention mediates the influence of future orientation on saving behavior. In the process of considering future possibilities, behaviors focused on the future tend to be formed, and this can facilitate consistent implementation of financial plans.

H5: Future orientation has a significant influence on saving intention.

H11: Future orientation has a significant influence on saving behavior with the mediation of saving intention.

Parent socialization refers to the impact that parents have on their children to raise awareness of the need for saving through character development, kid habits, and the example given by the parents' behavior (Angela & Pamungkas, 2022). Kadir et al., (2021) who studied the impact of parental socialization on saving behavior among Malaysian students, discovered that children who are encouraged to save from a young age are more likely to establish and keep the habit of saving throughout adulthood. According to Afsar et al., (2018), there is a significant positive influence between parent socialization and saving behavior because parents play a vital role in controlling their children's costs and inspiring them to save. Similar findings can be seen in the study conducted by (Salim & Pamungkas, 2022), (Ling, 2021), (Dangol & Maharjan, 2018), (Khatun, 2018) dan (Hashim & Kamarudin, 2018).

H6: Parent socialization has a significant influence on saving behavior.

An essential component of the Theory of Planned Behavior is saving intention, which is thought to have a direct effect on behavior because intention expresses an individual's level of effort to engage in a given behavior (Kautonen et al., 2015). As a result, a stronger intention is more likely to result in that behavior being performed. The study by Satsios et al., (2020) suggests that there is a significant positive influence between saving intention and saving behavior because individuals with high saving intention face fewer obstacles in saving. These findings are in line with the research conducted by (Widyastuti et al., 2016), (Rhu et al., 2021), (Peiris, 2021) dan (Hadjidakis & Satsios, 2017).

H7: Saving intention has a significant influence on saving behavior.

3. Methodology

This research is a quantitative study aiming to explore the causes and effects of specific factors (Sugiyono, 2014). Generation Z, individuals born in Batam City between the years 1995 and 2010 (Turner, 2015), is the target group in this study. According to Hair et al., (2014), the sample size determination method used in this study is the 10-times rule for analyzing data using the partial least squares-structural equation model (PLS-SEM) to estimate complex models with many constructs, indicator variables and structural paths without imposing distributional assumptions on the data (Hair et al., 2019). This means that the sample size required for this study is 10 x 45 Indicators. Data were collected from November 2022 to March 2023 through an online questionnaire survey using purposive sampling to gather the required amount of data. After data collection, a total of 458 responses were obtained. The questionnaire was broken into three parts: the first section contained screening questions; the second section presented respondent profiles; and the final section used a five-point Likert scale, from strongly disagree (1) to strongly agree (5), to investigate each factor.

4. Results and Discussion

The data processing process began with conducting a descriptive analysis of the collected respondents' answers. The majority of respondents were female (70.09%), with the age range of ≥ 21 - < 24 years being the majority among the respondents (37.55%). As many as 60.26% of the respondents had their highest educational level at the high school level or equivalent, and most of the respondents were still in the education level as students and university students (53.05%). In terms of income, 50% of the respondents make less than Rp3,000,000 per month. Only a few can earn more than Rp6,000,000 (8.08%), and much of this income is obtained from

employment wages (53.28%). Most of the respondents adhere to the Islamic religion (57.86%), with a minority of respondents practicing Confucianism (0.87%).

Table 2. Profile of Respondent

Characteristic	Criteria	Frequency (n=458)	Percentage
Gender	Male	137	29,91%
	Female	321	70,09%
Age	13 - <15	4	0,87%
	≥15 - <18	24	5,24%
	≥18 - <21	158	34,51%
	≥21 - <24	172	37,55%
	≥24 – 28	100	21,83%
Last Education	Middle School	9	1,97%
	High School	276	60,26%
	Associate's degree	32	6,99%
	Bachelor's degree	141	30,78%
Occupation	Student	243	53,05%
	Employee	206	44,98%
	Entrepreneur	1	0,21%
	Unemployed	8	1,76%
Source Of Income	Job Salary	244	53,28%
	Parents Pocket Money	214	46,72%
Monthly Income	<Rp3.000.000	229	50%
	≥Rp3.000.000 - <Rp4.500.000	106	23,14%
	≥Rp4.500.000 - <Rp6.000.000	86	18,78%
	≥Rp6.000.000	37	8,08%
Religion	Buddhist	115	25,11%
	Hindu	6	1,31%
	Islam	265	57,86%
	Christian	48	10,48%
	Catholic	20	4,37%
	Confucianism	4	0,87%

After processing the test results, it was found that several indicators had outer loadings that did not reach 0.60. These indicators include Peer Influence-5, Future Orientation-2, and Saving Behavior-5. All indicators that do not meet the standard will be eliminated and will not be considered in the next testing. The remaining indicators have met the correlation requirements and are considered valid.

Table 3. Validity Test Result

Indicator	Outer Loadings	AVE	Conclusion
Peer Influence 1	0,917	0,708	Valid
Peer Influence 2	0,849		Valid
Peer Influence 3	0,777		Valid
Peer Influence 4	0,817		Valid

Indicator	Outer Loadings	AVE	Conclusion
Parent Socialization 1	0,772	0,525	Valid
Parent Socialization 2	0,665		Valid
Parent Socialization 3	0,766		Valid
Parent Socialization 4	0,650		Valid
Parent Socialization 5	0,760		Valid
Financial Literacy 1	0,783	0,566	Valid
Financial Literacy 2	0,653		Valid
Financial Literacy 3	0,791		Valid
Financial Literacy 4	0,718		Valid
Financial Literacy 5	0,796		Valid
Financial Literacy 6	0,764		Valid
Self-Control 1	0,905	0,763	Valid
Self-Control 2	0,867		Valid
Self-Control 3	0,885		Valid
Self-Control 4	0,837		Valid
Self-Control 5	0,888		Valid
Self-Control 6	0,859		Valid
Religious Belief 1	0,811	0,613	Valid
Religious Belief 2	0,726		Valid
Religious Belief 3	0,836		Valid
Religious Belief 4	0,747		Valid
Religious Belief 5	0,759		Valid
Religious Belief 6	0,811		Valid
Future Orientation 1	0,701	0,513	Valid
Future Orientation 3	0,662		Valid
Future Orientation 4	0,707		Valid
Future Orientation 5	0,817		Valid
Future Orientation 6	0,683		Valid
Saving Intention 1	0,778		0,538
Saving Intention 2	0,730	Valid	
Saving Intention 3	0,755	Valid	
Saving Intention 4	0,696	Valid	
Saving Intention 5	0,708	Valid	
Saving Behavior 1	0,827	0,545	Valid
Saving Behavior 2	0,675		Valid
Saving Behavior 3	0,712		Valid
Saving Behavior 4	0,796		Valid
Saving Behavior 6	0,667		Valid

Based on the findings of the reliability test in Table 4, the values of Cronbach's Alpha and Composite Reliability have reached above 0.70. These values reflect the consistency of all questionnaire statements in the model and the coherence between indicator values and measured variables, indicating high consistency and reliability.

Table 4. Reliability Test Result

Indicator	Cronbach's Alpha	Composite Reliability	Conclusion
Peer Influence	0,872	0,906	Reliable
Parent Socialization	0,780	0,846	Reliable
Financial Literacy	0,847	0,886	Reliable
Self-Control	0,939	0,951	Reliable
Religious Belief	0,873	0,904	Reliable
Future Orientation	0,764	0,840	Reliable
Saving Intention	0,786	0,853	Reliable
Saving Behavior	0,789	0,856	Reliable

The Fornell-Larcker Criterion compares the correlation coefficients between the model's component parts with the square root of the average variance extracted (AVE) for each construct. The results show that the value of each construct is greater than its relationship to other constructs in the model. The discriminant validity data is therefore regarded as valid.

Table 5. Discriminant Validity Test Result

	Financial Literacy	Future Orientation	Parent Socialization	Peer Influence	Religious Belief	Saving Behavior	Saving Intention	Self-Control
Financial Literacy	0,753							
Future Orientation	0,628	0,716						
Parent Socialization	0,491	0,580	0,725					
Peer Influence	0,094	0,060	0,031	0,842				
Religious Belief	0,440	0,648	0,576	0,050	0,783			
Saving Behavior	0,597	0,707	0,544	0,072	0,590	0,738		
Saving Intention	0,491	0,619	0,590	-0,015	0,697	0,604	0,734	
Self-Control	0,232	0,102	0,112	0,159	0,058	0,201	0,122	0,874

The results from Table 6. indicate that the variables of financial literacy, self-control, religious belief, and future orientation explain 54.8% of the variation in saving intention, while other variables account for the remaining 45.2%. This is considered a "substantial" prediction according to the R Square criterion (Hair, Black, et al., 2019). The R Square test results for saving behavior indicate an output of 42.4%, suggesting that the variables of peer influence, parental socialization, financial literacy, self-control, religious belief, and future orientation explain 42.4% of the variation. This falls into the "moderate" prediction category based on the R Square criterion (Hair, Black, et al., 2019). The Goodness of Fit (GoF) test results in Table 7 show an output of 0.538, indicating that the GoF exceeds 0.36. Therefore, the model used in this study can be categorized as a strong model (Ghozali, 2021).

Table 6. Coefficient of Determination Result (R²)

Variable	R ²	Percentage
Saving Intention	0,548	54,80%
Saving Behavior	0,424	42,40%

Table 7. The Goodness of Fit Model Result

Communality	R ²	GOF	Conclusion
0,596	0,486	0,538	Strong

The research findings suggest that Peer influence significantly influences Saving Behavior. Generation Z individuals, as they grow older, become less reliant on their parents and more focused on their peers. They compare statuses, discuss money management matters, and spend leisure time with their peers (Dangol & Maharjan, 2018). Therefore, Peer Influence plays a crucial role in shaping Generation Z's saving behavior in Batam City. These findings are also supported by the research conducted by (Salim & Pamungkas, 2022), (Dangol & Maharjan, 2018), (Kadir et al., 2021) and (Ling, 2021).

Self-Control was not found to significantly influence the saving intention of Generation Z in Batam City. Generation Z in Batam City exhibits a lack of discipline and self-control, prioritizing spending on entertainment rather than saving. They face challenges in resisting the allure of following trends and adopting new technologies. Consequently, many Generation Z individuals struggle to control their desires, resulting in excessive spending (Kadir et al., 2021). The results are consistent with previous research by (Kadir et al., 2021), (Budiman & Yanty, 2022a) dan (Satsios et al., 2020).

Financial Literacy has a significant positive influence on Saving Intention. Having more knowledge about the financial system can help individuals make more informed and wise decisions regarding savings and money management (Peiris, 2021). These results align with earlier studies carried out by (Peiris, 2021), (Widjaja et al., 2020), (Gilenko & Chernova, 2021), (Morgan & Long, 2020), (Nguyen & Doan, 2020), (Kadir et al., 2021), (Widyastuti et al., 2016).

Religious Belief demonstrates a significant positive relationship with Saving Intention among Generation Z in Batam City, which is in line with previous research conducted by (Hariyanto & Nafi'ah, 2022), (Alfi & Yusuf, 2022), (Nugroho et al., 2017), (Ismail et al., 2018), (Goi et al., 2019) and (Hadjidakis & Satsios, 2017). This is because most religions promote saving and decry unnecessary expenditure. (Hariyanto & Nafi'ah, 2022).

The results regarding Future Orientation show a significant positive relationship with Saving Intention. Long-term thinkers are more prone to think about retirement and investing for the future. These findings are also supported by the research conducted by (Alkhwaja & Albaity, 2022), (Kimiyaahlam et al., 2019), (Brounen et al., 2016) dan (Rolison et al., 2017). Therefore, it can be concluded that Future Orientation can shape the goals and plans for saving among Generation Z in Batam City.

Parent Socialization significantly influences saving behavior. The respondents in this study were taught to save at a young age and will maintain this habit throughout their lives (Kadir et al., 2021). These research findings align with previous literature, including studies conducted by (Kadir et al., 2021), (Afsar et al., 2018), (Salim & Pamungkas, 2022), (Ling, 2021), (Dangol & Maharjan, 2018), (Khatun, 2018) and (Hashim & Kamarudin, 2018).

Saving intention significantly influences saving behavior in Generation Z in Batam City. High intentions are associated with fewer barriers to saving money (Satsios et al., 2020). These findings lend support to the Theory of Planned Behavior, which holds that intention predicts

behavior directly. The findings are also supported by the research conducted by (Rhu et al., 2021), (Satsios et al., 2020), (Peiris, 2021), (Hadjidakis & Satsios, 2017) dan (Widyastuti et al., 2016).

Table 8. Path Coefficients Result (Hypothesis Testing)

Hypothesis	Coefficients	P-Value	Result
Direct			
H ₁ : Peer Influence → Saving Behavior	0,132	0,027	Accepted
H ₂ : Self-Control → Saving Intention	0,205	0,224	Rejected
H ₃ : Financial Literacy → Saving Intention	0,286	0,008	Accepted
H ₄ : Religious Belief → Saving Intention	0,073	0,000	Accepted
H ₅ : Future Orientation → Saving Intention	0,504	0,001	Accepted
H ₆ : Parent Socialization → Saving Behavior	0,434	0,000	Accepted
H ₇ : Saving Intention → Saving Behavior	0,041	0,000	Accepted

According to the study's findings, in Batam City's Generation Z, Saving Intention does not serve as a mediator between Self-Control and Saving Behavior. It can be concluded that a lack of financial discipline does not lead to a good saving habit. These results are supported by prior research by (Satsios et al., 2020).

Saving Intention mediates the relationship of Financial Literacy on Saving Behavior among Generation Z in Batam City. The research findings indicate that savings behavior is improved by having thorough knowledge of the financial system, particularly by creating a stronger Saving Intention. The results are consistent with previous research by (Widjaja et al., 2020), (Peiris, 2021), (Widyastuti et al., 2016) and (Danish et al., 2021).

Religious belief influences saving behavior of Generation Z in Batam City through saving intention mediation. Individuals with strong religious beliefs tend to have higher saving intentions and can translate them into good saving behaviors, as religions encourage saving and discourage wasteful spending. The research findings align with previous studies by (Alfi & Yusuf, 2022) and (Satsios & Hadjidakis, 2018).

There is an influence of Future Orientation on Saving Behavior mediated by Saving Intention. This is because in the process of considering future outcomes, attitudes towards future-oriented behavior tend to form, and thinking about the long-term future can make such attitudes more prominent. The findings are consistent with previous research by (Rabinovich et al., 2010).

Table 9. Indirect Effect Result (Intervening Testing)

Hypothesis	Coefficients	P-Value	Result
Indirect			
H ₈ : Self-Control→Saving Intention→Saving Behavior	0,018	0,230	Rejected
H ₉ : Financial Literacy→Saving Intention→Saving Behavior	0,058	0,028	Accepted
H ₁₀ : Religious Belief→Saving Intention→Saving Behavior	0,218	0,000	Accepted
H ₁₁ : Future Orientation→Saving Intention→Saving Behavior	0,091	0,008	Accepted

5. Conclusion

Savings contribute significantly to a nation's economic development and have a positive impact on individuals. This study aims to analyze the factors that can affect the saving behavior of

Generation Z in Batam City. The research findings indicate that financial literacy, religious belief, and future orientation have a significant positive influence on saving intention. Furthermore, peer influence, parent socialization, and saving intention significantly influence saving behavior. Saving intention also mediates the impact of financial literacy, religious belief, and future orientation on saving behavior.

This study provides a better understanding of the factors that can influence saving behavior among Generation Z in Batam City, which can be beneficial in increasing savings rates to drive rapid economic growth, ensuring personal well-being, and overall economic prosperity. There are several limitations to this study. It was confined to Generation Z in Batam City and did not include other regions due to time and cost constraints. Another limitation is the data collection method, which relies on online surveys, potentially raising issues of respondent honesty and reliability in answering research questions. Therefore, further research is recommended to investigate the influence of saving behavior in areas other than Batam, as well as to further explore the integration of other variables into the model, such as media influence as found in (Putri & Wijaya, 2020) to deepen our understanding of the factors affecting saving behavior.

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