

THE INTEGRATION OF FINANCIAL TECHNOLOGY, FINANCIAL LITERACY, AND SELF-CONTROL IN SHAPING FINANCIAL WELL-BEING: A BEHAVIORAL FINANCE APPROACH AMONG MILLENNIALS

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ABSTRACT

Digital financial platforms are becoming an important part of millennials' daily financial activities, influencing how they make transactions and manage their finances. Although fintech offers convenience and accessibility, its increasing use is also associated with consumptive behavior and impulsive financial decision-making. This research focuses on understanding how technological, cognitive, and behavioral factors contribute to financial well-being among millennials. A phenomenological qualitative design was utilized to obtain deeper insights into millennials' financial experiences in the digital era. Data was collected through in-depth interviews with millennials who actively use fintech services such as e-wallets, pay later facilities, and digital investment platforms. Selected participants who met the research criteria were involved in the study, and thematic interpretation was utilized to understand issues connected to financial behavior and financial well-being. The study indicates that fintech utilization simplifies digital financial activities, although excessive use may stimulate impulsive spending when individuals have limited financial understanding and weak behavioral regulation. Financial literacy contributes to improving the quality of financial decision-making. Individuals with stronger self-control tend to be more capable of controlling spontaneous spending behavior. Furthermore, the study demonstrates that financial well-being is formed through the interaction among technological, cognitive, and psychological factors. Millennials who are able to balance fintech utilization with financial understanding and behavioral control tend to exhibit better financial stability and financial well-being. The research offers an integrative perspective regarding financial behavior in digital financial environments. The findings also provide practical implications for improving financial literacy and promoting responsible fintech usage among millennials.

Keywords: *financial technology; financial literacy; self-control; financial well-being; behavioral finance*

INTRODUCTION

Over the past few years, digital financial innovation has increasingly reshaped how individual access and manage financial services in everyday

life. The increasing use of e-wallets, pay later services, peer-to-peer lending, and digital investment platforms reflects a significant shift in the way people conduct financial activities,

particularly among millennials who are highly adaptive to technological developments (Arner et al., 2022; Ozili, 2023). In Indonesia, the adoption of digital financial services continues to increase in line with expanding internet penetration and smartphone ownership, creating a more connected financial ecosystem (Otoritas Jasa Keuangan, 2024).

Despite offering convenience and efficiency, the widespread use of fintech has also created new challenges in financial behavior. Easy access to digital payment systems and instant credit facilities frequently encourages impulsive spending and unplanned consumption patterns. Several recent studies reported that the increasing use of pay later services among productive-age consumers may contribute to higher levels of consumptive debt and financial vulnerability when not supported by adequate financial capability (Liu et al., 2022).

This condition indicates that technological advancement alone is insufficient to guarantee better financial well-being. In many cases, the benefits of fintech are strongly influenced by individuals' financial literacy and self-control. Beyond

income and financial assets, financial well-being is closely related to how secure and financially stable individuals feel about their present and future conditions (Netemeyer et al., 2021).

According to behavioral finance theory, individuals do not always make financial decisions rationally because psychological and emotional factors often affect their judgment (Lusardi & Mitchell, 2022). Individuals with better financial understanding usually show more rational financial behavior, while strong self-control assists in preventing impulsive and excessive spending (Strömbäck et al., 2022). On the other hand, fintech acts as an enabler that facilitates financial access but may also reinforce overconsumption behavior if not supported by adequate cognitive ability and self-regulation (Chen et al., 2023).

Although previous studies have discussed the relationship between fintech usage, financial literacy, self-control, and financial well-being, most existing studies tend to examine these variables separately. Research that integrates technological, cognitive, and psychological aspects within a single behavioral finance framework remains

relatively limited, especially in the context of millennials in developing countries such as Indonesia. Therefore, this study seeks to analyze how financial technology, financial literacy, and self-control interact in shaping financial well-being among millennials through a behavioral finance perspective.

LITERATUR REVIEW

Financial Well-Being

Financial well-being refers to a condition in which individuals are able to handle their financial responsibilities, maintain stability, and feel financially secure for the future. The concept does not solely concern objective indicators such as income, assets, or financial ownership, but also includes subjective evaluations related to financial satisfaction and perceived security (Netemeyer et al., 2021; Vlaev & Elliott, 2021). In today's digital environment, changes in technology and consumption behavior have strengthened the importance of financial well-being in everyday financial life.

Recent studies emphasize that financial well-being is shaped by multiple dimensions, including

cognitive ability, financial behavior, and psychological factors. Individuals with better financial understanding generally demonstrate more effective financial management, such as budgeting, saving, and controlling spending behavior. Kim et al., (2024) found that financial literacy contributes to improving financial well-being both directly and indirectly through financial behavior. This finding indicates that financial well-being is not determined merely by financial knowledge, but also by how individuals apply such knowledge in daily financial decision making.

In addition, the development of digital financial services has altered the way individuals perceive and manage their finances. Easy access to financial products and instant transactions may improve financial convenience, yet simultaneously increase exposure to impulsive consumption behavior. Therefore, financial well-being in the digital era should be understood as the result of interactions among financial capability, behavioral control, and technological adaptation.

Financial Technology (Fintech)

The emergence of financial technology has significantly transformed financial service systems by providing faster, more practical, and more accessible financial solutions. Digital payment systems, online lending platforms, e-wallets, and digital investment applications have become increasingly integrated into everyday financial activities (Arner et al., 2022; Ozili, 2023). These innovations contribute positively to financial inclusion by enabling broader access to financial services across different social groups.

Nevertheless, the rapid adoption of fintech also creates behavioral implications. Among digitally connected younger users, the convenience of fintech services often leads to more spontaneous purchasing behavior and excessive consumption. Several studies suggest that excessive reliance on digital credit facilities and instant payment systems may increase financial vulnerability when not accompanied by responsible financial management (Chen et al., 2023).

Within the behavioral finance perspective, fintech can be viewed as a

behavioral facilitator that influences how individuals make financial decisions. Technological convenience may support better financial management when users possess adequate financial capability and self-regulation. Conversely, insufficient behavioral control may cause fintech usage to stimulate impulsive spending and overconsumption behavior.

Financial Literacy

The ability to understand financial information has become increasingly important in helping individuals make more responsible financial decisions. Knowledge regarding budgeting, investment, debt management, risk, and financial planning is considered essential in helping individuals manage financial resources more rationally (Lusardi & Mitchell, 2022).

Existing evidence suggests that stronger financial understanding helps individuals achieve better financial well-being through more responsible saving, borrowing, and investment behavior (Fessler et al., 2023; Widjaja et al., 2024). Financial literacy also enables individuals to evaluate financial risks more critically, particularly in dealing with

increasingly complex digital financial products.

However, despite growing access to financial information, the level of financial literacy among millennials remains uneven. In many cases, technological familiarity is not always followed by adequate financial understanding. As a result, some millennials actively use digital financial services without fully considering the long-term financial consequences of their decisions. This condition highlights the importance of strengthening financial literacy in order to support healthier financial behavior in the digital era.

Self-Control

Self-control represents an individual's ability to regulate emotions, impulses, and behavioral tendencies when making financial decisions. In financial contexts, self-control is associated with the ability to delay gratification, prioritize needs over wants, and avoid excessive spending behavior (Strömbäck et al., 2022). This psychological aspect becomes increasingly important in digital financial environments where

transactions can be conducted instantly and conveniently.

Studies in behavioral finance indicate that individuals with stronger self-control generally demonstrate more disciplined financial behavior, such as maintaining savings, controlling debt, and managing consumption patterns more carefully (Anjani & Darto, 2023). In contrast, low self-control is frequently associated with impulsive buying behavior, overspending, and poor financial planning.

The growing use of fintech services may further intensify the importance of self-control. Features such as one-click payments, online promotions, and pay later systems can stimulate impulsive purchasing behavior when users are unable to regulate spending decisions effectively. Therefore, self-control functions as a protective mechanism that helps individuals maintain financial stability despite the increasing convenience of digital financial services.

Behavioral Finance

Unlike traditional financial theory that assumes rational decision-making,

behavioral finance emphasizes the influence of psychological and emotional factors on financial behavior. Instead, this perspective argues that financial behavior is strongly influenced by psychological conditions, emotions, cognitive biases, and environmental factors (Barberis & Thaler, 2022). Consequently, financial decisions are often shaped by subjective considerations rather than purely objective calculations.

In recent years, behavioral finance has become increasingly relevant in explaining financial behavior within digital financial ecosystems. Technological advancement not only changes financial access but also influences how individuals perceive risk, evaluate financial choices, and respond to financial incentives. Psychological tendencies such as impulsiveness, emotional spending, and overconfidence frequently emerge in the use of digital financial services.

In the context of this study, behavioral finance provides a conceptual framework for understanding the interaction among financial technology, financial literacy, and self-control in shaping financial well-being. Recent findings indicate

that cognitive ability, behavioral regulation, and technological accessibility collectively influence financial decision-making among younger generations (Surbhi et al., 2026). Therefore, an integrative behavioral finance perspective is considered relevant for explaining the financial behavior of millennials in the digital era.

RESEARCH METHOD

This study adopted a qualitative phenomenological approach to explore millennials' experiences in managing financial activities within digital financial environments. The phenomenological approach was selected because the study focuses on capturing individuals' perspectives, meanings, and interpretations regarding the integration of financial technology, financial literacy, and self-control in shaping financial well-being (Creswell & Poth, 2018). Rather than examining causal relationships quantitatively, this approach seeks to provide a deeper understanding of financial behavior among millennials in the context of rapid digital transformation.

The informants in this study were millennials who actively used financial technology services in their daily financial activities. Informants were selected through purposive sampling based on several criteria: (1) belonging to the millennial generation category; (2) actively using fintech services such as e-wallets, pay later facilities, online lending, or digital investment platforms, and; (3) having a source of income or engaging in economic activities. Data collection continued until the information obtained became repetitive and no new themes emerged, following the principle of data saturation. This condition was achieved after interviewing approximately 10 – 15 informants.

Data was primarily collected through semi-structured interviews conducted between February and April 2026 with selected informants who actively utilized fintech services. This interview format allowed participants to describe their experiences and financial behaviors openly while enabling the researcher to explore issues relevant to the research objectives. Interviews were conducted both face-to-face and online, depending on the availability and

preferences of the informants, with each session lasting approximately 30–60 minutes. The interview questions focused on fintech usage behavior, financial knowledge and understanding, spending patterns, self-control in financial decision-making, and perceptions of financial well-being.

The collected data were analyzed using thematic analysis. The analytical process began with data transcription, followed by open coding to identify initial concepts emerging from the interview data. Similar codes were subsequently grouped into broader categories and interpreted into major themes representing the interaction among financial technology, financial literacy, and self-control. The analysis was conducted iteratively to ensure consistency, rigor, and depth of interpretation throughout the research process.

To ensure the trustworthiness of the findings, source triangulation was employed by comparing information obtained from informants with diverse occupational and financial backgrounds. In addition, member checking was conducted to confirm that the researcher's interpretations

accurately reflected the participants' experiences and perspectives. An audit trail was also maintained to document the stages of data collection and analysis, thereby enhancing the transparency, dependability, and credibility of the research process.

RESULT AND DISCUSSION

This study involved millennials who actively use financial technology services such as e-wallets, pay later facilities, and digital investment platforms in their daily financial activities. The informants came from diverse occupational backgrounds, including private employees, entrepreneurs, and freelance workers. In general, all informants demonstrated a high level of familiarity with digital financial services, particularly for transactions, consumption, and financial management purposes.

The interview findings reveal that financial technology has become an integral part of millennials' financial lifestyles. Most informants perceived fintech services as practical, efficient, and capable of simplifying financial transactions. The use of digital payment systems was considered helpful in increasing transaction speed,

flexibility, and accessibility. Several informants stated that fintech applications enabled them to perform financial activities more easily without depending on conventional financial services.

However, the findings also indicate that the convenience provided by fintech may trigger consumptive financial behavior. Some informants admitted that features such as pay later services, cashback programs, and digital promotions frequently encouraged impulsive purchasing decisions. Instant transaction systems and easy access to digital credit reduced users' consideration of long-term financial consequences. This finding suggests that technological convenience can influence spending behavior, particularly among individuals with limited financial control.

Based on the thematic analysis, four major themes were identified regarding the formation of financial well-being among millennials. These findings are summarized in Table 1.

Table 1. Summary of Research Findings Based on Thematic Analysis

Theme	Key Findings
Fintech	Facilitates financial transactions but also encourages consumptive behaviour
Financial Literacy	Improves the quality of financial decision-making
Self-Control	Regulates impulsive financial behaviour
Integration	Determines financial well-being

Millennials with stronger financial knowledge generally demonstrate more careful and rational financial behavior. Informants with stronger financial understanding tend to be more selective in using fintech services, especially in relation to digital credit and investment decisions. They generally considered financial risks more carefully and demonstrated greater awareness regarding budgeting and spending management. In contrast, informants with limited financial literacy often used fintech services without fully understanding the long-term financial implications, particularly in the use of pay later facilities and consumptive transactions.

Self-control also emerged as a significant factor influencing financial

well-being. Informants with higher levels of self-control showed stronger abilities to regulate spending behavior, distinguish between needs and wants, and avoid impulsive purchases. These individuals tended to maintain more stable financial conditions and demonstrated better financial planning habits. Conversely, low self-control was associated with difficulties in limiting unnecessary spending, resulting in unstable financial management and increased consumptive behavior.

The findings further reveal that financial well-being cannot be explained by a single variable alone. Instead, it is formed through the interaction among financial technology, financial literacy, and self-control. Informants who were able to balance technological utilization with adequate financial understanding and behavioral regulation tended to experience better financial well-being. They reported feeling more financially secure, capable of fulfilling their financial needs, and more confident in managing future financial conditions.

On the other hand, excessive fintech usage without sufficient financial literacy and self-control

tended to create financial instability. Several informants acknowledged experiencing financial pressure due to impulsive spending behavior and uncontrolled use of digital credit facilities. This condition indicates that access to financial technology alone does not necessarily improve financial well-being unless supported by cognitive and psychological readiness.

From the behavioral finance perspective, these findings confirm that financial decisions are not entirely driven by rational considerations. Psychological tendencies, behavioral control, and technological accessibility interact simultaneously in influencing financial behavior among millennials. The study therefore highlights the importance of an integrative approach in understanding financial well-being in the digital era, where technological advancement continuously reshapes individual financial behavior and consumption patterns.

CONCLUSION

This study concludes that the financial well-being of millennials is shaped by the interaction among financial technology, financial literacy, and self-control. Financial technology

provides convenience, efficiency, and broader access to financial services. However, its intensive use may also encourage consumptive behavior and impulsive financial decisions when not accompanied by adequate financial understanding and behavioral regulation.

The findings indicate that financial literacy contributes to improving the quality of financial decision-making by enabling individuals to better understand financial risks, manage spending, and utilize financial services more responsibly. Meanwhile, self-control functions as an important psychological mechanism in limiting impulsive consumption and maintaining financial discipline. Millennials who demonstrate stronger financial literacy and self-control tend to experience more stable financial conditions and better financial well-being.

This study also reveals that financial well-being cannot be understood solely through technological or economic factors. Instead, it is influenced by the integration of cognitive, behavioral, and technological dimensions, as emphasized in the behavioral finance

perspective. The interaction among these factors determines how individuals respond to financial opportunities and challenges in the digital era.

Theoretically, this study contributes to the development of behavioral finance literature by providing an integrative perspective on the relationship between fintech usage, financial literacy, self-control, and financial well-being among millennials. Practically, the findings suggest the importance of strengthening financial literacy education and promoting responsible fintech usage to support healthier financial behavior in society, particularly among younger generations.

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