

Financial Socialization Among Generation Z: How Children of Millennial Parents Internalize Money Values

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ABSTRACT

Purpose - This study aims to explore how Generation Z in East Java interprets and internalises financial values transmitted by millennial parents amid the dominance of digital technology and social media. Specifically, it examines how family financial teachings are renegotiated in the context of digital algorithms, peers, and contemporary consumer culture.

Methodology - A qualitative phenomenological approach was employed to explore Gen Z's lived experiences of financial socialization. Data were gathered through semi-structured interviews with 25 Gen Z individuals and several millennial parents. Interpretative Phenomenological Analysis (IPA) was used to generate themes and interpret meaning-making processes across cases.

Findings - Four primary themes were discerned: (1) parental modeling, wherein daily financial routines cultivated prudence and budgeting skills; (2) financial conversations, characterized by dialogic negotiation that promoted reasoning and deferred gratification; (3) digital finance negotiation, where participants integrated parental norms with fintech practices, resulting in hybrid financial values; and (4) identity and social comparison, illustrating the tensions between familial values and social media-induced lifestyle pressures.

Contribution - Financial value internalization among Indonesian Gen Z is both intergenerational and sociotechnical. The findings point out the need for financial education that integrates digital literacy, awareness of algorithmic influence, and strategies to manage social comparison pressures.

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INTRODUCTION

The increasing complexity of the financial landscape faced by young people in the digital era has intensified scholarly interest in understanding how financial attitudes and behaviors are formed during early life stages. Generation Z, individuals born roughly between the late 1990s and early 2010s, navigates financial

environments shaped by digital payment systems, pervasive social media influences, and the rapid expansion of fintech services. These conditions expose young people to unprecedented financial choices, temptations, and risks. Despite their digital fluency, empirical studies consistently show substantial variation in financial capability, suggesting that technological familiarity does not necessarily translate into sound financial judgment (Azizah et al., 2024; LeBaron et al., 2020). This raises critical questions regarding the origins of financial values and competencies among emerging adults.

Family remains the primary context in which foundational financial beliefs are formed. According to the Family Financial Socialization Theory (Zhao & Zhang, 2020), parental modeling, intentional teaching, financial communication, and opportunities for experiential learning shape children's long-term financial attitudes and behaviors. Prior research demonstrates that parental financial socialization predicts outcomes such as saving behavior, financial self-efficacy, and responsible money management (Zhu, 2020; Putra, 2018). However, much of the existing literature has examined financial socialization using quantitative designs that focus on correlations between parental practices and observable financial behaviors, with limited attention to the underlying interpretive processes through which young people internalize financial values (Hidayat et al., 2025)

Family financial socialisation has long been understood as the primary mechanism for shaping children's financial behaviour through parental modelling and communication. The Family Financial Socialization Theory emphasises the importance of modelling and discussion in forming attitudes towards savings, consumption, risk, and future planning (Pak et al., 2024). However, most studies still frame this relationship within a cause-and-effect framework that measures the influence of parental practices on children's behaviour (Chawla et al., 2022; Fagan & Benedini, 2018), thereby paying less attention to the processes by which financial messages are interpreted and understood by younger generations.

Moreover, the process of internalising financial values now takes place in an environment no longer limited to the domestic sphere. Exposure to consumerist content, social comparison pressures, and the ease of digital transactions create conditions where parental financial teachings can be reinforced (Yen et al., 2021) negotiated, or even reinterpreted. This situation indicates that understanding financial socialisation requires more than just looking at parental practices, but also considering how the younger generation interprets these messages in interaction with broader digital and social contexts. Consequently, financial socialisation should be conceptualised as a sociotechnical process in which family norms and digital infrastructures jointly shape the formation of financial meaning and behaviour (Purwaningrum & Wahyono, 2021; Rangga et al., 2022).

Based on a review of previous research, studies on Generation Z's finances have developed in various aspects such as financial literacy, digital consumption behaviour, personality traits, and the influence of social media (Ahuja & Grover, 2023; Hasan et al., 2025; Surwanti et al., 2024). These studies generally examine these factors separately and have not placed them within an intergenerational financial socialisation framework. A research gap has been identified in that no study has systematically analysed how the financial values transmitted by millennial parents are understood, reinterpreted, or even negotiated by Generation Z in the Indonesian context. Furthermore, the dominance of correlational quantitative approaches in previous studies has produced findings on the relationships between variables, but does not explain the mechanism of value internalisation.

To fill this research gap, this study aims to explore how Generation Z interprets, negotiates, and internalises their parents' money values. Unlike previous studies that focused on measuring financial literacy or behaviour quantitatively, this research places the internalisation process at the centre of analysis, thereby enabling the identification of the mechanisms by which parental messages interact with digital influences, peers, and institutional environments to shape everyday financial practices. The novelty of this research lies in integrating the family socialisation perspective into the context of Indonesia's digital financial ecosystem, which has not been comprehensively analysed in the Financial Socialisation literature in East Java.

Theoretically, this study extends Financial Socialization Theory by shifting the focus from the parent-child relationship, which has generally been understood as a mechanism for value transmission, towards a

more ecosystemic understanding. The conceptual contribution of this study lies in shifting from a linear causal model to a processual understanding of how financial meaning is shaped through subjective experience and interaction. Empirically, this study provides evidence from Indonesia, a collectivist context experiencing financial digital acceleration, thereby enriching the literature. In practice, these findings offer a more specific basis for designing educational strategies and family-based financial interventions, emphasizing the importance of strengthening reflective dialogue and managing social pressure to foster financial resilience among young people.

METHODOLOGY

Research Design

This study employs a qualitative phenomenological research design to investigate how Generation Z internalizes the financial values transmitted by their millennial parents. Phenomenology was chosen because it enables the examination of lived experiences, subjective interpretations, and meaning-making processes embedded within everyday financial interactions (Creswell & Poth, 2018). Financial socialization is inherently relational and experiential, occurring through conversations, modeling, and repeated exposure within the family context. Therefore, a phenomenological lens is well-suited to capture the complexity and nuance of Generation Z's reflections on parental financial guidance and daily money-related behaviors.

The research was conducted in urban and semi-urban areas of East Java, Indonesia, chosen for their relatively high adoption of financial technology and exposure to social media. This geographical context provides a variety of relevant socioeconomic backgrounds for understanding the interaction between family socialization and digital influence.

Participant

The participants were primarily Generation Z individuals aged 18–25, raised by millennial parents. This age group was chosen because they are mature enough to articulate their financial experiences and reflections, yet are still in a transitional life stage heavily influenced by previous family socialization processes. Including six millennial parents was also considered to provide triangulation, particularly regarding teaching strategies, household financial norms, and parental expectations. The participant demographic data is presented in Table 1.

The sampling technique used was purposive sampling to select informants with relevant experience in the topic (receiving financial guidance from their parents). After the initial stage, snowball sampling was also used to identify additional participants with specific experience in digital finance and family dynamics. The final number of participants was determined based on data saturation—that is, when additional interviews no longer yielded new substantive themes.

Based on these stages, the total number of participants was 31, comprising 25 Generation Z participants (the primary focus of the analysis) and 6 millennial parents. The primary analysis was conducted idiographically on the narratives of Generation Z. At the same time, the data from the parents were used to test the consistency of narratives across generations, rather than as equivalent central units of analysis.

Data Collection

Research data was collected through semi-structured exploratory interviews, which enabled participants to freely share their financial experiences while ensuring that core thematic areas were consistently explored. This interview examines memories of financial conversations within the family, experiences with pocket money and spending decisions, observations of parents' financial behavior, perceptions of digital culture on money management, and examples where family financial values align or conflict with broader social influences. Each interview lasts between 45 and 90 minutes and is conducted in person.

The interview guide was developed on a foundation in the framework of Financial Socialization Theory and in the literature on the digital generation. Questions were designed progressively from concrete

experiences to interpretative reflections to facilitate in-depth exploration. The guide was pilot-tested with two participants outside the research sample to ensure the clarity of the questions, the logical flow, and the depth of exploration before being used in the main data collection.

All interviews were audio-recorded with participant consent, and field notes were taken to capture contextual details, non-verbal cues, and the researcher's initial reflections. Some participants also shared digital artifacts such as budget notes, screenshots of e-wallet usage, and other personal tools that illustrate their financial routines. These materials help provide a deeper contextual understanding of financial behavior and its internalization processes.

Table 1. Demographics of Participants

Code	Group	Age	Gender	City/ Regency
GZ-01	Gen-Z	23	Female	Bojonegoro
GZ-02	Gen-Z	21	Female	Lamongan
GZ-03	Gen-Z	22	Female	Surabaya
GZ-04	Gen-Z	20	Female	Surabaya
GZ-05	Gen-Z	19	Male	Bojonegoro
GZ-06	Gen-Z	20	Male	Bojonegoro
GZ-07	Gen-Z	22	Male	Malang
GZ-08	Gen-Z	21	Female	Sidoarjo
GZ-09	Gen-Z	19	Female	Malang
GZ-10	Gen-Z	21	Male	Surabaya
GZ-11	Gen-Z	21	Female	Lamongan
GZ-12	Gen-Z	22	Male	Tuban
GZ-13	Gen-Z	20	Male	Tuban
GZ-14	Gen-Z	23	Male	Tuban
GZ-15	Gen-Z	19	Male	Bojonegoro
GZ-16	Gen-Z	20	Female	Lamongan
GZ-17	Gen-Z	19	Female	Bojonegoro
GZ-18	Gen-Z	18	Female	Pasuruan
GZ-19	Gen-Z	18	Male	Surabaya
GZ-20	Gen-Z	22	Male	Malang
GZ-21	Gen-Z	18	Female	Malang
GZ-22	Gen-Z	22	Male	Pasuruan
GZ-23	Gen-Z	18	Female	Sidoarjo
GZ-24	Gen-Z	17	Male	Lamongan
GZ-25	Gen-Z	23	Female	Surabaya
MP-01	Millennial Parent	44	Female	Bojonegoro
MP-02	Millennial Parent	43	Female	Bojonegoro
MP-03	Millennial Parent	44	Female	Surabaya
MP-04	Millennial Parent	44	Male	Tuban
MP-05	Millennial Parent	44	Female	Surabaya
MP-06	Millennial Parent	43	Female	Lamongan

Source: Processed Data (2025)

Instrument

Researchers began by reading and rereading each transcript to gain an in-depth understanding of the participants' experiences. During this process, the researcher made descriptive, linguistic, and interpretative

notes that captured initial responses to the text. These notes were then developed into emerging themes, patterns of meaning that consistently appeared in the participants' narratives.

Research Ethics

This research obtained ethical approval from the relevant institution before data collection. All participants provided informed consent after being informed of the study's purpose, their right to withdraw at any time, and the assurance of data confidentiality. Participant identities were anonymised using codes, and all data were securely stored for academic purposes.

Data Analysis

Data analysis followed the interpretative phenomenological analysis (IPA) procedure outlined by Smith et al. (2021) (Figure 1). IPA was chosen because the focus of this research is not merely to identify patterns of financial socialisation, but rather to understand how individuals reflectively interpret, negotiate, and reconstruct inherited financial values in the context of digital change. IPA is relevant because it enables idiographic analysis at the individual case level before cross-case synthesis. Thereafter, the researcher identified the relationships between themes in each case through techniques such as abstraction, polarization, and contextualization to form superordinate themes. After analyzing one case in depth, the researcher repeats the process with the following case.

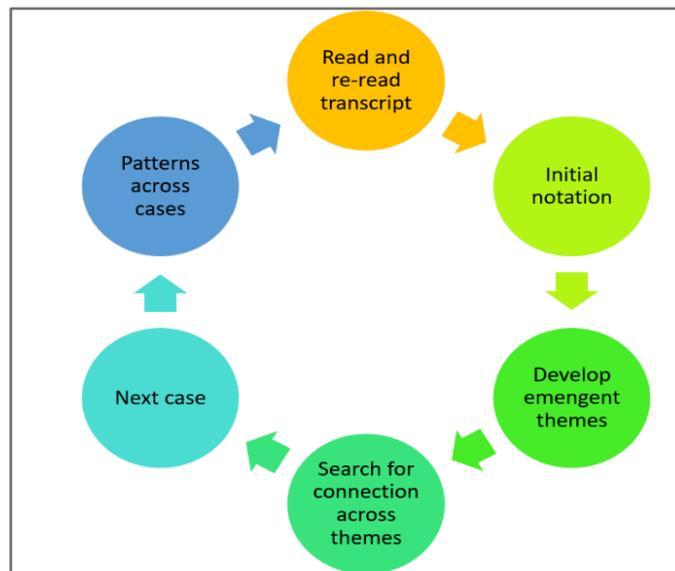


Figure 1. Process of Interpretative Phenomenological Analysis (Adopted from Smith et al., 2021)

In the final stage, the researcher compares all themes across cases to identify broader, more consistent patterns, resulting in a complete interpretive understanding of the phenomenon under study. In the analysis process, data from parents are treated as a contextual source that serves to deepen understanding of the socialisation practices claimed by Generation Z participants. The principal thematic analysis remains focused on the subjective experiences of Generation Z, while parental narratives are used to identify points of convergence and divergence.

Researcher Reflexivity

To minimise bias, the researcher systematically kept reflective notes throughout the data collection and analysis process, including initial assumptions, emotional responses, and potential interpretative tendencies. These reflective notes served as an analytical control tool during the theme development process.

Trustworthiness

The validity of the research is maintained through several strategies. Credibility is reinforced through source triangulation (Generation Z and parents) and discussions among researchers during the coding process. Dependability is ensured through an audit trail that systematically documents the analysis process. Confirmability is achieved by keeping analytical traces and original quotations as the basis for interpretation. Transferability is facilitated by providing detailed contextual descriptions of the participants' characteristics. The analysis was assisted by the qualitative software NVivo 12 Plus, which was used to organize codes and quotations. To ensure reliability, transcripts were randomly selected and coded by the researchers; then, discussions were held to reach a consensus on the scope of the themes and the definition of the codes.

FINDINGS

The study identified four major themes that illustrate how Generation Z internalizes the financial values transmitted by their millennial parents. These themes reveal that value internalization is not a linear process but unfolds through observation, dialogue, negotiation, and identity tensions within a digitalized environment. The four themes are: (1) parental modeling, (2) financial conversations, (3) digital finance negotiation, and (4) identity and social comparison (Table 2).

Table 2. Main Themes

Major Theme	Description of Experience	Illustrative Financial Values Internalized
Parental modeling	Observing financial practices at home	Prudence, a saving habit, needs prioritization
Financial conversations	Dialogues during financial decision-making	Reasoning skills, budgeting, and delayed gratification
Digital finance negotiation	Exposure to e-commerce and fintech disrupts parental norms	Hybrid values, controlled consumption
Identity and social comparison	Social media shapes lifestyle and spending identity	Prestige consumption, trend conformity

Source: Processed Data (2025)

Theme 1: Parental Modeling (Learning Through Everyday Financial Behavior)

The first theme highlights that Gen Z primarily internalizes financial values through observational learning derived from their parents' daily financial behaviors. As indicated in the thematic table, this modeling process involves "observing financial practices at home" and leads to the internalization of prudence, saving habits, and needs-based prioritization. Informants consistently emphasized that parental actions had a more substantial impact than verbal instructions.

Several participants recalled observing their parents' budgeting, expense recording, price comparison, and household management. GZ-03 explained:

"I did not learn about money because my mom lectured me. I learned because I always saw her writing down every single expense. If I do not record mine now, it feels irresponsible." (GZ-03)

"My father never studied finance, but he is extremely disciplined – always spending wisely and prioritizing what we need. That is exactly what I try to follow now." (GZ-12)

Everyday decisions also served as powerful teaching moments. As GZ-07 reflected:

"I used to think my mom was being stingy when shopping. But when I went to university, I realized she was just being wise with money. Now I do the same." (GZ-07)

Eighteen of twenty-five informants emphasized that their parents' behavior, not their verbal advice, most strongly shaped their financial habits. These findings indicate that the internalisation of financial values

among Generation Z occurs through an embodied learning process, where values are not understood as normative rules but as practices enacted in daily routines. Repeated observation of parental behaviour shapes cognitive schemas about "what is considered normal" in managing money. In other words, prudence and saving habits are not merely taught but experienced as implicit moral standards within the family. Within the IPA framework, this experience reflects how the meaning of financial responsibility is embedded in participants' self-identity through affective and repetitive experiences, rather than through explicit instruction.

Theme 2: Financial Conversations (Negotiating Values Through Dialogue)

The second theme reveals that value internalization also occurs through dialogue and negotiation between parents and children. In the thematic table, this theme is described as "dialogues during financial decision-making," which cultivates reasoning skills, budgeting awareness, and delayed gratification.

Participants reported that financial conversations took place during discussions about household priorities, spending decisions, saving goals, or evaluating risks. These conversations were rarely one-directional; instead, they reflected negotiation between parents' traditional values and Gen Z's digital-era realities. As GZ-06 described:

"My mom always reminded me to be frugal, but I explained to her that many of my expenses were digital – apps, subscriptions, online tools. Eventually, we agreed on a flexible monthly budget." (GZ-06)

For some, these discussions strengthened critical thinking about financial choices. GZ-15 shared:

"My dad refused to let me buy a new phone at first. However, I explained its importance for my freelance work. After a long discussion, he agreed. It taught me that financial decisions need clear reasoning, not just desire." (GZ-15)

Others learned to think long-term through these conversations. GZ-20 recalled:

"My parents always told me not to spend all my income. They taught me to delay gratification, and over time, it became a habit." (GZ-20)

These narratives indicate that family financial socialization in millennial-Gen Z households is dialogic, participatory, and reflective. Interpretively, financial dialogue functions not merely as a transfer of knowledge, but as a space for negotiating identity and autonomy. Conversations about budgets and purchasing decisions reflect the process by which Generation Z learns to position itself as a rational agent within the family structure. These discussions become an arena for developing financial self-efficacy – where the ability to justify financial decisions reinforces a sense of competence and self-legitimacy. Thus, the emerging meaning is not simply 'learning to manage money', but the experience of becoming a recognised subject in decision-making.

Theme 3: Digital Finance Negotiation (Hybridizing Traditional Values with Digital Practices)

The third theme shows how Gen Z negotiates familial financial values within the context of digital financial ecosystems, such as e-wallets, pay-later services, online shopping platforms, algorithm-driven consumption, and app-based investments. In the thematic table, this theme is associated with "exposure to e-commerce and fintech disrupts parental norms," leading to hybrid values and controlled consumption.

Many informants emphasized that they uphold their parents' core principles but adapt them to digital financial tools. For instance, GZ-02 explained:

"My dad taught me always to set aside 10 percent of my money. I still do it, but through an investment app instead of a piggy bank like in their time." (GZ-02)

Others described balancing parental anti-debt values with modern financial realities. GZ-09 shared:

"My mom is strictly against debt, but today it is hard not to use Paylater. I keep my limit small and follow her rule: never borrow what you cannot pay back." (GZ-09)

Twenty-one out of twenty-five informants reported forming what can be called hybrid financial values, a blend of conservative parental values and digitally mediated financial behavior. GZ-18 described this adaptation clearly:

"My mom taught me not to buy impulsively. Now I use the wishlist feature, so I do not check out immediately. That is how I adjust her lesson to the digital world." (GZ-18)

This theme demonstrates that value internalisation is dynamic, adaptive, and continually negotiated as Gen Z navigates digital finance. More deeply, this negotiation reveals an existential tension between continuity and change. Generation Z does not entirely abandon their parents' conservative values, but neither do they accept them literally. They engage in contextual reinterpretation, modifying practices without losing the core meaning. From a social science perspective, this indicates a process of identity work in which participants reflectively align family values with digital realities. The hybrid values formed are not a passive compromise but an adaptive strategy to maintain self-coherence amid technological disruption.

Theme 4: identity & social comparison (reconciling family values with digital lifestyle pressures)

The fourth theme reveals significant identity tension as Gen Z attempts to reconcile the financial values learned from their parents with the powerful influence of social media, influencers, and peer comparison. In the thematic table, this theme is described as "social media shapes lifestyle and spending identity," often leading to prestige consumption and trend conformity.

Many informants expressed experiencing a pull between family values of simplicity and the aspirational lifestyle portrayed online. As GZ-08 stated:

"I remember my parents' message about living simply, but when I scroll through Instagram, it is hard not to want what others have." (GZ-08)

Social comparison sometimes led informants to question their own values. For example, GZ-17 reflected:

"I was raised to save and avoid unnecessary spending, but when my friends constantly show off new things, I start wondering if I am being too frugal." (GZ-17)

Some experienced deeper identity conflict. GZ-25 described:

"My parents raised me to live modestly, but social media sets a different standard of success. Sometimes it feels like my identity is stuck between being myself and trying to appear trendy." (GZ-25)

Others attempted to create self-regulating mechanisms to balance parental values and digital pressures. As GZ-10 explained:

"I made a rule for myself: if I want to buy something because of FOMO, I wait three days. If I still need it, I buy it. It helps me balance my parents' teachings and social pressure." (GZ-10)

This theme highlights that internalising financial values is not only a cognitive process but also an identity negotiation shaped by digital-era social forces. The tension expressed by participants shows that internalising financial values intersects with the construction of social identity. Social media presents alternative success standards that often conflict with family values of simplicity. This conflict is not merely about consumption but involves existential questions about "who I am" and "how I want to be seen". In IPA analysis, experiences of FOMO and social comparison can be understood as forms of identity dissonance, in which participants strive to maintain the integrity of family values while balancing the need for social acceptance. Strategies such as the three-day rule reflect self-regulation mechanisms to maintain identity consistency under digital symbolic pressure.

DISCUSSION

Indonesian Generation Z internalizes financial values through a combination of four interrelated processes: learning from parental examples, participating in discussions about finances, negotiating the usage of digital financial tools, and balancing family financial traditions with identity pressures influenced by social media and peer groups. These themes collectively demonstrate that financial socialization is not a straightforward transfer of values from parents to children but rather a dynamic process shaped simultaneously by family practices, digital environments, and cultural expectations. While millennial parents

serve as the primary source for foundational financial principles, particularly regarding budgeting habits, prudence, and needs-based spending, Generation Z reinterprets these values as they navigate a highly digitized market that presents new financial temptations, risks, and choices.

These four processes substantively address the research question by showing that the internalisation of financial values occurs through a complex interaction between parental modelling, reflective communication, adaptation to technology, and the formation of young people's financial identity. This confirms that Generation Z not only receives inherited values but actively interprets, modifies, and adapts them to the digital realities they face (Sachrir et al., 2023; Tolstikova et al., 2020). Thus, financial socialisation within millennial-Generation Z families is not a one-way transfer of norms, but a dialogical process that produces new value configurations rooted in the family foundation yet relevant to the demands of the times.

The results reinforce key propositions of Family Financial Socialization Theory, which emphasizes parental modeling and intentional teaching as core mechanisms shaping lifelong financial behavior (Zhao & Zhang, 2020), consistent with research showing the strong predictive role of observational learning for saving habits and spending control (Zhu, 2020; Putra, 2018), participants in this study repeatedly described how everyday household routines, such as recording expenses, price comparison, and prioritizing essentials, left a greater imprint on their values than explicit instruction. Such findings support the argument that financial norms within families are embedded in habitual practices rather than formal conversations.

However, this study extends the theory by emphasizing that financial discussions between millennial parents and their Gen Z offspring often occur in a dialogic, negotiated format rather than through unidirectional instruction. Earlier Indonesian research has tended to portray parental financial guidance as prescriptive (Azizah et al., 2024). Still, the experiences captured here reflect more collaborative, child-centered communication, suggesting a shift in parenting norms consistent with broader cultural changes among Indonesian millennials.

Thus, this study not only confirms the relevance of the family financial socialization theory but also extends it by showing that socialization mechanisms now occur in digital spaces, altering interaction patterns, forms of control, and sources of financial learning. While previous theories emphasised the role of modelling, communication, and direct family experience (Pak et al., 2024), the study's findings indicate that digital platforms, financial applications, and online information flows now mediate these three mechanisms. In other words, technology is no longer a peripheral factor but a structural component shaping the socialization experience itself. This contribution enriches the existing conceptual framework by incorporating the digital context as a constitutive variable in the process of internalising financial values.

Until now, the theory positioned parents as the primary agents in the value transmission process. However, these findings indicate that platform algorithms, financial app notifications, automated payment features, and digital interface design act as non-human agents that actively shape young people's preferences, impulses, and risk evaluations. Therefore, the financial socialisation model can no longer be adequately understood within the parent-child dyadic framework but needs to be developed towards a triadic model that incorporates technology as a normative mediator in the formation of financial values. Beyond parental influence, the study provides important empirical insight into how digital financial ecosystems mediate and reshape the meaning of familial financial teachings. While prior scholarship has emphasized how online convenience, instant payments, and algorithm-driven platforms foster impulsive and hedonic spending (Lina et al., 2022), there has been limited exploration of how these technological features interact with intergenerational socialization.

The present findings demonstrate that Gen Z do not merely adopt or resist parental teachings; instead, they translate traditional values into digitally compatible practices, forming what may be described as "hybrid financial values." Koskelainen et al. (2023) say that modern financial literacy cannot be separated from digital literacy and algorithmic awareness. This pattern fits with their ideas very well. Participants' examples, using e-wallet budgeting tools to practice discipline, using wishlists to control impulses, or automating savings through investment apps, show how young people put analog lessons into practice in digital settings. This

instance resonates strongly with the OECD's global recommendation that financial education for youth must integrate awareness of digital infrastructures as part of financial inclusion efforts (OECD, 2020).

This finding clarifies that digitalisation not only provides new financial instruments, but also shapes the way family values are negotiated and reinterpreted. Digital platforms create spaces of exposure that extend Generation Z's financial references beyond the family (Ahuja & Grover, 2023), thereby distributing value authority more widely. In this context, the internalisation of values occurs at the intersection of family norms and technological architectures that offer convenience, speed, and consumption temptations. Hence, this research responds a gap in the literature which has tended to separate studies of family socialisation from digital financial literacy by showing that the two are intertwined in the life experiences of young people.

The negotiation of digital financial tools also reflects broader trends documented in empirical studies of fintech adoption in Indonesia. Research shows that the widespread availability of e-wallets and pay-later services significantly increases the ease of impulsive buying and reshapes youth consumption patterns (Sitepu & Fadila, 2024). Similarly, several recent Indonesian studies reveal that Gen Z's use of paylater is strongly linked to perceived social pressure and low-delay gratification, factors that intensify when financial decisions are embedded within platform algorithms that encourage seamless purchasing (Lutfiyah, 2025). The present study adds qualitative depth to these findings by showing how Gen Z attempts to balance long-standing parental caution about debt with the practical realities of digital finance. Participants often retained their parents' core principles, such as "Never borrow more than you can pay", but adapted them within digital financial systems by limiting pay-later use, or employing app-based reminders, illustrating a synthesis between generational values and technological affordances.

The fourth theme, concerning identity and social comparison, underscores the substantial pressures young people face when navigating financial values in a highly visual and performative digital culture. Numerous studies have demonstrated that social media intensifies materialistic aspirations and reduces self-esteem among adolescents (Gentina & Tang, 2024), while personality traits and psychological tendencies such as herding and FOMO further heighten susceptibility to risky financial decisions (Raj & Kumar, 2025). Local research also confirms that FOMO significantly predicts impulsive buying among Indonesian Gen Z, particularly when combined with easy access to pay-later features (Lutfiyah, 2025).

The narratives in this study echo these findings, revealing frequent tension between parental teachings of modesty and the aspirational lifestyle promoted by peers and influencers online. Participants described cycles of comparison and self-doubt, as well as self-regulatory strategies such as delaying purchases, to reconcile these competing value structures. These patterns highlight that identity work is central to contemporary financial socialization: young people interpret and modify financial values not only based on economic rationality but also in pursuit of belonging, recognition, and authenticity within digital social spheres.

The intersection of these themes indicates that the financial socialization process for Indonesian Gen Z can be understood as both intergenerational and sociotechnical. The digital financial environment increasingly influences the practice, examination, and alteration of these principles, while parents serve as moral guides and role models. This underscores the need to refine existing theories of financial socialization to include digital frameworks, platform influences, and algorithmic signals as key factors in value development. The results also suggest that financial education must evolve beyond conventional literacy models to incorporate awareness of digital consumption, critical analysis of algorithmic influence, and strategies to manage emotional factors like FOMO (Fear of Missing Out).

Millennial parents might consider adopting more communicative and collaborative methods that take into account the realities of digital financial tools, rather than relying solely on traditional advice. Additionally, policymakers and financial institutions could utilize insights from behavioral strategies, such as mobile app prompts that promote reflection, spending breaks, and clear fee disclosures, to create youth-friendly financial systems that support prudent decision-making (Frisancho et al., 2023; Hesti et al., 2025). Collectively, these

insights emphasize the necessity for comprehensive strategies that intertwine family socialization, digital literacy, and structural safeguards to enhance the financial resilience of Indonesia's younger generation.

Nevertheless, the interpretation of these findings should be understood within certain limitations. The research participants represent Generation Z with varying levels of digital exposure and financial experience, meaning variations in experience across groups with different socioeconomic backgrounds may not be fully captured. Moreover, as the data were obtained through a qualitative, narrative-reflective approach, there is a possibility of retrospective bias, in which participants rationalise their financial decisions after events have occurred. Therefore, these results are more appropriately viewed as a mapping of meaning-making processes rather than a generalisation of the financial behaviour of all Indonesian Generation Z.

Considering these limitations, these findings still provide an important conceptual contribution to understanding the transformation of financial socialisation in the digital era. This study shows that the internalisation of financial values among Indonesian Generation Z is an interpretative process shaped through the interaction between family moral foundations and the dynamics of the digital financial system. By answering the research questions, this study asserts that financial socialisation in the digital era can no longer be understood as a transmission of static and hierarchical values, but rather as an ongoing negotiation between tradition, technology, and the construction of youth identity. The conceptual implication is the need to view family and technology as two interacting arenas in shaping financial behaviour, not as standalone entities. This perspective opens up space for the development of a more contextualised model of financial socialisation.

CONCLUSION

This study shows that the internalisation of financial values among Indonesian Generation Z is not merely a reproduction of their millennial parents' teachings, but an interpretative process that occurs through observation, reflective dialogue, the integration of financial technology, and identity negotiation within digital spaces. These findings affirm that family financial socialisation now occurs within a sociotechnical arena that shifts the authority of values from the domestic sphere to a more distributed digital space. Theoretically, this study extends family financial socialisation by positioning technology and algorithms as key influences. Practically, it calls for integrating critical digital literacy, strengthening family communication, and addressing online social pressure in financial interventions. The limitation is that the findings are not statistically generalisable and do not reflect regional or social class variations in Indonesia. Therefore, further research is needed to test the conceptual model developed through mixed methods, expand the geographical context, and explore the role of digital platforms more specifically in shaping young people's financial decisions.

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