

## The Role of Sociodemographics in Moderating the Influence of Financial Literacy and Financial Knowledge on Financial Freedom

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### ABSTRACT

#### KEYWORDS

Financial Freedom,  
Financial Literacy,  
Financial Knowledge,  
Sociodemographics

The purpose of this study is to examine the influence of tax planning, corporate governance, and financial performance on manufacturing companies in the real estate and property sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2018 – 2020. This study uses a type of quantitative research with a descriptive research strategy. The population of this study is 65 companies in the real estate and property sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2018 – 2020. The sample selection in this study used purposive sampling with a sample of 42 companies so that there were 126 total observations. The data used is secondary data. Data collection techniques through the official IDX website: [www.idx.co.id](http://www.idx.co.id) and the company's official website. This study uses Eviews software version 10. The results of the study prove that, (1) Tax Planning has no effect on Company Value, (2) Managerial Ownership has no effect on Company Value, (3) Institutional Ownership has a significant positive effect on Company Value, (4) Independent Commissioners have a significant positive effect on Company Value, (5) Audit Committee has a significant positive effect on Company Value, (6) Capital Structure has a significant negative effect on Company Value, (7) Profitability has a significant positive effect on Company Value, (8) Liquidity has a significant positive effect on Company Value.

### INTRODUCTION

In the modern era, awareness of the importance of financial management is increasingly prevalent in various circles because it should not need to be studied anymore and has become an activity that we do every day. However, there are still many people who are not aware of how to manage finances correctly (Santak et al., 2024). Research conducted by *tSurvery.id* and *LM FEB UI* shows that the financial welfare index of the Indonesian people will be at 53.1% in 2023, which means that financial management is still not optimal (Fitrianingsih, 2025). Based on the GoBear Financial Health Index (FHI) survey involving respondents from various countries in Southeast Asia, it was revealed that Indonesian people only started thinking about financial planning at the age of 41, where financial planning is the first step towards financial freedom for individuals (Santak et al., 2024). The Consumer Financial Protection Bureau (CFPB) explains that financial freedom is a state in which individuals have control over their finances, are able to absorb financial shocks and can be able to make choices that allow them to enjoy life (Mogaji et al., 2021). Therefore, people who already have income must be wise in managing their finances in order to be able to overcome financial problems that arise such as not being able to meet basic needs, debt, impulsive purchase of goods, and lack of savings (Raharjo et al., 2023).

The financial behavior of the Indonesian people tends to be considered consumptive which can lead to various other irresponsible financial behaviors such as lack of self-awareness to save, invest, plan emergency funds and budget funds for the future in order to achieve financial freedom in the future (Purwanti, 2021).

Referring to the Central Statistics Agency (*BPS*) website, the labor sector in *DKI* Jakarta is divided into 2 sectors, namely formal sector workers and informal sector workers (Desanta & Aisyah, 2025; Djadjad, 2023; Sugiharti et al., 2022). Formal sector workers are workers whose employment relationships are covered by legislation or in practice, subject to certain labor laws, taxes, income, social protection or certain rights to certain employment guarantees (notice of prior dismissal, bad payments, annual pay or sick leave, etc.). In short, formal work moves in a structured Company with clear and organized working hours and working capital from an official source. Meanwhile, informal sector workers are workers who are responsible for individuals, work in less organized companies, and working capital that comes from their own expenses. ([www.merdeka.com](http://www.merdeka.com); accessed January 23, 2025).

*DKI* Jakarta Province is divided into 5 Municipalities and 1 Administrative Regency, namely Central Jakarta, North Jakarta, West Jakarta, South Jakarta, East Jakarta, and Thousand Islands Administrative Regencies. The strategic location of the province of *DKI* Jakarta in the Indonesian archipelago makes Jakarta the main gateway in inter-island trade and international relations ([www.jakarta.bpk.go.id](http://www.jakarta.bpk.go.id); accessed January 23, 2025). According to the International Encyclopedia of Human Geography (2009), a business district or CBD (Central Business District) is a part of an urban area that is traversed by major roads and surrounded by skyscrapers. The CBD area is always strategically located, close to public facilities, and supported by adequate public transportation facilities. Especially in the province of *DKI* Jakarta itself, the CBD area is located in Central Jakarta (Thamrin area is close to the HI Roundabout) and South Jakarta. Based on Chairisda's research (2023), the majority of Indonesians who are Gen Z choose the SCBD (Sudirman Central Business District) area as a career destination in addition to being a commercial center with international standards. Not inferior to SCBD, the Thamrin area is also predicted by workers to be a dream area because it is close to one of the 'mascots' of the city of *DKI* Jakarta, namely the HI Roundabout.

Financial freedom is the dream of every individual, both formal sector workers and informal sector workers (Bäckman Kartal, 2021; Saunoris & Sajny, 2017). Therefore, it is necessary to know the broad context of financial management. Financial freedom is a condition where you are free from things that risk your finances (Afaf & Yendrawati, 2021). Sambharakresna & Wulandari (2025) explained that financial freedom is a description of a condition where individuals are free from various debts, have sufficient sources of income to meet the needs of life, are financially protected from various risks, and do not feel worried when they have to spend money on recreational activities. Financial freedom can be achieved if you have a good understanding of financial literacy and are expected to be supportive for an individual to achieve financial freedom and get a prosperous life. Financial literacy is one of the fundamental tools that can be an indicator of a country's prosperity (Choerudin et al., 2023). Financial literacy is an individual's ability to understand and use various financial skills effectively including in personal financial management, budgeting, and investing to make decisions that can improve an individual's financial well-being (Lotto, 2020). The more a person is aware of the importance of financial literacy from an early age, the more prosperous and stable his life will be in the future because he understands knowledge of financial governance (Mursyidan & Syaipudin, 2023).

The results of the 2024 National Survey on Financial Literacy and Inclusion (SNLIK) show that the financial literacy index of the Indonesian population is 65.43%. The results included 14,634 respondents in 34 provinces and 120 cities/districts, which means that out of 100 people, only 65 people were literate and financially well-literate. This result has experienced a significant increase compared to 2019, where the financial literacy index is only 38.03% which includes 12,773 respondents in 34 provinces and 67 cities/districts taking into account gender and urban/rural strata.

Apart from financial literacy that must be mastered, next is financial knowledge. Handayani et al., (2022) stated that financial knowledge is a set of knowledge, skills, and beliefs that influence attitudes and behaviors in an effort to improve financial management and decision-making skills to achieve financial freedom. This includes how to manage income and expenses, as well as understanding basic financial concepts. Lack of knowledge about finance can lead to consumerism, hedonism, and individualism behaviors that will only harm oneself in the long run (Saraswati & Zidnia, 2022). The majority of Indonesia's population is occupied by Generation Z at 27.94% and Millennials at 25.87%, which indicates that in 2030 we will face a demographic bonus (Saraswati & Zidnia, 2022). Mien (2015) stated that the current generation needs to be given education and knowledge about finance, because it is rare to practice basic finance, such as planning, preparing personal savings regularly every month and long-term financial planning. A person who has the ability to make the right decisions about finances will not have financial problems in the future and can show healthy financial behavior so that they are able to prioritize needs, not desires (Hamdani, 2018).

In 2016, the Financial Services Authority said that the level of financial knowledge of the Indonesian people was still at 28%, while other countries in Southeast Asia such as Malaysia 66%, Thailand 73%, and Singapore were close to perfect, at 98% (Pradiningtyas & Lukiastuti, 2019). Education, which is considered important, has limited individual access to existing financial institutions to increase productivity towards welfare and independence which makes people tend to be consumptive and impulsive so that they tend to spend more than they should to equalize the lifestyle that has prevailed in the environment (Pradiningtyas & Lukiastuti, 2019).

Previous research has extensively explored the relationship between financial literacy, financial knowledge, and financial outcomes. For instance, Lone & Bhat (2024) found that financial literacy significantly impacts financial well-being, with financial self-efficacy acting as a mediator. Their study on a general population sample highlighted the importance of cognitive and psychological factors in achieving financial wellness. Similarly, Faturohman et al. (2024) demonstrated that financial behavior, mediated by social media influence, plays a crucial role in improving financial well-being in Indonesia, emphasizing the contextual factors unique to the Indonesian digital landscape. However, a critical gap remains in the literature: few studies have specifically examined how sociodemographic factors—such as age, gender, and education level—moderate the influence of both financial literacy and financial knowledge on the specific goal of financial freedom, particularly among distinct generational cohorts (Millennials vs. Gen Z) within a concentrated, high-stakes urban business environment like the Sudirman-Thamrin CBD. Most existing studies either treat

sociodemographics as control variables or focus on broader financial well-being rather than the more aspirational concept of financial freedom.

In understanding financial knowledge and the implementation of financial literacy, sociodemographic characteristics must be considered (Putri & Isbanah, 2019). Demographic characteristics include occupation, marital status, income, type of work, age, gender, work experience, and education (Fahriani, 2019). Based on data from the Indonesian Joint Funding Fintech Association (AFPI) (2023), as many as 60% of people aged 19-24 years are entangled in online loans, so they are still far from the goal of financial freedom (Ramadhania & Krisnawati, 2024). In the next few years, all individuals who fall into the productive age category can be relied upon to improve people's welfare and achieve their own financial freedom (Justyanita & Agustin, 2022).

From the explanation above, it can be seen that financial freedom can be influenced by financial literacy, financial knowledge, and sociodemographics. However, in the implementation of utilization, it is not yet known exactly how it affects the Sudirman – Thamrin area, so it became an attraction for researchers to conduct research with the title "The Role of Sociodemographics in Moderating Financial Literacy and Financial Knowledge on Financial Freedom".

Based on the background of the problem, this study aims to analyze the influence of financial literacy and financial knowledge on financial freedom as well as the role of sociodemographic factors such as gender, age, and education level as moderation variables. This research is expected to provide theoretical benefits in the form of contributions to the development of knowledge related to financial literacy, financial knowledge, and financial freedom, as well as practical benefits for STEI authors and students as a reference for future research. The contribution of this study lies in the use of sociodemographic factors as a moderation variable with the subject of Generation Z employees in the Sudirman–Thamrin area, which was chosen because there were still poor financial management behaviors such as out-of-plan spending, the practice of digging holes, and the use of savings for non-priority needs.

## **METHOD**

### **1. Research Design**

The type of research used in this study is quantitative research with an associative approach using a cross-sectional design. According to Sugiyono (2018:13), quantitative research is something based on the philosophy of positivism that is used to research certain populations or samples and data that is asked in numbers and analyzed using statistical techniques. Meanwhile, the associative approach is an approach that questions the causal relationship between exogenous variables, namely financial literacy and financial knowledge, with endogenous variables, namely financial freedom and moderation variables, namely sociodemographics.

### **2. Population and Sample**

According to Sugiyono (2018:13), population is a generalized area consisting of subjects or objects that have certain qualities and characteristics that are applied by researchers to be studied and then drawn conclusions. In this study, the number of research

population is unknown consisting of workers working in the area around Sudirman – Thamrin.

In this study, because the population is not known for certain, the determination of the number of samples is calculated based on indicators and then multiplied by 5 to 10 (Hair et al., 2021).

$$\begin{aligned}n &= \{10 \times \text{Number of Indicators}\} \\n &= \{10 \times 15\} \\n &= 150\end{aligned}$$

Based on the above calculation, the number of samples taken was 150 respondents. In order to provide more direction and focus in the selection of samples that represent the number of populations, the sampling technique is used, namely purposive sampling by setting the following respondent criteria:

- a. Respondents are included in the productive age category (15 – 59 years).
- b. The respondent works in the Sudirman-Thamrin area.
- c. Respondents have a minimum income of *DKI Jakarta UMP*.

### 3. Data Types and Sources

The source of data acquisition is divided into two types, namely:

- a. Primary Data: Primary data is data obtained or collected directly in the field by researchers from the person concerned. The data is collected by the researcher himself directly from the first source or where the research object was carried out (Sugiyono, 2018:456). The primary data in this study came from respondents who were individuals who were in the productive age category, worked in the Sudirman-Thamrin area and had a minimum income of the *DKI Jakarta UMP*.
- b. Secondary Data: Secondary data is indirect data obtained from virgin collectors, for example through documents (Sugiyono, 2018:456). This secondary data is available in a processed form, namely in the form of books that have historically been compiled so that researchers only need to search and collect it like data in the library or the internet. In this study, the secondary data used came from libraries and the internet.

### 4. Data Analysis and Hypothesis Testing Methods

#### a. Data Management Methods

The data processing in this study uses Smart PLS SEM (Partial Least Square – Structural Equation Modeling) software. PLS is able to explain the relationships between variables and is able to perform multiple analyses in a single test. The purpose of PLS is to help researchers to confirm theories and to explain the existence or absence of relationships between variables. Ghozali (2018) said that the PLS method is able to describe latent variables (not directly measurable) and measured using indicators. In this study, PLS is used in the hope of being able to help researchers to analyze with clear and detailed calculations. In addition, because there are moderation variables in this study, the form of moderation effect testing uses the Multi Group Analysis (MGA) method which aims to compare data analysis based on sample characteristics with two or more data sets (Ghozali, 2021).

#### b. Data Statistical Analysis

In the statistical analysis of data, the following SEM-PLS method is used:

##### 1) Reviews Outer Model

According to Husein (2015:18), the Outer Model analysis is carried out to ensure that the measurements used are valid and reliable. The calculations in this analysis are as follows:

- a) Convergent validity, the value of the loading factor on the latent variable with its indicators. The expected value  $> 0.7$ .
- b) Discriminant validity, the value of crossloading a useful factor whether the construct has adequate discriminatory. The trick is to compare the value of the intended construct must be greater with the value of other constructs.
- c) Composite reliability is a measurement if the reliability value  $> 0.7$ , then the construct value has a high reliability value.
- d) Average Variance Extracted (AVE) is the average of a variant that is at least 0.5.
- e) Cronbach alpha is a calculation to prove the result of composite reliability where the minimum quantity is 0.6.

## 2) Analyzes Inner Model

This analysis aims to test the relationship between latent constructions. There are several calculations in this analysis:

- a) R Square is the coefficient of determination in endogenous constructs. According to Chin (1998) in Sarwono (2015:30) explained 3 classifications of the R Square limit, namely 0.67 as substantial; 0.33 as moderate; 0.19 as weak.
- b) Effect Size (F Square) is done to determine the merits of the model. According to Chin (1998) in Ghozali (2015) the interpretation of the value of f square, which is 0.02, has a small effect; 0.15 has a moderate effect; 0.35 has a major effect on the structural level.
- c) Prediction Relevance (Q Square) or known as Stone-Geisser's. This test is carried out to determine the prediction capability of how well the value is produced. The interpretation of the value of 0.02 is considered small; 0.15 is considered moderate; 0.35 is considered large. It can only be done for endogenous constructs with reflective indicators.
- d) Standardized Root Mean Square Residual (SRMR) or known as model fit size or model fit. According to Hair et al., (2021) the fit model (suitable) is indicated with values below  $0.08 < 0.10$ .

## 3) Statistik Hypothesis

According to Sugiyono (2017:160), a statistical hypothesis is a statement about the state of the population (parameters) that will be tested for truth based on data obtained from research samples. A statistically testable statement is about the relationship between two or more research variables. Statistical hypotheses have two forms, namely the Alternative Hypothesis ( $H_a$ ) and the null Hypothesis ( $H_0$ ). The statistical hypothesis in this study is formulated as follows:

- a)  $H_{01} : \beta_1 = 0$  (Financial Literacy has no effect on Financial Freedom)
- b)  $H_{a1} : \beta_1 \neq 0$  (Financial Literacy affects Financial Freedom)
- c)  $H_{02} : \beta_2 = 0$  (Financial Knowledge has no effect on Financial Freedom)
- d)  $H_{a2} : \beta_2 \neq 0$  (Financial Knowledge affects Financial Freedom)
- e)  $H_{03} : \beta_3 = 0$  (Age is unable to moderate the influence of Financial Literacy on Financial Freedom)

- f) Ha3 :  $\beta_3 \neq 0$  (Age is able to moderate the influence of Financial Literacy on Financial Freedom)
- g) H04 :  $\beta_4 = 0$  (Education Level is not able to moderate the influence of Financial Literacy on Financial Freedom)
- h) Ha4 :  $\beta_4 \neq 0$  (Education Level is able to moderate the influence of Financial Literacy on Financial Freedom)
- i) H05 :  $\beta_5 = 0$  (Gender is not able to moderate the influence of Financial Literacy on Financial Freedom)
- j) Ha5 :  $\beta_5 \neq 0$  (Gender is able to moderate the influence of Financial Literacy on Financial Freedom)
- k) H06 :  $\beta_6 = 0$  (Gender is not able to moderate the influence of Financial Knowledge on Financial Freedom)
- l) Ha6 :  $\beta_6 \neq 0$  (Gender is able to moderate the influence of Financial Knowledge on Financial Freedom)
- m) H07 :  $\beta_7 = 0$  (Age is unable to moderate the influence of Financial Knowledge on Financial Freedom)
- n) Ha7 :  $\beta_7 \neq 0$  (Age is able to moderate the influence of Financial Knowledge on Financial Freedom)
- o) H08 :  $\beta_8 = 0$  (Education Level is not able to moderate the influence of Financial Knowledge on Financial Freedom)
- p) Ha8 :  $\beta_8 \neq 0$  (Education Level is able to moderate the influence of Financial Knowledge on Financial Freedom)

#### 4) Hypothesis Testing Techniques

##### a. Statistical Test t (Significance Test)

The t-test is used to determine the influence of independent variables on dependent variables individually (partially). The t-test was used with a significant level of 0.05 ( $\alpha = 5\%$ ) and compared the calculated t-value with the table t-value (Ghozali, 2018). The steps in decision-making are as follows:

- a) If the value of t is calculated  $> t$  of the table and the significance value is  $< 0.05$ , then H0 is rejected and Ha is accepted, meaning that the independent variable individually (partially) affects the dependent variable. Independent variables affect dependent variables.
- b) If the value of t is calculated  $< t$  of the table and the significance value is  $> 0.05$ , then H0 is accepted and Ha is rejected, meaning that the independent variable individually (partially) does not affect the dependent variable. Independent variables have no effect on dependent variables.

## RESULT AND DISCUSSION

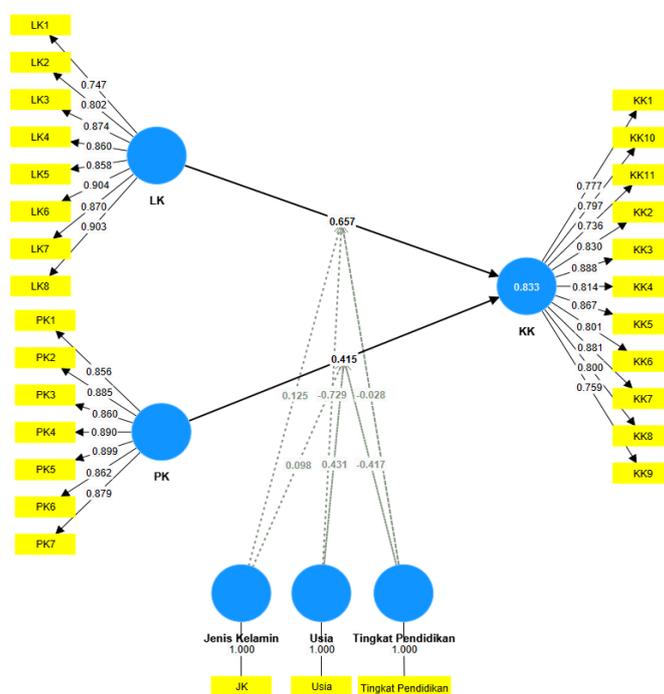
### SEM-PLS Analysis

The data analysis in this study uses the *Structural Equation Modeling–Partial Least Squares* (SEM-PLS) approach which is operated through SmartPLS 4. This method was chosen because it is able to analyze complex structural models, involves latent variables, and is suitable for use in relatively small sample sizes. The SEM-PLS analysis consists of two

main stages, namely *the outer model* and *the inner model*. *The outer model* is used to evaluate the quality of indicators in measuring constructs, while *the inner model* is used to test the causal relationships between latent variables as well as the role of moderation variables in the research model.

### 1. Outer Model

*Outer models* define latent constructs or variables that describe the relationship between indicators and their latent variables (Hair et al., 2019). This model explains how the observed indicators relate to more abstract constructs that cannot be directly measured. To evaluate the validity of *the outer model*, several methods were used, namely *convergent validity*, discriminant validity, and *composite reliability* (Cronbach's alpha). These methods are used to test the validity and reliability of the instruments used in the research, ensuring that the selected indicators can accurately and consistently measure the construct in question.



**Figure 1.** Scheme *Outer Model*  
Source: SmarPLS Output, 2026

#### a. Convergent Validity Test and Reliability Test

Convergent variables refer to the extent to which similar constructs are correlated with different variables (Suroso et al., 2021). The purpose of convergent validity is to ensure the validity of any linkage between the indicator and the latent construct or variable. Hair et al. (2019) recommended *Average Variance Extract* (AVE) as a measure of convergent validity because it is considered to be able to explain the extent to which items are divided between constructs in structural equation models with  $AVE > 0.05$ .

The reliability test was carried out to understand the consistency of financial literacy instruments, financial knowledge, and financial freedom. Widiastuti (2021) stated that if the value of *outer loadings*  $> 0.70$  is acceptable and considered suitable for use.

**Table 1.** Convergent Validity Results and Reliability Tests

Construct	Indicator	Outer Loadings	AVE	Cronbach's Alpha	Composite Reliability
<b>Financial Freedom (X1)</b>	KK1	0.777	0.664	0.949	0.952
	KK2	0.830			
	KK3	0.888			
	KK4	0.814			
	KK5	0.867			
	KK6	0.801			
	KK7	0.881			
	KK8	0.800			
	KK9	0.759			
	KK10	0.797			
	KK11	0.736			
<b>Financial Literacy (X2)</b>	LK1	0.747	0.729	0.946	0.951
	LK2	0.802			
	LK3	0.874			
	LK4	0.860			
	LK5	0.858			
	LK6	0.904			
	LK7	0.870			
	LK8	0.903			
<b>Financial Knowledge (Y)</b>	PK1	0.856	0.767	0.949	0.950
	PK2	0.885			
	PK3	0.860			
	PK4	0.890			
	PK5	0.899			
	PK6	0.862			
	PK7	0.879			

Source: SmartPLS Output, 2026

Based on table 4.5, it shows that all indicators in the variables of financial literacy, financial knowledge, and financial freedom have an *outer loading* value above 0.70. In addition, the *Average Variance Extracted* (AVE) value of each construct is above 0.50, which indicates that the construct is able to adequately explain the variance of the indicator. *Cronbach's Alpha* and *Composite Reliability values* of the entire construct also exceeded 0.70, so it can be concluded that the research instrument has met the criteria of validity and reliability, and is suitable for use in testing structural models.

*b. Discriminating Validity Test*

Voorhees et al. (2016) explain that the discriminant validity test has the purpose of proving that one construct is very different from another. One latent construct should not have the same high correlation as another construct (Jauk & Ehrental, 2021).

**Table 2.** Results *Cross Loadings*

	KK	PAGE	Horsepower
<b>KK1</b>	0.777	0.611	0.540
<b>KK10</b>	0.797	0.656	0.654
<b>KK11</b>	0.736	0.569	0.571

<b>KK2</b>	0.830	0.705	0.592
<b>KK3</b>	0.888	0.805	0.670
<b>KK4</b>	0.814	0.755	0.597
<b>KK5</b>	0.867	0.741	0.649
<b>KK6</b>	0.801	0.626	0.601
<b>KK7</b>	0.881	0.761	0.657
<b>KK8</b>	0.800	0.637	0.593
<b>KK9</b>	0.759	0.681	0.700
<b>LK1</b>	0.587	0.747	0.502
<b>LK2</b>	0.614	0.802	0.572
<b>LK3</b>	0.778	0.874	0.714
<b>LK4</b>	0.744	0.860	0.671
<b>LK5</b>	0.778	0.858	0.656
<b>LK6</b>	0.759	0.904	0.715
<b>LK7</b>	0.770	0.870	0.656
<b>LK8</b>	0.717	0.903	0.647
<b>PK1</b>	0.634	0.623	0.856
<b>PK2</b>	0.672	0.610	0.885
<b>PK3</b>	0.670	0.650	0.860
<b>PK4</b>	0.723	0.729	0.890
<b>PK5</b>	0.657	0.665	0.899
<b>PK6</b>	0.695	0.690	0.862
<b>PK7</b>	0.617	0.661	0.879

Source: SmartPLS Output, 2026

Based on table 2, it shows that the *loading* value of each indicator against its construct has a higher value than the loading value of other constructs. This shows that each indicator is more representative of the measured variable than the other, so that the requirement of discriminant validity through *cross loading* has been met.

## 2. Inner Model

The *inner model* describes the structural relationship between latent variables in this study, namely the influence of financial literacy and financial knowledge on financial freedom, as well as the role of sociodemographics as a moderation variable. The *internal evaluation of the model* was carried out through R-Square, f-Square, Q-Square, and Model Fit (SRMR) analysis presented in tables 4.9 to 4.12. These values are used to assess the model's ability to explain endogenous variables, the strength of the effects of each variable, and the overall feasibility of the model.

**Table 3.** Results R-Square

	<b>R-square</b>	<b>R-square adjusted</b>
<b>Financial Freedom</b>	0.833	0.819

Source: SmartPLS Output, 2026

Based on table 3, it shows that the *R-Square* value is 0.833, that the variation of the Financial Freedom variable can be explained by the variables Financial Literacy, Financial Knowledge, and the sociodemographic moderation variable of 83.3%. This value indicates that the model has strong explanatory power.

**Table 4.** The results of *f-Square*

	<i>f-square</i>	<b>Ket.</b>
Financial Literacy - > Financial Freedom	0.162	Moderate
Financial Knowledge - > Financial Freedom	0.053	Small
Gender x Financial Literacy -> Financial Freedom	0.005	No influence
Age x Financial Literacy -> Financial Freedom	0.080	Small
Education Level x Financial Literacy -> Financial Freedom	0.051	Small
Education Level x Financial Knowledge > Financial Freedom	0.000	No influence
Age x Financial Knowledge - > Financial Freedom	0.226	Moderate
Gender x Financial Knowledge -> Financial Freedom	0.006	Small

Source: SmartPLS Output, 2026

Based on table 4, it is shown that financial literacy has a moderate influence on financial freedom, while financial knowledge has a small influence. Furthermore, for the role of moderation from gender (no effect), age (small), and education level (small) for the influence of financial knowledge on financial freedom. As for the role of moderation from gender (no effect), age (moderate), and education level (small) for the influence of financial literacy on financial freedom.

**Table 5.** Q Result *Square*

	Q <sup>2</sup> predict	RMSE	IT IS
Financial Freedom	0.791	0.489	0.378

Source: SmartPLS Output, 2026

Based on Table 5, it shows that the Q<sup>2</sup> predict value is 0.791, which means that the model has good predictive ability on the variable financial freedom.

**Table 6.** SRMR Fit Model Results

Model Fit	Value
SRMR	0.059
d_ ULS	1.513
d_ G	1.882
Chi-square	1273.090
NFI	0.734

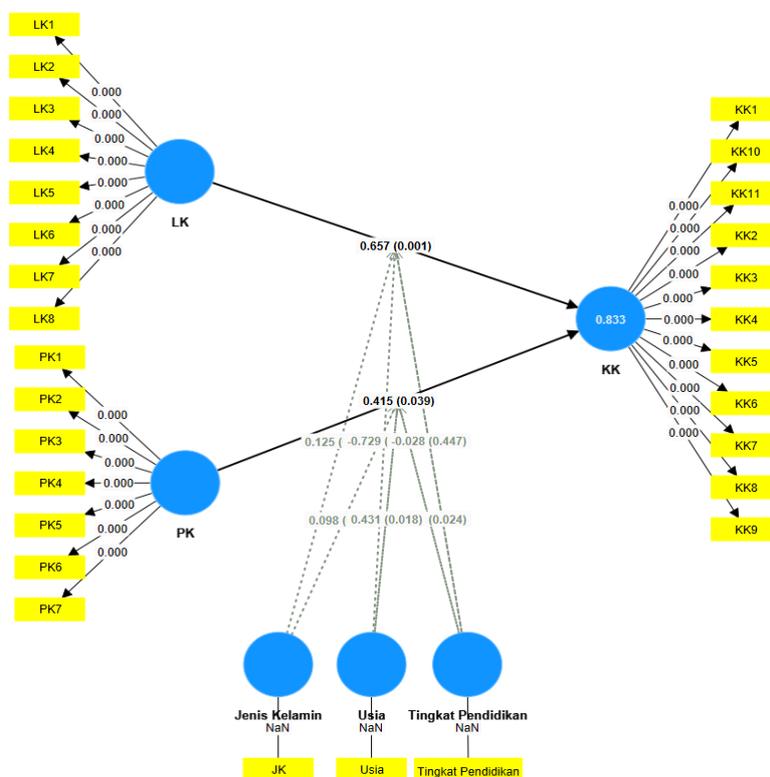
Source: SmartPLS Output, 2026

Based on Table 4.12 shows that the SRMR value is 0.059, which is below the limit of 0.08. This shows that the structural model built has a good level of model suitability.

### Uji Hypothesis

Hypothesis testing was carried out using the PLS-Bootstrapping procedure, which aims to assess the significance for the direct influence as well as the influence of moderation in the research model. The hypothesis is acceptable if the *t-statistical value of the t-statistic* > *t*

table is 1.654 and the P value is < 0.05 (Ghozali, 2021). In this study, a *one-tailed test approach* was used, because the direction of the relationship between variables has been formulated theoretically. The test results show the following:



**Figure 2. Path Coefficients**  
Source: SmartPLS Output, 2026

**Table 7. Hypothesis Test Results**

	Hipotesis	Original sample	T statistics	P values
<b>H1</b>	Financial Literacy -> Financial Freedom	0.657	3.218	0.001
<b>H2</b>	Financial Literacy -> Financial Freedom	0.415	1.761	0.039
<b>H3</b>	Age x Financial Literacy -> Financial Freedom	-0.729	4.133	0.000
<b>H4</b>	Education Level x Financial Literacy > Financial Freedom	-0.028	0.133	0.447
<b>H5</b>	Gender x Financial Literacy -> Financial Freedom	0.125	0.710	0.239
<b>H6</b>	Gender x Financial Literacy -> Financial Freedom	0.098	0.502	0.308
<b>H7</b>	Age x Financial Literacy -> Financial Freedom	0.431	2.103	0.018
<b>H8</b>	Education Level x Financial Literacy -> Financial Freedom	-0.417	1.971	0.024

Source: SmartPLS Output, 2026

Based on table 7 shows that:

1. Financial literacy has a path coefficient value of 0.657, a t-statistical value of 3.218 > 1.654, and a p-value of 0.001 < 0.05, so H1 is accepted. These results show that the better the level of financial literacy of employees, the better the level of financial freedom they feel.

2. Financial knowledge has a path coefficient of 0.415, a t-statistic value of  $1.761 > 1.654$ , and a p-value of  $0.039 < 0.05$ , so H2 is accepted. These results show that the better the financial literacy, the better the employee meets the criteria for financial freedom.
3. The interaction of age to Financial Literacy has a path coefficient value of -0.729, a t-statistical value of  $4.133 > 1.654$ , and a p-value of  $0.000 < 0.05$ , so H3 is accepted. The negative coefficient shows that the influence of financial literacy on financial freedom differs between age groups. This indicates that age can strengthen or weaken the influence of financial literacy in achieving financial freedom, depending on the age group of the respondents.
4. The interaction of Education Level on Financial Literacy has a path coefficient value of -0.028, a t-statistical value of  $0.133 < 1.654$  and a p-value of  $0.447 > 0.05$ , so it is not significant and H4 is rejected. These results show that the level of education is not able to strengthen or weaken the influence of financial literacy on financial freedom. This means that financial literacy plays a relatively equal role in increasing financial freedom, regardless of differences in education levels.
5. Gender Interaction on Financial Literacy had a path coefficient value of 0.125, a t-statistic value of  $0.710 < 1.654$  and a p-value of  $0.239 > 0.05$ , so H5 was rejected. These findings show that gender differences are not able to strengthen or weaken the influence of financial literacy on financial freedom. In other words, financial literacy has a relatively similar role for male and female employees in achieving financial freedom.
6. The interaction of Gender to Financial Knowledge has a path coefficient value of 0.098, a t-statistical value of  $0.502 < 1.654$  and a p-value of  $0.308 > 0.05$ , so H6 is rejected. This shows that gender is not a distinguishing factor in the influence of financial knowledge on financial freedom. Both male and female employees benefit relatively equally from their financial knowledge.
7. The interaction of age to financial knowledge had a path coefficient value of 0.431, a t-statistic value of  $2.103 > 1.654$ , and a p-value of  $0.018 < 0.05$ , so H7 was accepted. These results suggest that age plays a role as a moderation variable in the relationship between financial knowledge and financial freedom. This means that the influence of financial knowledge on financial freedom differs in different age groups.
8. The interaction of Education Level to Financial Knowledge has a path coefficient value of -0.417, a t-statistic value of  $1.971 > 1.654$  and a p-value of  $0.024 < 0.05$ , so H8 is accepted. These findings show that the level of education is able to strengthen or weaken the influence of financial knowledge on financial freedom, so that educational background is an important factor in the effective use of financial knowledge.

### ***Multi Group Analysis (MGA)***

Multi *Group Analysis* (MGA) was conducted to find out whether there is a difference in the power of influence between sociodemographic groups in the relationship between financial literacy and financial knowledge to financial freedom. The sociodemographic groups analyzed in this study include gender, age, and education level. The MGA was used as a reinforcement of the moderation analysis, by comparing *the path coefficient* values between groups to see which groups showed more dominant influences.

**Table 8.** PLS MGA Difference Test Results

Variabel Group	Pathway	Difference	p-value	Verdict
Gender (Lk vs Pr)	Financial Literacy → Financial Freedom	-0.093	0.709	Insignifikan
Gender (Lk vs Pr)	Financial Literacy → Financial Freedom	0.097	0.276	Insignifikan
Age (Millennial vs Gen Z)	Financial Literacy → Financial Freedom	-0.739	0.000	Signifikan
Age (Millennial vs Gen Z)	Financial Literacy → Financial Freedom	0.418	0.004	Signifikan
Education (Non-Undergraduate vs Undergraduate/Postgraduate)	Financial Literacy → Financial Freedom	-0.126	0.763	Insignifikan
Education (Non-Undergraduate vs Undergraduate/Postgraduate)	Financial Literacy → Financial Freedom	0.344	0.021	Signifikan

Source: SmartPLS Output, 2026

**Table 9.** PLS MGA Bootstrapping Results

Variabel Group	Jalur	Groups	Coeficin	p-value	Verdict
<b>Gender</b>	Financial Literacy → Financial Freedom	Male	0.580	0.000	Signifikan
		Women	0.673	0.000	Signifikan
	Financial Literacy → Financial Freedom	Male	0.335	0.002	Signifikan
		Women	0.238	0.044	Signifikan
<b>Age</b>	Financial Literacy → Financial Freedom	Milenial	0.093	0.264	Insignifikan
		Gen Z	0.832	0.000	Signifikan
	Financial Literacy → Financial Freedom	Milenial	0.562	0.000	Signifikan
		Gen Z	0.144	0.015	Signifikan
<b>Education</b>	Financial Literacy → Financial Freedom	Non-Undergraduate	0.414	0.003	Signifikan
		Undergraduate/Postgraduate	0.541	0.000	Signifikan
	Financial Literacy → Financial Freedom	Non-Undergraduate	0.558	0.000	Signifikan
		Undergraduate/Postgraduate	0.214	0.010	Signifikan

Source: SmartPLS Output, 2026

Based on table 8 and table 9, the influence of financial literacy on financial freedom is more dominant in Generation Z, while the influence of financial knowledge on financial freedom is stronger in the Millennial Generation. This explains why age proved to be a significant moderator in H3 and H7.

The results of the MGA show that although the level of education does not moderate the influence of financial literacy (H4 is rejected), it is able to moderate the influence of financial knowledge (H8 accepted). The Non-Undergraduate group showed a stronger influence of financial knowledge on financial freedom than the Undergraduate/Postgraduate group.

The results of the MGA reinforce the findings of the moderation test that there was no significant difference between men and women in the influence of literacy and financial knowledge on financial freedom. Therefore, H5 and H6 were consistently rejected.

### **1. The Impact of Financial Literacy on Financial Freedom**

Based on the results of the first hypothesis test (H1) which states that financial literacy has an effect on financial freedom is accepted. The results of this study show that financial literacy has a positive and significant influence on financial freedom. In other words, the more a person is able to implement their financial literacy, the more they will be considered able to achieve financial freedom.

The results of this study show that the financial literacy possessed by employees working in the Sudirman – Thamrin area is adequate to be practiced in daily life and can make good decisions in the use of their finances and already know the financial risks that can arise in the future. The results of this study are in line with research conducted by Raharjo et al. (2023) which stated that financial literacy has a positive and significant effect on financial freedom.

### **2. The Influence of Financial Knowledge on Financial Freedom**

Based on the results of the second hypothesis test (H2) which states that financial knowledge has an effect on financial freedom is accepted. The results of this study show that financial knowledge has a positive and significant influence on financial freedom. In other words, the more a person has adequate knowledge of financial knowledge, the more able to achieve financial freedom.

The results of this study show that the financial knowledge possessed by employees working in the Sudirman – Thamrin area is good enough and able to make good personal financial reports by recording money in and out of their financial activities and knowing the benefits of long-term investment and financial risks in the future. The results of this study are in line with those conducted by Yulianingrum et al. (2021) who stated that financial knowledge has a positive and significant effect on financial freedom.

### **3. Age Moderates the Influence of Financial Literacy on Financial Literacy**

Based on the results of the third hypothesis test (H3) which states that age is able to moderate the influence of financial literacy on financial freedom is accepted. The results of this study show that different age groups can have a positive and significant influence of financial literacy on financial freedom. In other words, age can strengthen or weaken the influence of financial literacy in achieving financial freedom, depending on the age group of the respondents.

The results of this study show that workers with a certain age group who work in the Sudirman-Thamrin area have a relatively similar role in achieving financial freedom. The results of this study are in line with those conducted by Putri & Rahyuda (2017) who stated that age is able to moderate the influence of financial literacy on financial freedom.

### **4. Education Level Moderates the Influence of Financial Literacy on Financial Freedom**

Based on the results of the fourth hypothesis (H4) test, which states that the level of education is able to moderate the influence of financial literacy on financial freedom, it is rejected. The results of this study show that differences in education levels are not able to strengthen or weaken the influence of financial literacy on financial freedom.

The results of this study show that workers with non-undergraduate and undergraduate/postgraduate education levels working in the Sudirman-Thamrin area have a relatively similar role in achieving financial freedom. The results of this study are not in line with those conducted by Gama et al. (2023) who stated that individuals with higher education levels tend to be more skilled in managing finances.

#### **5. Gender Moderates the Influence of Financial Literacy on Financial Freedom**

Based on the results of the fifth hypothesis test (H5) which states that gender is able to moderate the influence of financial literacy on financial freedom is rejected. The results of this study show that gender differences are not able to strengthen or weaken the influence of financial literacy on financial freedom.

The results of this study show that both men and women who work in the Sudirman-Thamrin area have relatively similar roles in achieving financial freedom. The results of this study are not in line with research conducted by Herawati et al. (2020) which states that women have better financial literacy than men and research conducted by Gudjonsson et al. (2022) which states that men have a higher level of financial literacy than women.

#### **6. Gender Moderates the Influence of Financial Knowledge on Financial Freedom**

Based on the results of the sixth hypothesis test (H6) which states that gender is able to moderate the influence of financial knowledge on financial freedom is rejected. The results of this study show that gender differences are not able to strengthen or weaken the influence of financial knowledge on financial freedom.

The results of this study show that both men and women who work in the Sudirman-Thamrin area have relatively similar roles in achieving financial freedom. The results of this study are not in line with the research conducted by Morris et al. (2022) which stated that differences in men have more capacity to achieve financial freedom than women.

#### **7. Age Moderates the Influence of Financial Knowledge on Financial Freedom**

Based on the results of the seventh hypothesis test (H7) which states that age is able to moderate the influence of financial knowledge on financial freedom is accepted. The results of this study show that different age groups can have a positive and significant influence of financial knowledge on financial freedom. In other words, age can strengthen or weaken the influence of financial knowledge in achieving financial freedom, depending on the age group of the respondents.

The results of this study show that the age group working in the Sudirman-Thamrin area already has enough basic financial knowledge to achieve financial freedom. The results of the study are in line with the research conducted by Shekinah et al. (2020).

#### **8. Education Level Moderates the Influence of Financial Knowledge on Financial Freedom**

Based on the results of the eighth hypothesis test (H8) which states that the level of education is able to moderate the influence of financial knowledge on financial freedom is accepted. The results of this study show that the level of education can have a positive and significant influence of financial knowledge on financial freedom. In other words, education level is able to strengthen or weaken the influence of financial knowledge in achieving financial freedom, depending on the respondent's education level group.

The results of this study show that the group of employees with non-undergraduate and undergraduate/postgraduate education levels working in the Sudirman-Thamrin area

already have enough basic financial knowledge to achieve financial freedom. The results of the research are in line with the research conducted by Dewi (2017).

## CONCLUSION

Based on the results of the analysis using Smart PLS 4.0 on 150 employees in the Sudirman-Thamrin area, it can be concluded that financial literacy and financial knowledge have a positive and significant effect on financial freedom, which shows that the better the application of financial literacy and knowledge, the greater the chance of achieving financial freedom. Age has been shown to moderate the relationship between financial literacy and financial knowledge to financial freedom, while education level and gender are not able to moderate the influence of financial literacy on financial freedom. In addition, gender is also not able to moderate the relationship between financial knowledge and financial freedom, but the level of education is able to moderate the relationship between financial knowledge and financial freedom, which shows that there is a difference in influence based on educational groups in achieving financial freedom.

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