JETIR.ORG ISSN: 2349-5162 | ESTD Year : 2014 | Monthly Issue
JOURNAL OF EMERGING TECHNOLOGIES AND INNOVATIVE RESEARCH (JETIR)
An International Scholarly Open Access, Peer-reviewed, Refereed Journal

A Study on Changing Relationship of Gen Z with Wealth and Money

Dr. Neha Bhatia[1], Aryan Pashte[2] and Samiksha Yadav[3]
Assistant Professor and Student, PTVA's Institute of Management, Mumbai, Maharashtra

Abstract

This study explores the evolving relationship of Generation Z with money, shaped by digital financial tools, social influences, shifting values, and limited early-income experiences. It examines how Gen Z manages spending, saving, credit, and investment decisions while balancing financial independence with cautious risk behaviour. Findings highlight their preference for convenience-driven digital platforms, moderate social-media impact, and a modern definition of success centred on financial freedom, work-life balance, and mindful financial planning.

Keywords: Generation Z, Financial Behaviour, Digital Finance, Wealth Perception

1.Introduction

The relationship between Generation Z and money is undergoing a profound transformation shaped by unique economic, technological, and social forces. Born between 1997 and 2012, Gen Z has entered adulthood in an era marked by rising living costs, job market uncertainty, digital acceleration, and shifting definitions of success. Unlike previous generations who followed traditional financial paths such as stable employment, long-term savings, and property ownership, Gen Z is redefining wealth with a stronger emphasis on financial independence, flexibility, emotional well-being, and value-driven choices. Their deep digital fluency significantly influences their financial decision-making, as this generation relies heavily on online platforms, digital payments, fintech apps, and decentralized investment tools. They are more open to gig work, freelancing, content creation, and multiple income streams, indicating a desire for autonomy over conventional career structures. At the same time, exposure to economic crises and global instability has made them more cautious, budget-conscious, and selective in their spending habits.

Gen Z's approach to money is also strongly shaped by ethics and identity; they prefer sustainable and socially responsible brands, prioritize mental health and meaningful experiences, and often view wealth not merely as material accumulation but as a means to achieve personal fulfillment and social impact. These evolving attitudes challenge traditional notions of financial behavior, signalling a shift in how wealth is perceived, pursued, and managed in modern society. This research aims to examine these changing patterns, identify the economic and psychological factors influencing Gen Z's financial mindset, and understand how their behaviors are reshaping contemporary concepts of wealth, consumption, and financial planning.

2. Literature Review

1. Title: ***How Financial Literacy, Hedonic Lifestyle, and Love of Money Influence Gen Z Financial Behavior***
Author: Rima Maisharoh(2025)
This study finds that Gen Z's financial behavior is influenced by financial literacy, hedonic lifestyle, and

personal values. Financial literacy significantly improves money management, while hedonic tendencies can coexist with discipline. Love of money shows no major effect, revealing the complex emotional and behavioral factors shaping Gen Z’s financial decisions.

2. Title: Analysis on Impact of Financial Influencers on Gen Z Investing in India
Author: Dr. Umakanth S, Ruchika Kochar, Harsh D Gandhi, Guru Charan, Monil Jain & R Rohit Jain(2024)
The study examines how financial influencers shape Gen Z’s investment decisions in India. It highlights the growing dependence on social-media-based financial advice, with nearly half of Gen Z relying on influencer recommendations. The paper shows a shift in financial behaviour driven by digital trust, preferred content formats, and platform engagement. It concludes that influencers significantly affect Gen Z’s perceptions, choices, and confidence in investing.

3. Title: Is Gen Z in India Moving Towards Financial Independence? – A Study of Their Investment Preferences
Author: Mahek Dugar & Vinodh Madhavan(2023)
This paper explores how Gen Z in India is gradually progressing toward financial independence by developing distinct saving and investing habits. The study shows strong variations across gender, age, and family income, with many Gen Z individuals relying increasingly on their own earnings. Their investment choices are shaped by family influence, long-term wealth goals, digital investing platforms, and preference for assets like equity, mutual funds, gold, and crypto. The study highlights Gen Z’s mix of optimism and fear, showing herd behaviour, risk sensitivity, and growing interest in learning and improving investment skills.

4. Title: ***Bridging the Generational Divide: Diversity and Inclusion in the Virtual Workplace***
Author: Kraght et al.(2023)
Kraght et al. highlight how virtual workplaces have intensified generational differences, making communication style and technology adoption key sources of friction. The authors emphasize that inclusive leadership, digital literacy support, and adaptive communication strategies play a critical role in minimizing these gaps. The paper further notes that Gen Z and millennials prefer collaborative, tech-driven work cultures, while older generations value clarity, structure, and stability. Overall, the study contributes by showing that effective cross-generational integration requires organizational commitment to empathy, flexibility, and continuous digital upskilling.

5. Title: ***Financial Behavior of Generation Z and Millennials***
Authors: Jhabindra Pokharel & Isha Maharjan(2024)
This paper examines how financial literacy, digital skills, risk tolerance, ethics, and financial attitude influence financial behavior among Gen Z and Millennials. The study finds that all these factors significantly shape how individuals save, spend, and invest. It also shows clear generational differences, with Millennials being more ethics-driven while Gen Z relies more on attitude. Overall, the research adds useful insights into how behavioral finance varies across age groups.

6. Title: ***Bridging Generational Wealth Gaps: Financial Planning Innovations for Millennials and Gen Z Clients***
Author: ***Judith U. C. Nwoke(2025)***
Nwoke examines the widening generational wealth gap by analyzing the structural economic pressures such as student debt, wage stagnation, and rising living costs—that hinder Millennials and Gen Z from building wealth. The paper argues that traditional financial planning models are outdated and fail to meet the needs of digital-native, value-driven young adults. It reviews innovative solutions including robo-advisors, AI budgeting tools, ESG investing, micro-investing, and subscription-based financial coaching. The study concludes that personalized, technology-enabled, and inclusive financial planning frameworks are essential to bridge intergenerational wealth disparities and support long-term financial resilience.

3.Research Methodology

Objectives

1. To Explore the influence of digital financial tools on gen Z s relationship with money
2. To study the impact of peer and social media pressure on gen z's money decisions
3. To study Gen Z's financial goal in comparison to previous generations
4. To examine the impact of debt culture on gen z's relationship with wealth

1. Research Design

The present study follows a descriptive research design, as it aims to describe and analyze the change in relationship of Gen Z with money, wealth, financial behavior, digital reliance, and social-media-driven financial decisions.
The research focuses on identifying patterns, attitudes, and associations among variables such as digital tool usage, social media influence, risk mindset, spending behavior, and financial independence.

This design is suitable because the study seeks to interpret existing behaviors, perceptions, and trends rather than manipulating variables.

2. Research Approach

The study uses a quantitative research approach, as numerical data was collected through structured questionnaire from 100 participants. The approach supports statistical testing (Chi-square) to determine relationships between categorical variables.

3. Sampling Method

The sampling method used is non-probability convenience sampling, as respondents were selected based on availability and willingness to participate.
This method is appropriate for Gen Z–based consumer behavior studies where the target audience (students & young adults) is easily reachable.

4. Sample Size

The final sample size for the study is 100 respondents.

Breakdown examples from the dataset include:

- Age Group: Mostly 18–25 years (96% collectively)
- Gender: 41% male, 59% female
- Income: Majority earning/receiving below ₹5000 (78%)

A sample size of 100 allows meaningful statistical interpretation while maintaining feasibility.

5. Target Population

The target population for this research is Generation Z individuals aged 18-28 years, particularly students, early employees, and young earners who actively use digital financial platforms.

6. Data Collection Method

Primary data was collected using a structured questionnaire consisting of close-ended questions.
The questionnaire captured:

- demographic details
- spending and saving behavior
- social media impact
- digital tool reliance
- attitudes toward credit, debt, and financial independence
- investment and risk mindset

All responses were quantitative and coded into categories for statistical testing.

7. Statistical Tools & Techniques Used

The study used the Chi-square Test of Independence as the primary statistical tool because both the dependent and independent variables were categorical in nature. This test helped identify whether meaningful associations existed between factors such as digital reliance, financial mindset, and social-media-driven behaviour.

8. Ethical Considerations

- Participation was voluntary
- No personal identifying information was collected
- Data used purely for academic purposes
- Respondents remained anonymous

9. Scope of the Study

The study covers:

- Gen Z's relationship with money
- Digital and social media influence on financial decisions
- Risk mindset and financial independence
- Spending triggers such as peers, influencers, and personal goals

10. Hypothesis

1) H0: There is no association between digital app usage and Gen Z's financial mindset.
H1: There is an association between digital app usage and Gen Z's financial mindset.

Testing the hypothesis
Dependent Variable = Risk Mindset
Independent Variable = Digital apps usage
Appling Chi square test as both Dependent and Independent variables are categorical

Chi square

Digital apps usage / Risk Mindset	High risk mindset	Low - moderate risk mindset	Total
High digital app usage	0.05	0.01	0.07
Low digital app usage	0.15	0.03	0.18
Total	0.20	0.05	0.25

Chi square = 0.25
Critical Value(CV) = 3.841458821
p value = 0.619521141
alpha = 0.05 (level of significance)
As, Chi square < Critical value and p value > alpha , we fail to reject the null hypothesis
Hence, There is no association between digital app usage and Gen Z's financial mindset.

2) H0: Social media pressure has no impact on social-media-driven purchases.
H1: Social media pressure significantly impacts social-media-driven purchases.

Testing the hypothesis
Dependent Variable = Perceived pressure of social media
Independent Variable = Bought or not bought due to social media
Appling Chi square test as both Dependent and Independent variables are categorical
Chi square

Perceives pressure/Bought or not bought	Bought due to social media	Not bought	Total
Does not perceive pressure	1.1	1.2	2.3
Perceives pressure	0.2	0.2	0.4
Total	1.3	1.4	2.7

Chi square = 2.7
CV = 3.841458821

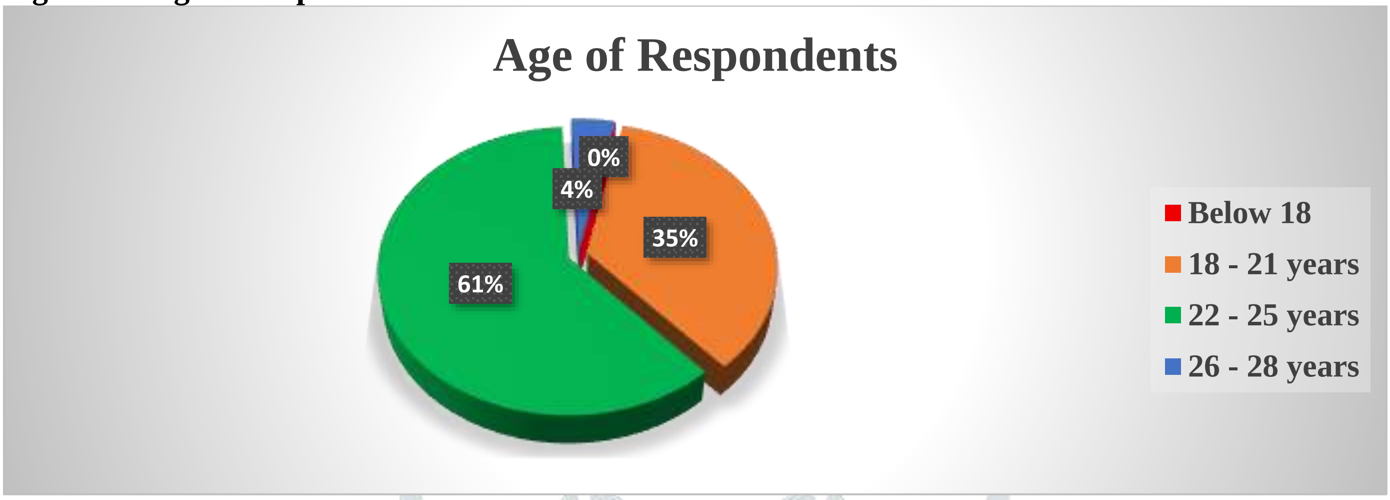
p value = 0.103277323
alpha = 0.05 (level of significance)

As, Chi square < Critical value and p value > alpha , we fail to reject the null hypothesis
Hence, Social media pressure has no impact on social-media-driven purchases.

4. Data analysis and interpretation

Q.1. Age Group

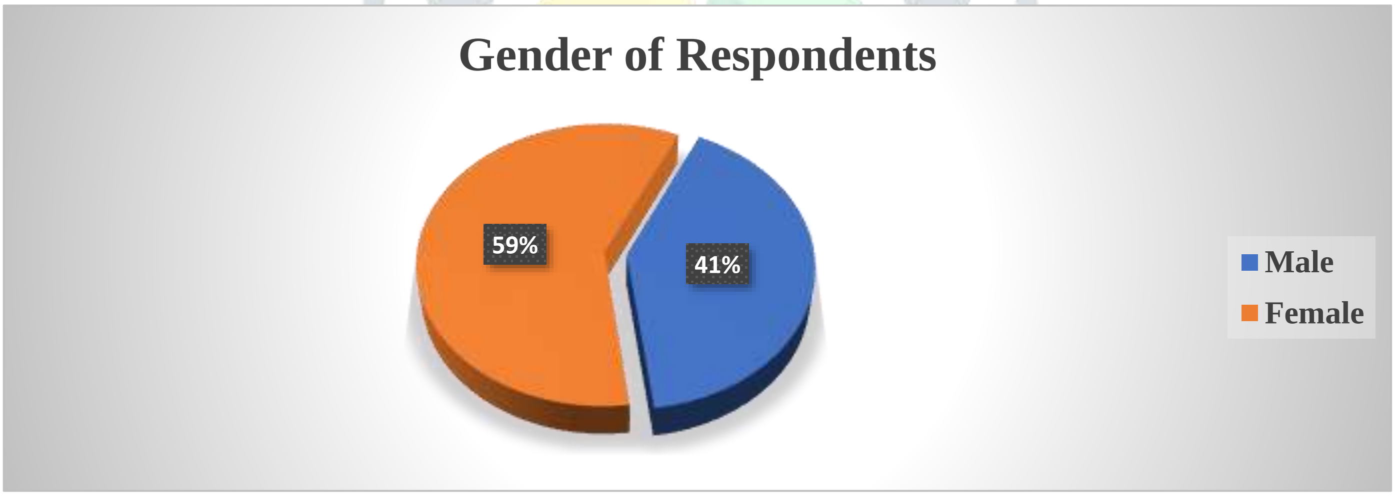
Figure 4.1 Age of Respondents



Interpretation:
Most respondents are aged 18–25, indicating the survey strongly represents mainstream Gen Z. This age range is financially active, digitally exposed, and forms the core group shaping modern money attitudes

Q.2. Gender

Figure 4.2 Gender of Respondents



Interpretation:
The sample includes more females than males, showing diverse gender participation. This balance helps understand financial behaviour differences while keeping results representative of Gen Z's overall financial mindset.

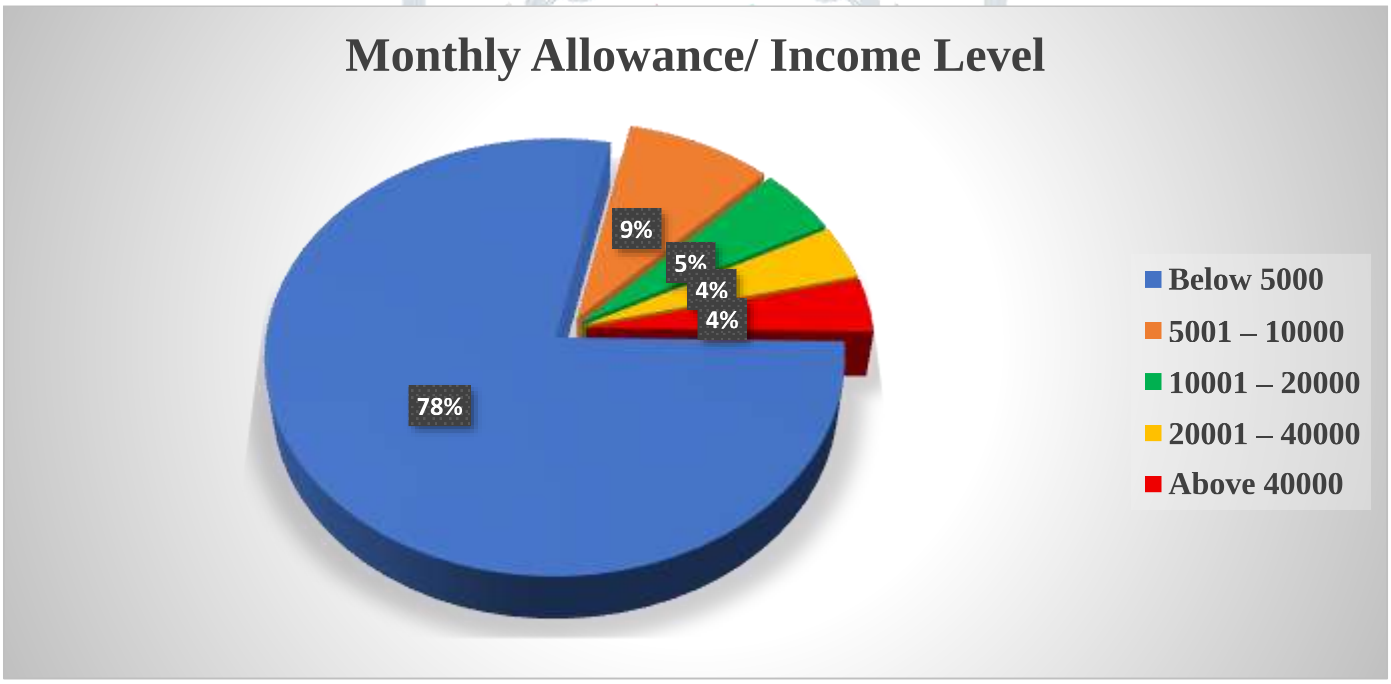
Q.3. Educational Qualification

Figure 4.3 Educational Qualification of Respondents

Interpretation:
Majority are graduates and postgraduates, meaning respondents are educated and aware of financial systems. This shows their financial opinions are informed and shaped by higher education exposure.

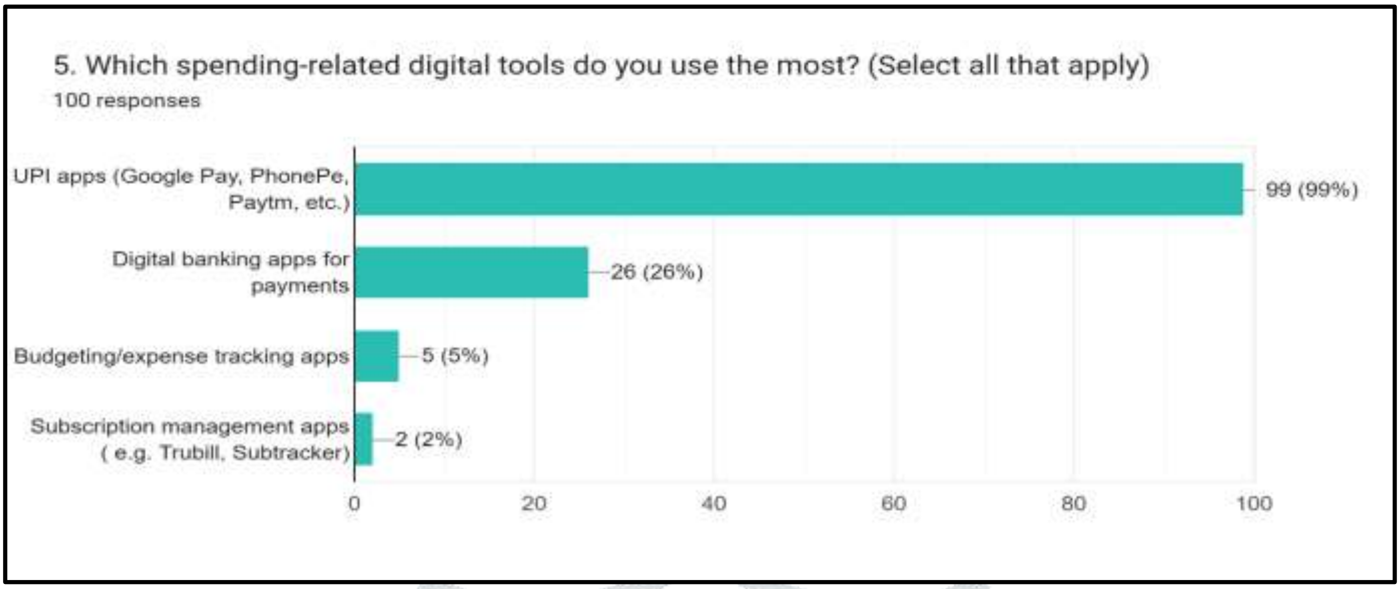
Q.4. Monthly Allowance / Income Level

Figure 4.4 Monthly Allowance/Income Level of Respondents



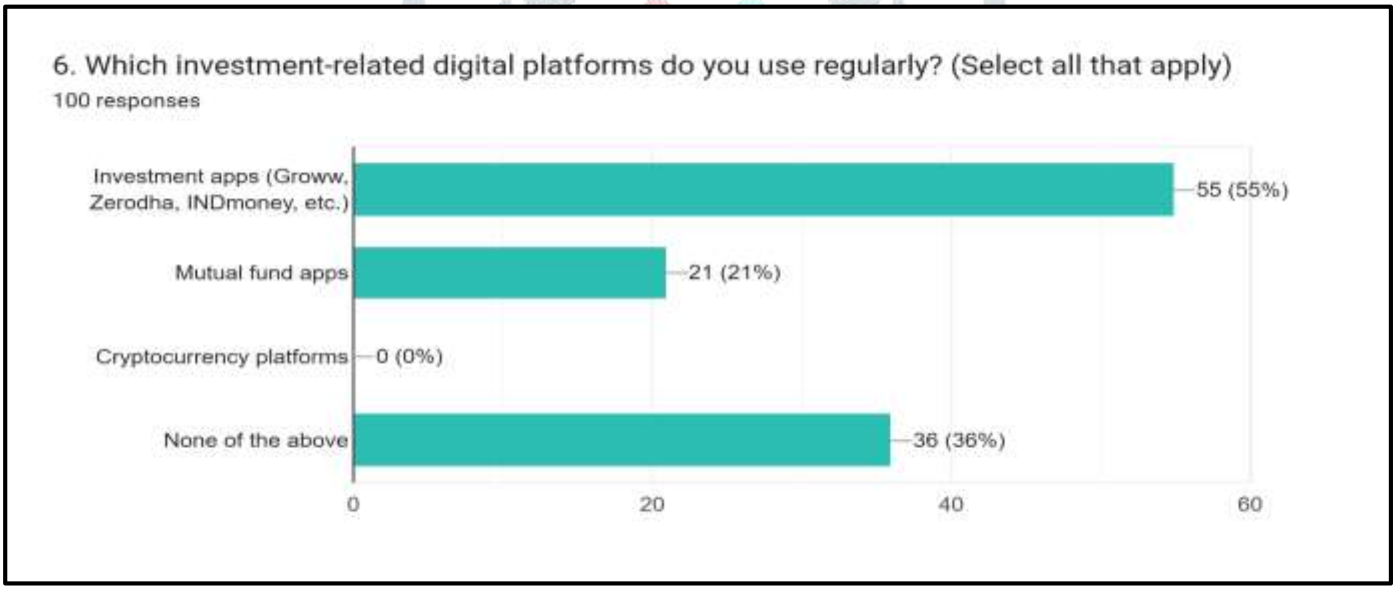
Interpretation:
Most respondents earn below ₹5,000, indicating limited financial capacity. This suggests Gen Z still depends on family support yet tries managing expenses independently with small allowances.

Figure 4.5 Spending Related Digital Tools



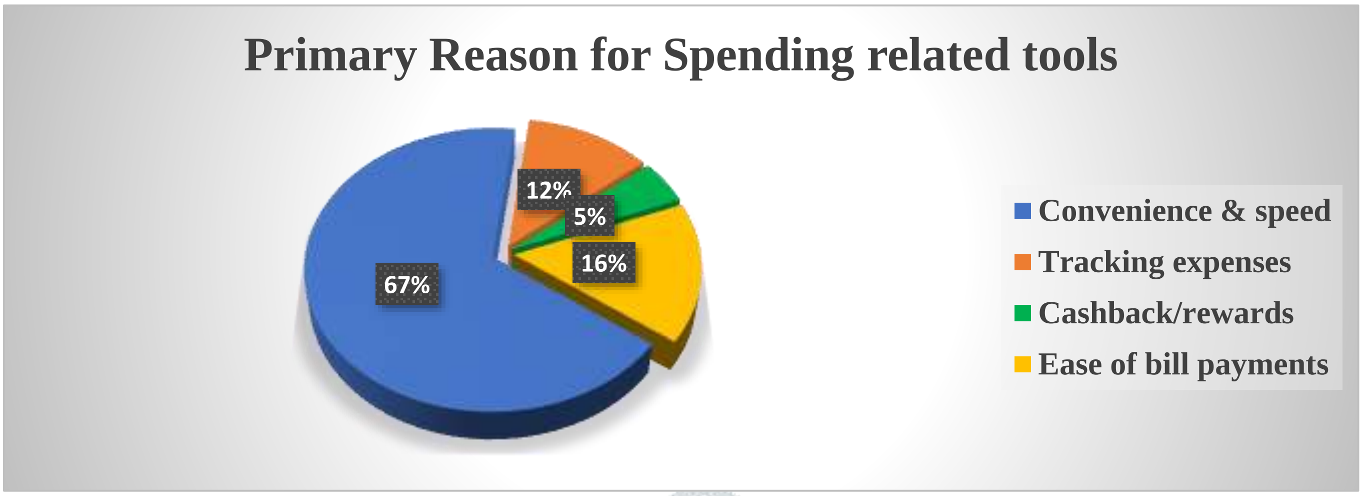
Interpretation:
The data shows Gen Z overwhelmingly uses UPI for quick, effortless spending, but rarely uses budgeting apps. This reflects a digital-first, convenience-driven money approach with low emphasis on disciplined financial tracking.

Figure 4.6 Investment Related digital platforms



Interpretation:
Most Gen Z respondents prefer investment apps like Groww or Zerodha, showing rising interest in digital investing. However, many still avoid formal platforms, and zero crypto usage reflects caution toward high-risk assets.

Q.7. What is your primary reason for using spending-related tools (e.g., UPI, banking apps)?
Figure 4.7 Primary Reason for Spending Related Tools

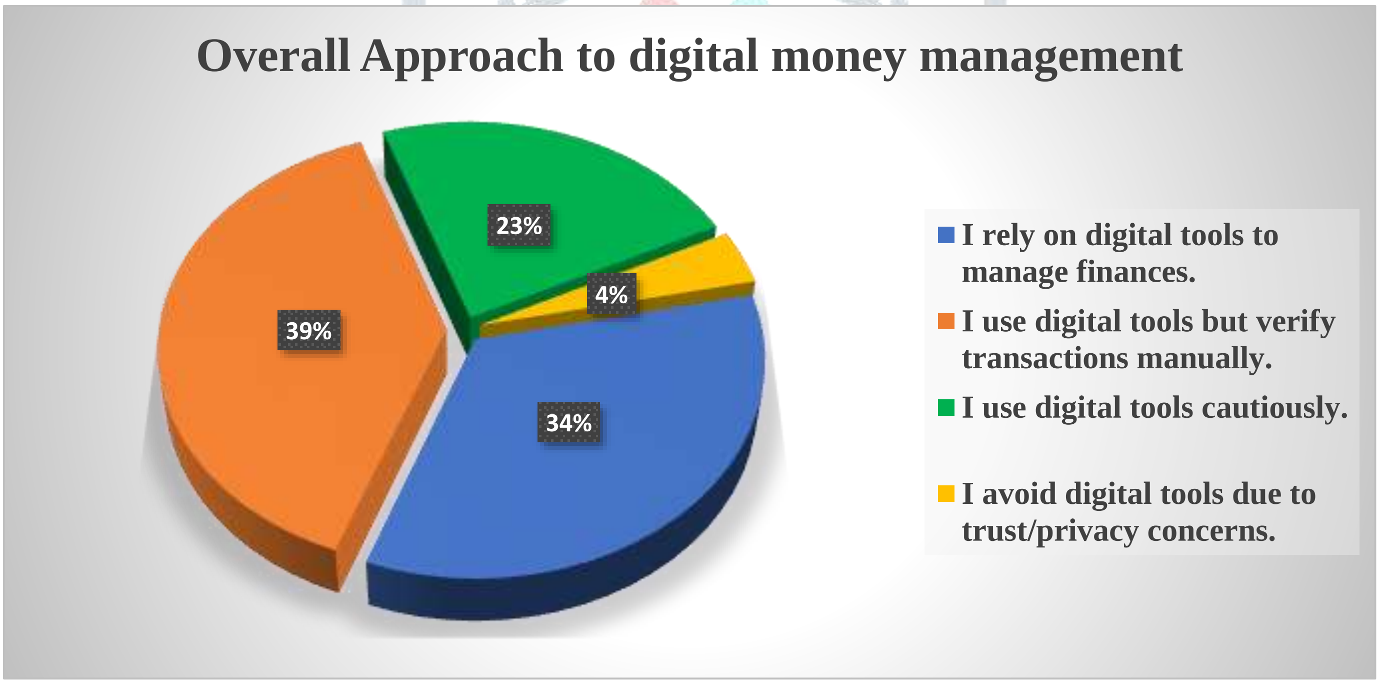


Interpretation:

Convenience and speed dominate as the primary reason for using digital tools. Gen Z prioritises quick, effortless transactions over rewards or tracking, reflecting technology-driven financial behaviour.

Q.8. Which statement best describes your overall approach to digital money management?

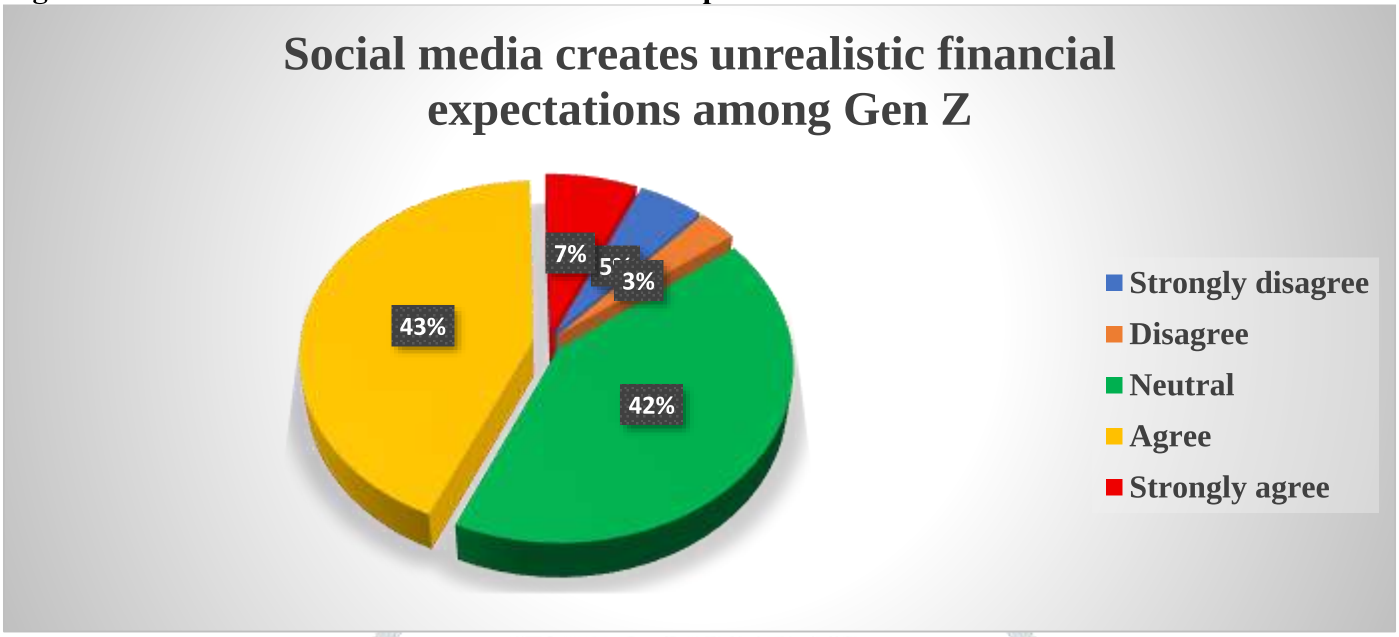
Figure 4.8 Overall Approach to digital money management



Interpretation:
Most respondents use digital tools but still verify manually, showing balanced trust. Gen Z embraces technology but remains cautious, ensuring control and accuracy in financial transactions.

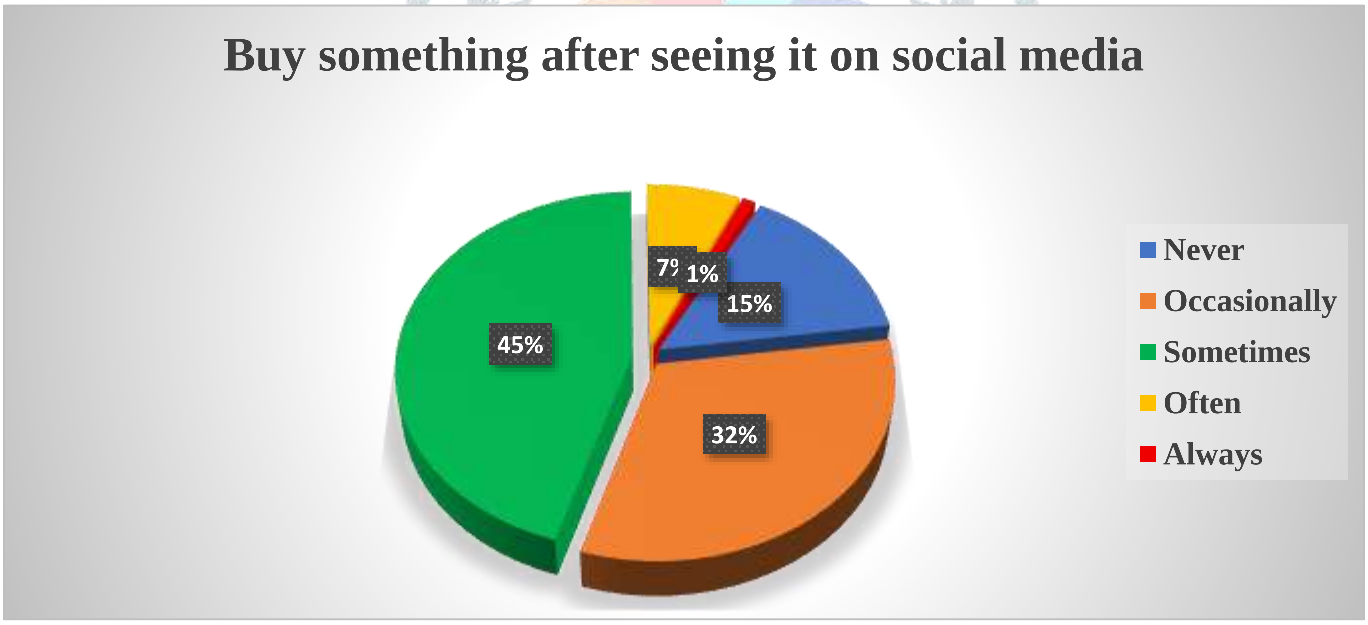
Q.9. Do you agree that social media creates unrealistic financial expectations among Gen Z?

Figure 4.9 Social-media and unrealistic financial expectations



Interpretation:
Most respondents agree or stay neutral, indicating awareness that social media can distort financial reality. Gen Z recognises online pressure but remains divided on its actual influence.

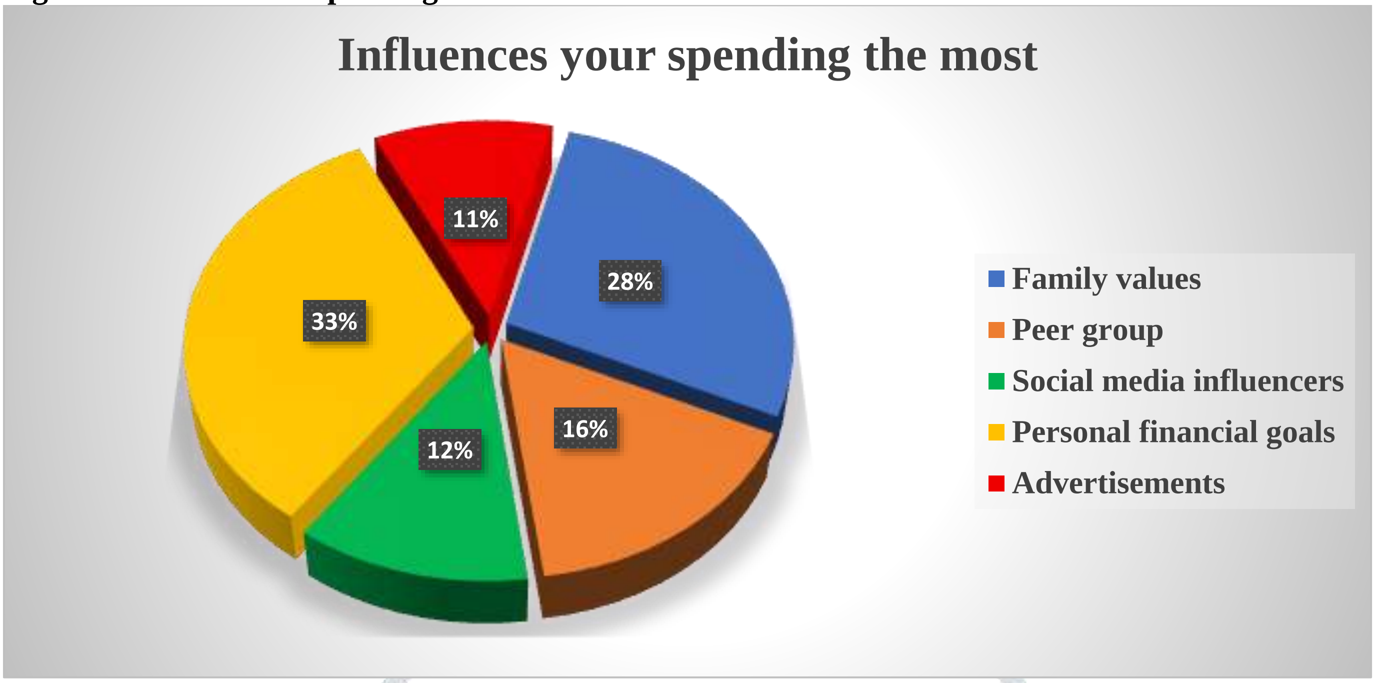
Q.10. How often do you buy something after seeing it on social media (e.g., influencer or friend recommendation)?
Figure 4.10 Social media influence on buying



Interpretation:
A majority sometimes or occasionally purchase after social media exposure, showing moderate influence. Gen Z is affected by trends but doesn't engage in impulsive or frequent social-media-driven buying.

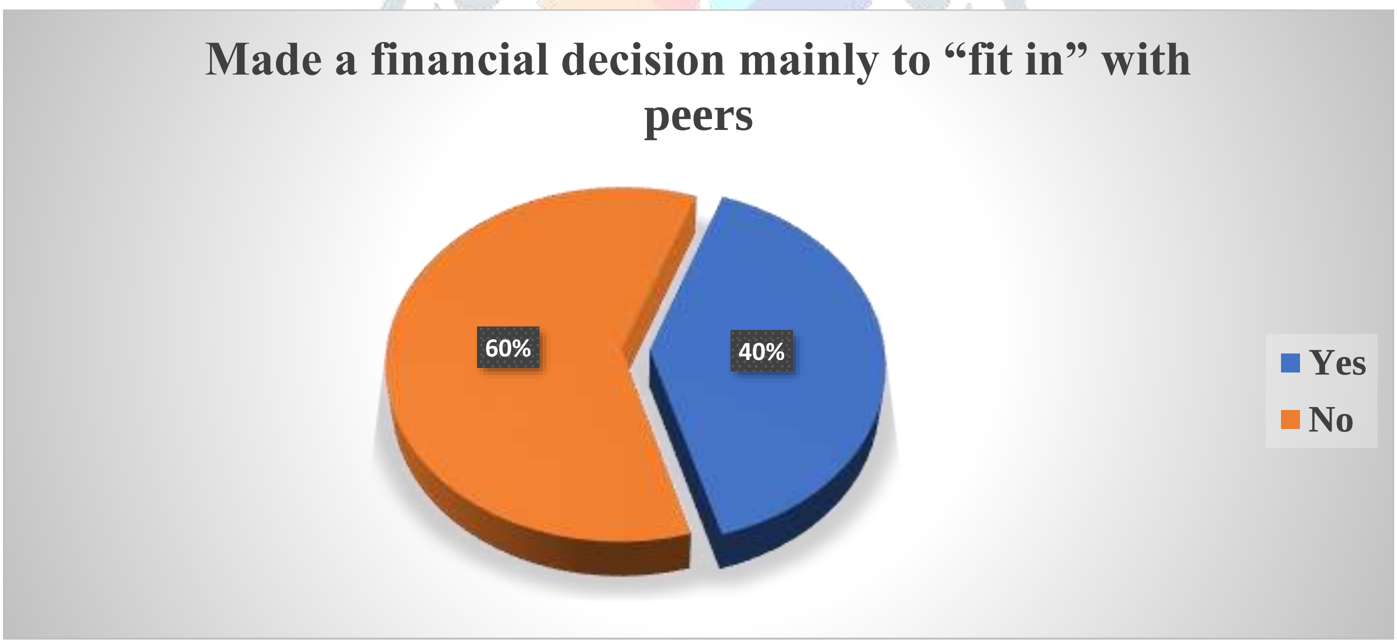
Q.11. Which of the following influences your spending the most?

Figure 4.11 Influences spending the most



Interpretation:
Personal financial goals influence spending the most, showing growing financial maturity among Gen Z. On the other hand, Family values also matter, while social media and ads are comparatively weaker influencers.

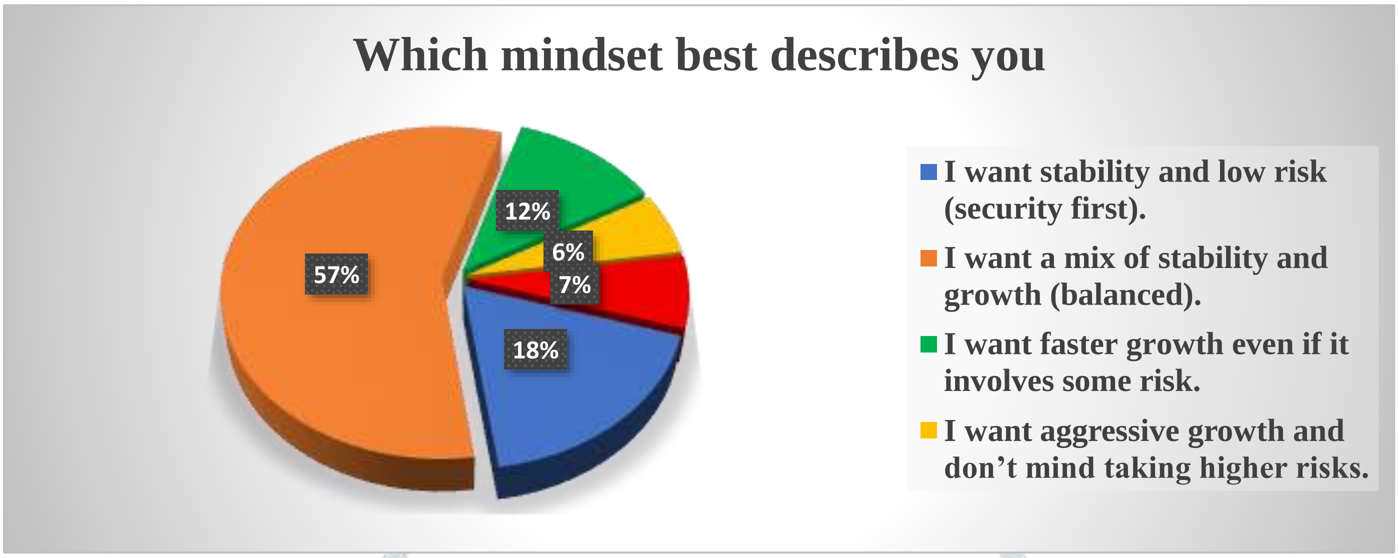
Q.12. Have you ever made a financial decision mainly to "fit in" with peers?
Figure 4.12 Made a financial decision to fit in



Interpretation:
Forty percent admit spending to fit in, highlighting peer pressure's significant role. However, majority avoid such behaviour, showing increasing independence in financial decision-making.

Q.13. When you think about your long-term financial life, which mindset best describes you?

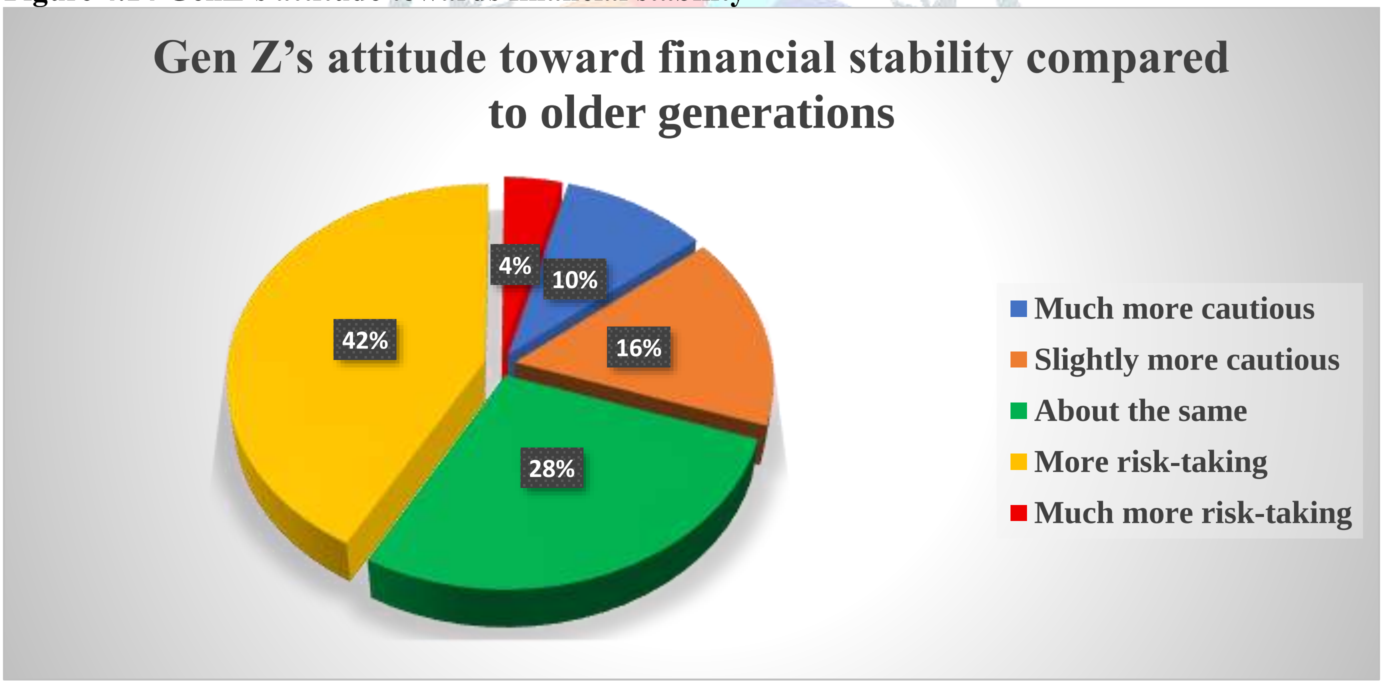
Figure 4.13 Mindset best describes you



Interpretation:
Most prefer a balanced approach between stability and growth, reflecting maturity and risk awareness. Only few seek aggressive growth, showing Gen Z avoids extreme financial risks.

Q.14. How would you describe Gen Z's attitude toward financial stability compared to older generations?

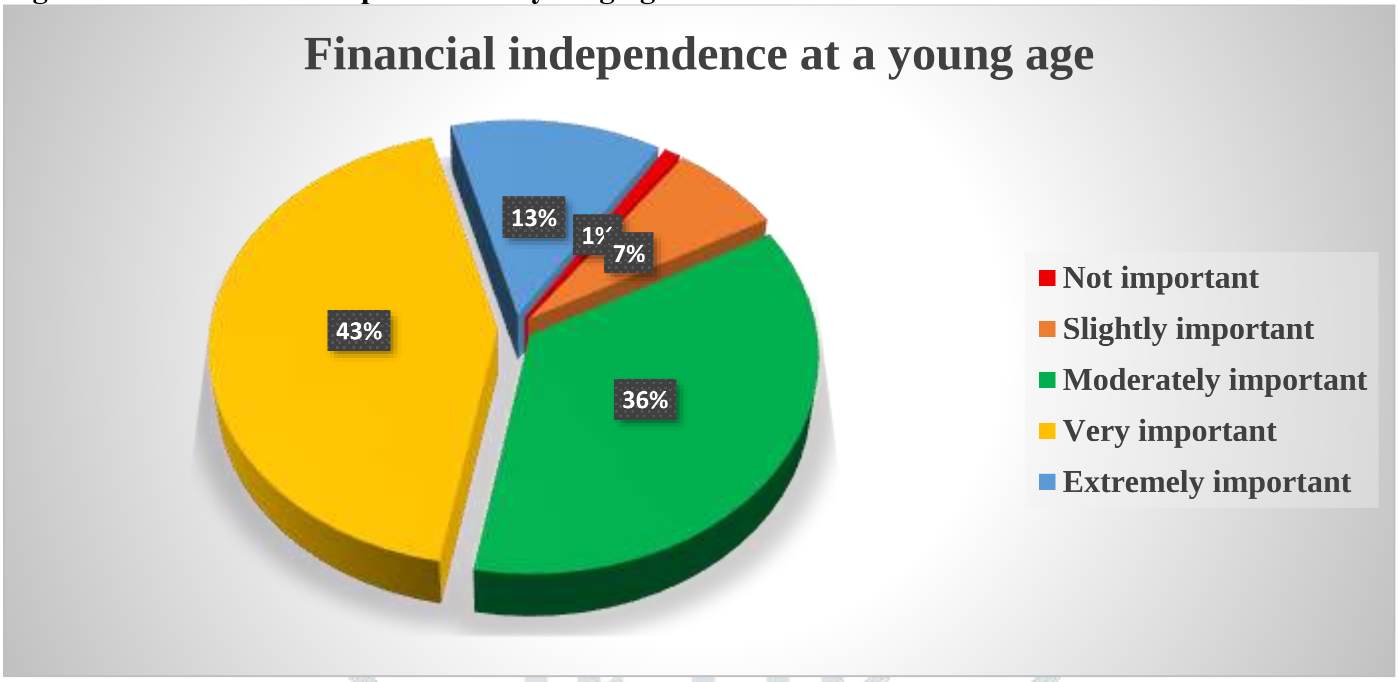
Figure 4.14 GenZ's attitude towards financial stability



Interpretation:
Majority view Gen Z as more risk-taking compared to older generations. This shows higher comfort with experimentation in investments, entrepreneurship, and digital financial products

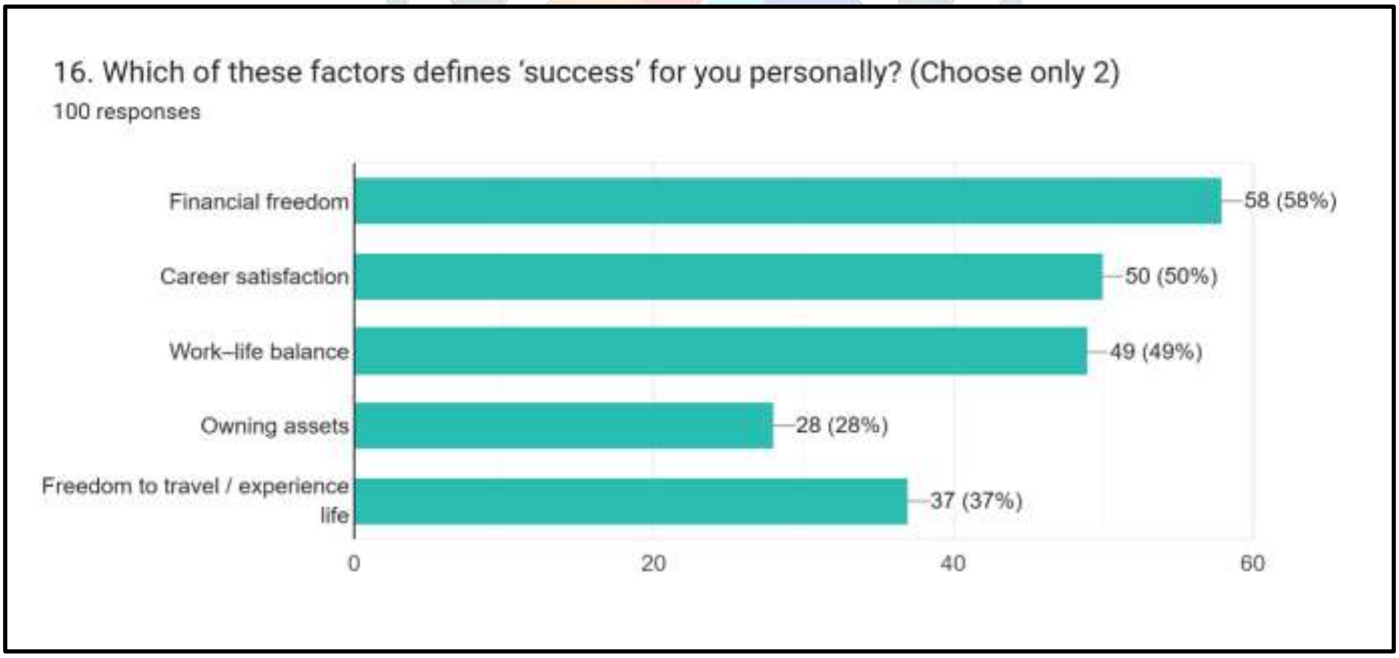
Q.15. How important is financial independence at a young age?

Figure 4.15 Financial independence at young age



Interpretation:
Financial independence is highly valued, with most rating it very or extremely important. This highlights Gen Z's strong desire for early self-reliance and control over their finances.

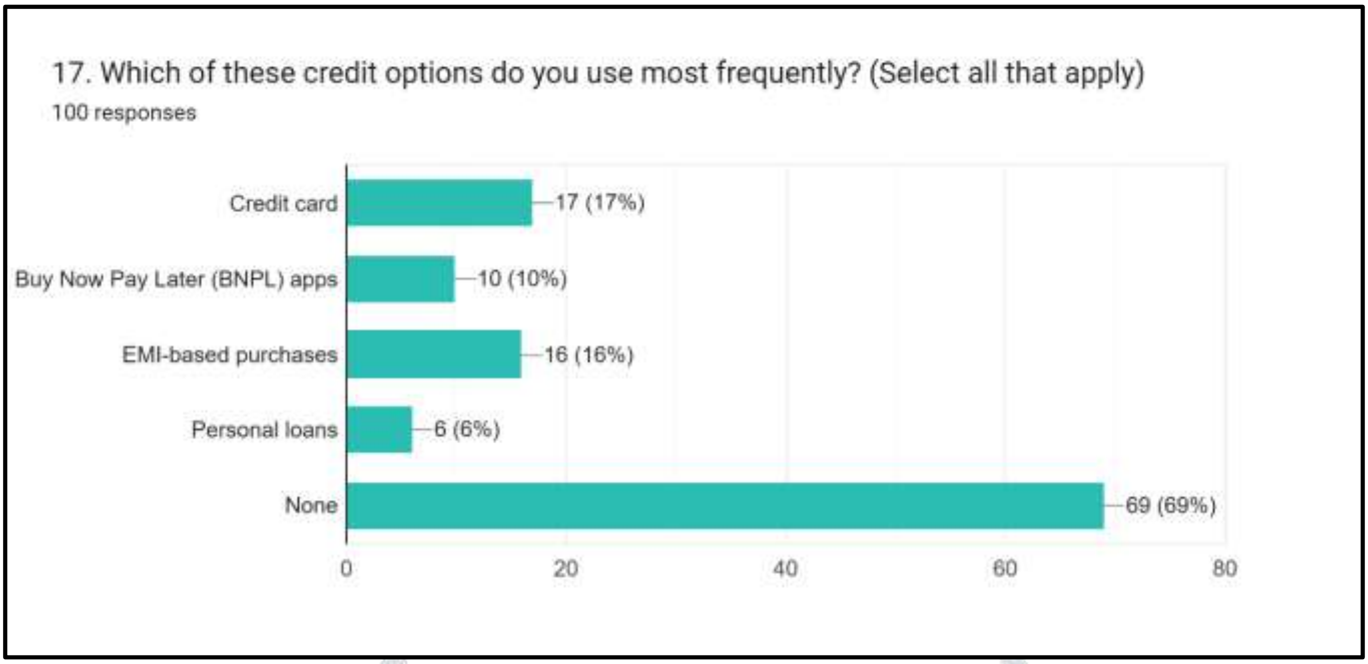
Figure 4.16 Factors defining success



Interpretation:

Gen Z defines success mainly through financial freedom, career satisfaction, and work-life balance. Experiential goals like travel matter moderately, while traditional markers like asset ownership rank lower, reflecting shifting modern priorities.

Figure 4.17 Frequent credit options used

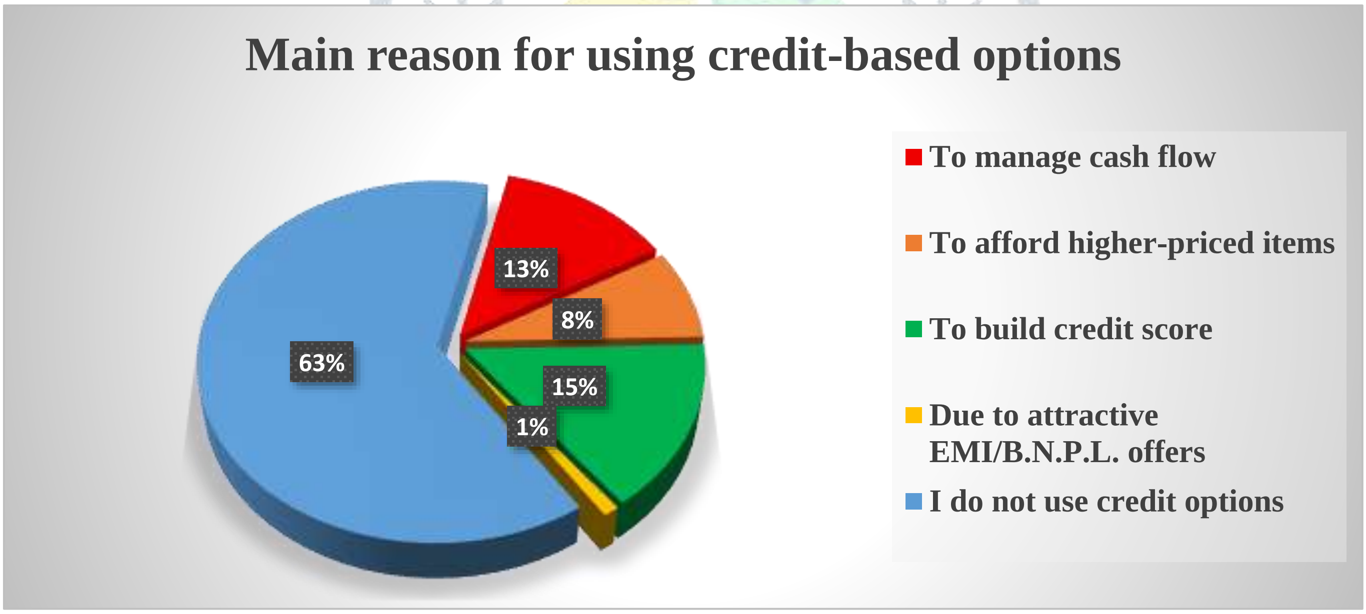


Interpretation:

Most Gen Z respondents avoid credit options entirely, showing cautious financial behaviour. Among users, credit cards and EMIs are preferred, while BNPL and personal loans remain less common due to higher perceived risk

Q.18. What is your main reason for using credit-based options?

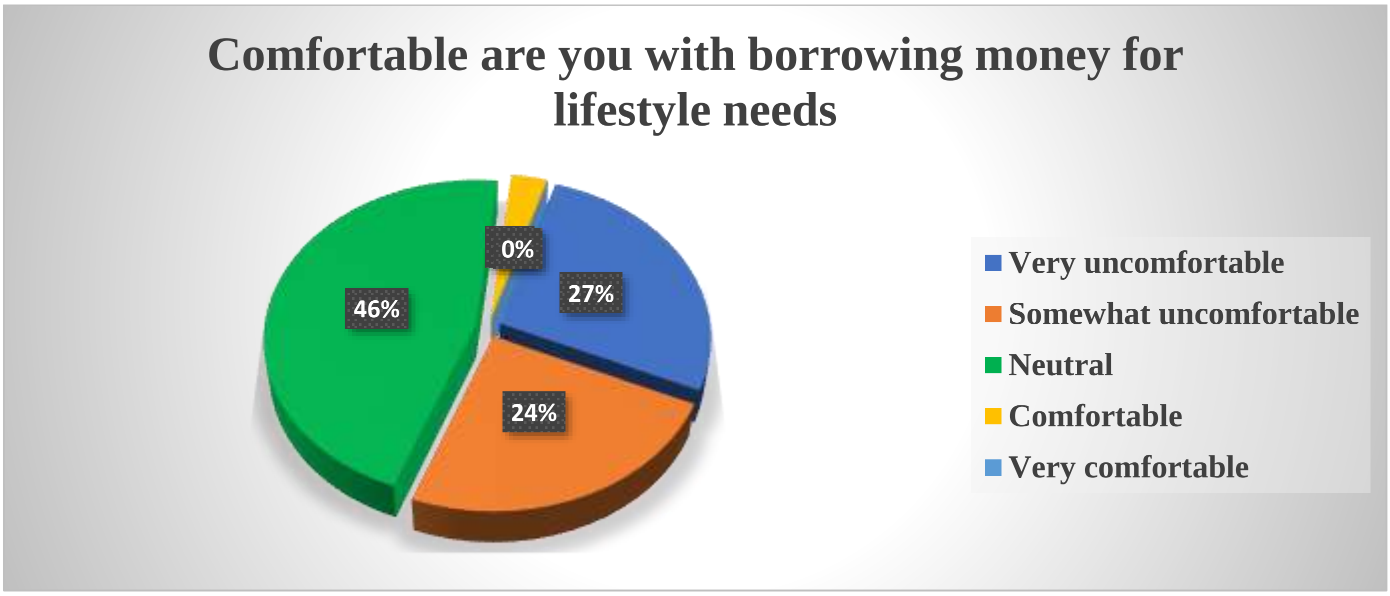
Figure 4.18 Main reason for using credit



Interpretation:
Most respondents avoid credit, indicating low reliance on loans at this age. Among users, credit building and cash flow management are primary motivations, showing practical financial planning.

Q.19. How comfortable are you with borrowing money for lifestyle needs (e.g., gadgets, travel)?

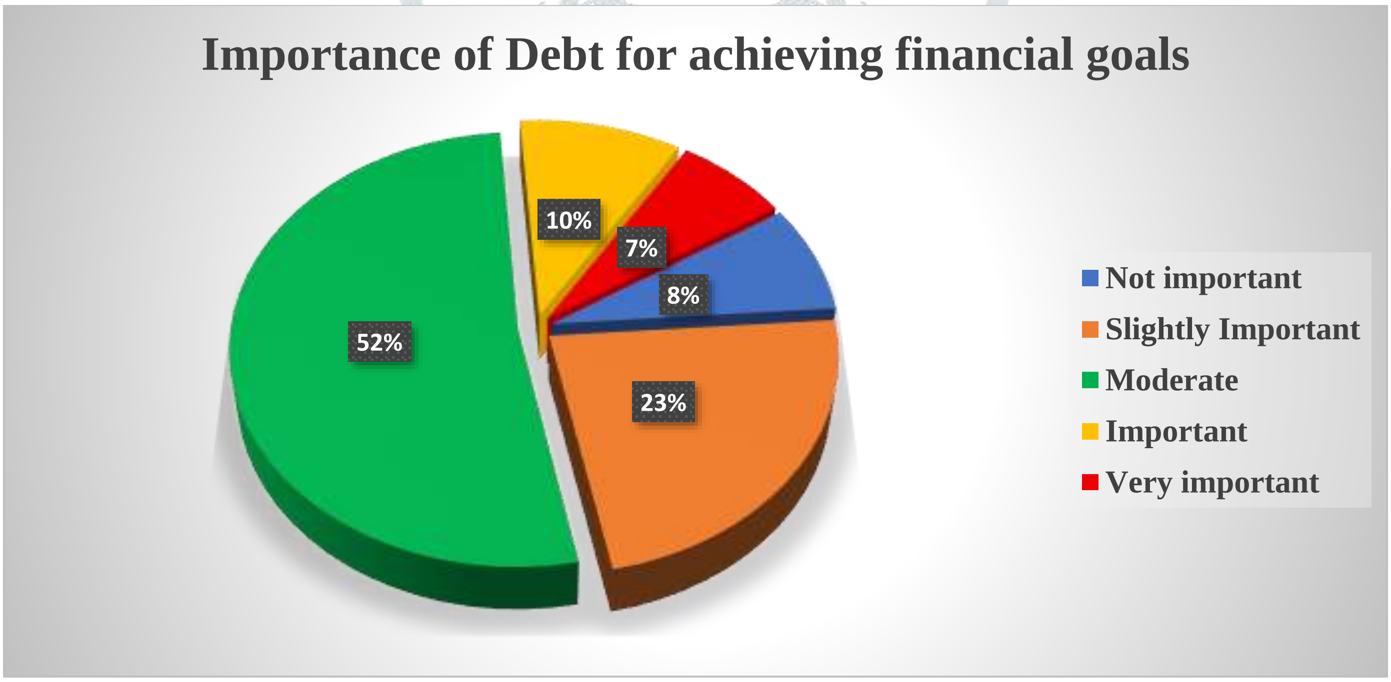
Figure 4.19 Comfortableness with borrowing



Interpretation:
Most respondents feel uncomfortable borrowing for lifestyle expenses, showing cautious behaviour. Gen Z prefers avoiding debt for non-essential wants, reflecting responsible financial thinking.

Q.20. How Important is Debt for achieving financial goals?

Figure 4.20 Importance of debt in financial goals



Interpretation:
Respondents view debt as moderately important, indicating understanding that loans can support long-term financial goals but should be used carefully to avoid unnecessary liabilities.

5. Findings

1. Most respondents belong to the 18–25 age group, representing the core of Gen Z, and the majority are graduates or postgraduates.
2. About 78% earn below ₹5,000, showing limited financial capacity and continued dependence on family.
3. UPI is the dominant spending method, preferred for convenience and speed, while budgeting apps remain rarely used, indicating low financial discipline.

4. Despite digital confidence, many respondents manually verify transactions, showing cautious trust in digital finance.
5. Social media creates unrealistic expectations for many, and 77% sometimes or occasionally buy after online exposure, though personal financial goals influence spending the most.
6. Peer pressure affects 40%, but most respondents make independent financial decisions.
7. Investment apps like Groww and Zerodha are used by 55%, yet 36% still avoid investing, and no respondents invest in cryptocurrency due to risk concerns.
8. Most Gen Z respondents prefer a balanced approach between stability and growth, reflecting cautious but optimistic financial behaviour.
9. Success is defined mainly through financial freedom, career satisfaction, and work-life balance rather than asset ownership.
10. Credit usage is low, with 69% avoiding credit options entirely, and borrowing for lifestyle needs is largely uncomfortable for respondents.
11. Debt is viewed as moderately important for achieving long-term goals, showing basic awareness of financial planning.
12. Hypothesis results show no significant association between digital reliance and financial mindset, and no significant impact of social media pressure on social-media-driven purchases.

6. Suggestions

1. Introduce structured financial literacy programs focusing on budgeting, debt management, and long-term planning.
2. Encourage Gen Z to use budgeting and money-tracking apps to improve financial discipline.
3. Provide guidance and workshops on responsible credit usage to help build credit scores safely.
4. Promote micro-investment options and beginner-friendly tools to help hesitant respondents start investing.
5. Conduct awareness programs to differentiate real financial goals from social-media-driven pressure.
6. Integrate mental well-being, work-life balance, and lifestyle goals into financial planning.
7. Encourage stable saving behaviour through emergency funds, SIPs, and simple budgeting rules like the 50-30-20 framework.

7.Limitations

- The sample size is limited to 100 respondents, restricting generalisability.
- Convenience sampling may introduce selection bias.
- Data relies entirely on self-reported responses, which may be subjective.
- Results focus mainly on 18–25 age group, narrowing perspective.
- Only quantitative data was used, limiting deeper behavioural insights.

8. Conclusion

The study concludes that Gen Z's relationship with money is undergoing a significant shift influenced by digital convenience, social trends, limited income, and evolving definitions of success. This generation embraces UPI, fintech platforms, and investment apps with ease, yet shows limited use of budgeting tools and cautious involvement with credit. Their priorities reflect a modern mindset where financial freedom, work-life balance, and emotional well-being outweigh traditional markers like asset ownership. Although social media shapes perceptions, it does not strongly determine financial decisions, as personal financial goals remain the main spending influence. Gen Z demonstrates a balanced risk approach, avoiding extreme borrowing or high-risk assets. Strengthening financial literacy, improving money management habits, and promoting mindful digital engagement can further support Gen Z in achieving long-term financial stability and independence.

Bibliography

- Maisharoh, R. (2025). *How financial literacy, hedonic lifestyle, and love of money influence Gen Z financial behavior*. *iBRICS: Journal of Multidisciplinary Study, 1*(2), 87–98. Retrieved from https://ibrics.net/index.php/iJMS/article/view/10 ibrics.net

- Umakanth, S., Kochar, R., Gandhi, H. D., Charan, G., Jain, M., & Jain, R. R. (2024). *Analysis on impact of financial influencers on Gen Z investing in India*. *International Journal for Multidisciplinary Research, 6*(2). Retrieved from https://www.ijfmr.com/papers/2024/2/15677.pdf IJFMR+1
- Dugar, M., & Madhavan, V. (2023). *Is Gen Z in India moving towards financial independence? - A study of their investment preferences*. *Journal of Student Research, 12*(2). https://doi.org/10.47611/jsrhs.v12i2.4446
- Nwoke, J. U. C. (2025). *Bridging generational wealth gaps: Financial planning innovations for Millennials and Gen Z clients*. Retrieved from https://www.researchgate.net/publication/390768758_Bridging_Generational_Wealth_Gaps_Financial_Planning_Innovations_for_Millennials_and_Gen_Z_Clients ResearchGate
- Kraght, G., Roca, J. C., Monteiro, A., & Germain-Thomas, J. (2023). *Bridging the generational divide: Diversity and inclusion in the virtual workplace*. Journal of Institutional Research and Practitioner Experience, 6(2), 209–226. https://jipe.ca/wp-content/uploads/2023/06/JIPE_Vol6-2_209-ORP-Kraght-et-al-Bridging-Generational-Divide.pdf
- Pokharel, J., & Maharjan, I. (2024). *Financial behavior of Generation Z and Millennials*. Journal of Emerging Management Studies, **1**(2), 148–170. https://doi.org/10.3126/jems.v1i2.71522