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Digital Financial Literacy, Financial Behaviors, and Well-Being: Evidence from Rural Millennial Families in Lumajang East Java

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ABSTRACT

Millennial families in rural areas play an important role in driving the digital economy but still face gaps in financial literacy and access to digital financial services. This study aims to analyse the effect of Digital Financial Literacy (DFL) on Financial Well-Being (FWB) through Spending Behavior, Saving Behavior, and Investment Behavior among millennial families in rural areas of Lumajang, East Java. The research employed a quantitative survey method involving 400 respondents selected using quota sampling and analyzed with PLS-SEM. The results indicate that DFL does not directly affect FWB but has an indirect effect through the mediating variables of spending, saving, and investment behaviors. These findings highlight the importance of enhancing digital financial literacy accompanied by positive changes in financial behavior to improve the financial well-being of millennial families in rural areas

Key words: Digital Financial Literacy, Financial Behavior, Financial Well-Being, Millennial Families, Rural Areas.

INTRODUCTION

The Indonesian economy has shown stable growth in recent years, supported by a strengthening digital sector and increasing national financial inclusion. However, significant disparities remain between urban and rural areas, particularly in terms of access to financial services and economic well-being. In rural areas, many families still rely on agricultural activities, with fluctuating incomes and limited access to technology and modern financial services. This situation poses a major challenge to improving the financial well-being of rural communities in Indonesia, including in East Java, one of the provinces with the largest rural population on the island of Java.

Along with the rapid development of digital technology, financial service providers are innovating through various platforms such as mobile banking, e-wallets, and digital investment applications. According to data from the Financial Services Authority (OJK) and the Central Statistics Agency (BPS) in the 2024 National Survey on Financial Literacy and Inclusion (SNLIK), the national financial literacy index reached 65.43%, while the financial inclusion index reached 75.02% (OJK & BPS, 2025). However, when viewed by regional classification, the financial literacy index in rural areas remains lower, at around 59.60%, compared to urban areas (GoodStats, 2025). This gap indicates that despite the increasing

penetration of digital financial services, the ability of rural communities to understand and utilize these services remains limited.

On the other hand, young people, especially millennials, are the primary target of digital transformation due to their adaptability to technology. A survey by the Financial Services Authority (OJK) and Statistics Indonesia (BPS) showed that the 26–35 age group had the highest financial literacy index, at 74.82% (OJK & BPS, 2024). However, research in several villages in East Java indicates that millennials' digital financial literacy remains low. For example, a study in Tunggilis Village found that most millennials had not yet implemented financial planning practices, saved regularly, or invested digitally (Musadat & Ningrum, 2024). Similar phenomena are also evident in various other villages in East Java, where consumer behavior remains dominant while saving and investing have not yet become priorities.

Millennial families are a crucial group to study in this context because they are entering an economically active phase of life and are driving social change in rural areas. As a relatively more educated and technologically savvy generation, millennial families have significant potential to accelerate digital transformation in the rural financial sector. However, the challenges they face are complex: increasing household economic responsibilities, the need for long-term financial planning (such as children's education and home ownership), and the influence of a consumptive digital lifestyle can impact their financial well-being. Therefore, understanding how digital financial literacy shapes the financial behavior of millennial families is crucial to building a foundation for sustainable financial well-being in rural East Java.

In this context, digital financial literacy is an important concept because it encompasses not only basic financial understanding but also the ability to use digital technology to make intelligent financial decisions. This literacy includes the ability to select digital financial products, maintain transaction security, and understand the risks and benefits of using financial technology (Indopremier, 2024). According to consumer behavior theory (Kotler & Keller, 2013) and resource-based theory (Barney, 1991), an individual's knowledge and ability to manage financial resources—including digital skills—can influence rational financial behavior, such as spending behavior, saving habits, and investment decisions. Furthermore, healthy financial behavior will contribute to improved financial well-being.

Furthermore, the Theory of Planned Behavior (Ajzen, 1991)explains that individual financial behavior is influenced by intentions formed from attitudes, subjective norms, and perceived behavioral control. In the digital context, the intention to use technology-based financial services is strongly influenced by literacy levels and perceived ease of use. Thus, digital financial literacy not only plays a direct role in financial well-being but also shapes spending, saving, and investment behavior patterns that serve as a bridge to family economic well-being.

Although financial literacy and financial behavior have been widely studied in urban contexts or the general population, there remains a significant research gap

in millennial families in rural areas, particularly in East Java. Most studies still focus on the behavior of urban communities with high digital access, while how digital financial literacy affects financial well-being through spending, saving, and investment behavior in rural contexts has not been widely empirically studied. Therefore, this study was conducted to analyze the influence of digital financial literacy on the financial well-being of millennial families in rural East Java, by examining the mediating role of spending, saving, and investment behavior.

Thus, this research is expected to provide theoretical contributions in the form of strengthening understanding of the mediating relationship between digital financial literacy and financial well-being through financial behavior, as well as practical contributions for policy makers and financial institutions to design educational programs and digital financial products that are more relevant to the needs and characteristics of millennial families in rural areas of East Java.

LITERATURE REVIEW

Digital Financial Literacy (DFL)

Digital financial literacy is a multidimensional concept that bridges the gap between digital literacy and financial literacy, but has distinct characteristics due to the nature of the products and risks involved (Morgan et al., 2019). Digital financial literacy indicators adopted include knowledge of digital financial products and services, experience with digital financial products and services, awareness of digital financial risks, and the ability to control and manage digital financial activities (Muat et al., 2024).

Financial Well-Being (FWB)

Financial well-being refers to the ability to meet financial obligations, feel comfortable with one's financial situation, and have financial resilience. Financial well-being can also be described subjectively as satisfaction, anxiety, security, and the perception of achieving a desired standard of living and financial freedom (Zuraidah et al., 2024). The financial well-being indicators adopted from research are: Satisfaction and confidence in the current financial situation, including financial stress, personal finances, and the ability to meet monthly living expenses (Muat et al., 2024).

Spending (SB)

Spending refers to the amount of money an individual spends on goods and services (Shaalan et al., 2022). Spending can be divided into several categories, namely experiential, impulsive, self-expressive, pro-social, and conspicuous. The spending variable indicator was adopted from the research of Zuraidah et al. (2022) namely going out to dinner, watching movies, visiting amusement parks, enjoying concerts, and vacations (Pelletier & Collier, 2018) while impulsive spending refers to purchases made due to a spontaneous and immediate desire to buy a product, without considering the need to buy the product (Badgaiyan et al., 2016). Self-expressive spending, on the other hand, refers to the customer's spending experience in a meaningful way that leads to the actualization of their potential (Ekici et al.,

2018). Prosocial spending is defined as the willingness to buy for others, either to spend extra money on gifts for others or to donate it to charity (Zhang et al., 2018). Conspicuous spending can be explained by spending on products that would signal a higher social status in society (Jaikumar et al., 2018)

Saving (SV)

Saving means setting aside a portion of one's income to meet future needs, whether for emergencies, short-term goals, or long-term goals (Jonubi & Abad, 2021). Saving aims to satisfy desires and passions, and this can also be demonstrated in responses to the environment or other people (Calderone et al., 2018). The saving variable indicators adopted by research, are having a savings account and saving regularly (Dheepiga & Kumar, 2025).

Investment (INV)

The previous research describes investment behavior as an activity undertaken by individuals through careful estimation and planning of current financial resources to achieve higher returns in the future (Owusu et al., 2022). The saving variable indicator includes investing in financial products, understanding investment risks, diversifying investments, and seeking professional advice for investment decisions (Dheepiga & Kumar, 2025)..

Hypothesis Development

The Influence of Digital Financial Literacy on Financial Well-Being

*Digital Financial Literacy (DFL)*Digital financial literacy is an individual's ability to understand, access, and use digital financial services effectively and safely in financial decision-making. Digital financial literacy enables individuals to manage personal finances more efficiently, understand risks, and take advantage of digital investment opportunities. Several studies have shown that financial literacy has a positive relationship with financial well-being, as financial knowledge helps individuals make wiser decisions and reduce financial stress (Potrich et al., 2016; Warmath & Zimmerman, 2019). However, several studies have found that this influence is not always direct, as financial knowledge needs to be actualized through real financial behavior (Kusumawati & Rahayu, 2023). Therefore, this study examines whether DFL has a direct effect on the financial well-being of millennial families in rural areas.

H1: Digital Financial Literacy has a positive effect on Financial Well-Being.

The Influence of Digital Financial Literacy on Financial Well-Being through Spending Behavior

Spending behavior reflects how individuals manage and prioritize spending according to their needs and financial capabilities. Digital financial literacy helps individuals utilize technology to monitor spending and prevent overconsumption (Herawati & Mukhsin, 2025). Individuals with high digital financial literacy are better able to manage budgets through financial applications and control consumptive behavior that negatively impacts financial well-being. Thus, wise

spending behavior is a crucial pathway in bridging the impact of digital financial literacy on financial well-being.

H2: Digital Financial Literacy has a positive effect on Financial Well-Being through Spending Behavior.

The Influence of Digital Financial Literacy on Financial Well-Being through Saving Behavior

Saving behavior is the act of allocating a portion of one's income for future needs. Digital financial literacy enables individuals to use automatic savings features, digital wallets, or financial applications that assist with savings planning and monitoring (Tang & Baker, 2016). With these digital capabilities, individuals become more disciplined in saving and build long-term financial resilience. Previous research has consistently shown that saving behavior is closely related to improved financial well-being (Mouna & Jarboui, 2015). Therefore, saving behavior is suspected to be a mediating mechanism between digital financial literacy and financial well-being.

H3: Digital Financial Literacy has a positive effect on Financial Well-Being through Saving Behavior.

The Influence of Digital Financial Literacy on Financial Well-Being through Investment Behavior

Digital financial literacy reflects an individual's ability to manage assets and make investment decisions based on accurate information. Digital financial literacy plays a crucial role in improving risk analysis skills and utilizing digital investment platforms such as online mutual funds, peer-to-peer lending, and online stocks (Aydin & Akben-Selcuk, 2021). Individuals with high digital financial literacy tend to be more confident and rational in investing, potentially improving their financial well-being. Based on previous findings sound investment behavior is a key determinant of long-term financial well-being (Xiao & Porto, 2017).

H4: Digital Financial Literacy has a positive effect on Financial Well-Being through Investment Behavior.

METHODS

This research is a quantitative survey study. It focuses on millennial households in rural areas within East Java, Indonesia, specifically Lumajang Regency. According to the Central Statistics Agency (BPS), the region has a total population of 1,153,000, with 332,500 millennials. The sample size for this study was 400 people, determined using the Slovin formula. Quota sampling was used as the sampling technique. This technique was chosen because the population is spread across various rural areas and data collection was conducted online, so the distribution of respondents needed to be adjusted to the population proportion of each sub-district. The details of quota sampling are as follows:

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Table 1. Respondent quota

No	Subdistrict	Estimated Population Proportion (%)	Respondent Quota
1	Tempursari	4.5%	18
2	Pronojiwo	4.0%	16
3	Candipuro	5.0%	20
4	Pasirian	5.5%	22
5	Tempeh	6.0%	24
6	Lumajang (City)	7.0%	28
7	Sumbersuko	5.0%	20
8	Tekung	4.5%	18
9	Turmeric	4.0%	16
10	Yosowilangun	4.0%	16
11	Rowokangkung	4.0%	16
12	Jatiroto	4.5%	18
13	Randuagung	5.0%	20
14	Sukodono	5.0%	20
15	Padang	4.0%	16
16	Kedungjajang	4.5%	18
17	Klakah	4.0%	16
18	Ranuyoso	4.0%	16
19	Gucialit	4.5%	18
20	Senduro	4.5%	18
21	Pasrujambe	4.0%	16
Total		**100%**	**400**

Source: Processed data (2025)

With this quota allocation, each sub-district in Lumajang Regency received a proportional number of respondents to its estimated population. Respondents were then selected non-probabilistically using an online questionnaire distributed through social media, village forums, and local community networks. The online method was chosen to reach respondents more widely and efficiently, considering that most people already have access to internet services and digital devices. The questionnaire was designed based on indicators from research variables, including digital financial literacy, financial well-being, spending behavior, saving behavior, and investment behavior. Before the main section of the questionnaire, there were screening questions to ensure that respondents met the criteria, namely:

1. Domiciled in the rural area of Lumajang Regency,
2. Aged 20–40 years (millennial group),
3. Have married or have a family, and
4. Involved in household financial management and having access to digital financial services.

Next, the operational definitions and measurement indicators for each variable are explained in the following table.

Table 2. Operational Definitions of Variables

Variables	Indicator	Source
DFL	1. knowledge of digital financial products and services 2. experience with digital financial products and services 3. awareness of digital financial risks 4. the ability to control and manage digital financial activities	(Muat et al., 2024)
SB	5. Experiential (spending on entertainment) 6. Impulsive (sudden spending to satisfy desires) 7. self-expression (expenditure for self-actualization) 8. pro-social (spending on donations or gifts) 9. conspicuousness (spending on luxury goods)	(Zuraidah et al., 2024)
SV	10. Have a savings account 11. Consolidate regularly	(Dheepiga & Kumar, 2025)
INV	12. Investment in financial products 13. Have an understanding of the investment risks involved 14. Diversifying investments 15. Seeking professional advice for investment decisions	(Dheepiga & Kumar, 2025)
FWB	16. Satisfaction with current financial situation 17. Confidence in the current financial situation, 18. Ability to meet monthly living expenses	(Muat et al., 2024)

Source: Processed data (2025)

The questionnaire used a five-point Likert scale (1–5) to measure respondents' perceptions, ranging from strongly disagree (1) to strongly agree (5). The collected data were then checked for completeness before further analysis. Data analysis was conducted using a quantitative approach with a path analysis method based on Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis tool used was the latest version of SmartPLS because it is able to test direct and indirect relationships between variables and mediate effects between latent constructs.

RESULT AND DISCUSSION

Respondent Characteristics

To obtain a general overview of the participant profiles in this study, we identified respondent characteristics, including gender, age, highest level of education, and length of experience in managing family finances. All respondents were millennial families residing in rural areas of Lumajang Regency, East Java, and were selected using quota sampling. Respondent characteristics are presented in Table 1 below.

Table 3. Respondent Characteristics

Characteristics	Category	Number of people	Percentage (%)
Gender	Man	160	40%
	Woman	240	60%
Age	25 – 29 years old	180	45%
	30 – 34 years old	150	37.5%
	35 – 40 years old	70	17.5%
Last education	Elementary School	40	10%
	Junior High School	160	40%
	High School/Vocational School	120	30%
	Diploma/Bachelor's Degree	60	15%
	Postgraduate	20	5%
Length of Time Managing Family Finances	< 1 year	80	20%
	1–3 years	240	60%
	> 3 years	80	20%

Source: Processed data (2025)

Based on the table above, the majority of respondents (240 people) were women (60%), indicating that women play a significant role in household financial management in rural areas. All respondents were in the millennial age range (25–40 years old), as per the research criteria, with the majority aged 25–29 (45%). This indicates that most respondents are young, economically active families seeking financial stability.

In terms of educational attainment, the majority of respondents had a junior high school (40%), followed by a senior high school (30%). This indicates that although most millennial families in rural areas are familiar with digital financial services, a secondary education level can be a limiting factor in understanding the optimal use of financial technology. Furthermore, the majority of respondents (60%) have been managing their family finances for 1–3 years, indicating that they are in the stage of developing stable financial behaviors. This is relevant to the research objective of assessing how digital financial literacy can shape financial behavior and financial well-being among rural millennial families.

Outer Model Test

The first step in SEM-PLS analysis of the measurement model is to evaluate the reliability of the indicators. The construct model is measured using loading factor

testing, Cronbach's Alpha, Construct Reliability, and AVE. The results are presented as follows:

Table 4. Validity and Reliability Test Results

Indicator	Loading Factor	Cronbach Alpha	Composite Reliability	AVE
DFL1	0.753	0.769	0.852	0.591
DFL2	0.791			
DFL3	0.806			
DFL4	0.723			
SB1	0.708	0.734	0.826	0.589
SB2	0.784			
SB3	0.713			
SB4	0.729			
SB5	0.744			
SV1	0.853	0.710	0.837	0.719
SV2	0.843			
INV1	0.711	0.770	0.803	0.505
INV2	0.746			
INV3	0.736			
INV4	0.744			
FWB1	0.759	0.772	0.820	0.604
FWB2	0.779			
FWB3	0.793			

*DFL= Digital Financial Literacy, SB= Spending, SV=Saving, INV=Investment, FWB= Financial Well Being

The results of the validity and reliability tests indicate that all indicators in this study meet the required criteria. The loading factor values for all items are above 0.70, thus each indicator is declared valid and able to represent the construct being measured. Cronbach's Alpha values range from 0.710 to 0.772, indicating that all variables have good internal consistency. Meanwhile, Composite Reliability (CR) values range from 0.803 to 0.852, indicating that the instruments used are reliable and stable in measuring the research variables. In addition, the Average Variance Extracted (AVE) values for all constructs are greater than 0.50 (ranging from 0.505 to 0.719), indicating that each variable has adequate convergent validity. Thus, all instruments in this study are declared valid and reliable for use in the next stage of structural model analysis.

Inner Model Test and Hypothesis Testing

The results of the inner model test show the following results:

Table 5. Inner Model Results

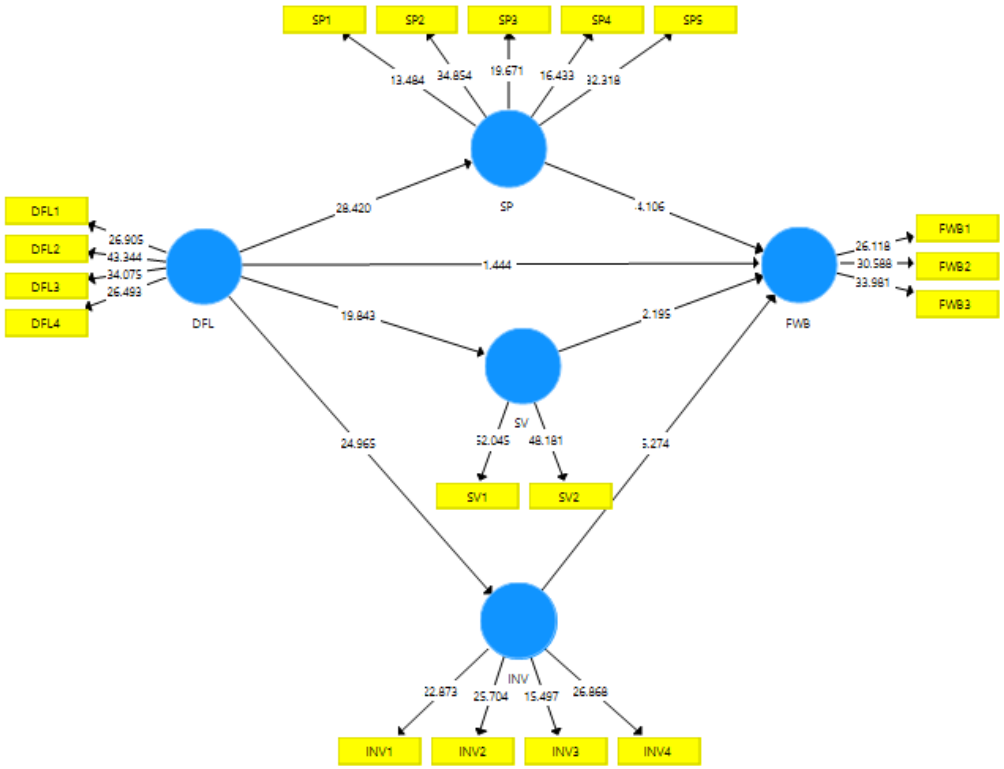
	R2	R2 Adjusted	Q2
FWB	0.529	0.524	0.308

Source: Processed data (2025)

The results of the structural model evaluation show that the R^2 value for the Financial Well-Being (FWB) variable is 0.529, and the Adjusted R^2 value is 0.524. This means that the variables Digital Financial Literacy, Spending Behavior, Saving Behavior, and Investment Behavior together are able to explain 52.9% of the variation in Financial Well-Being, while the remaining 47.1% is explained by other factors outside the research model. The R^2 value is included in the moderate category, which indicates that the model has a fairly good explanatory ability for the dependent variable.

In addition, the predictive relevance (Q^2) test result of 0.308 indicates that the model has good predictive ability for the Financial Well-Being construct, because the Q^2 value is > 0. This value is in the moderate to strong category, which means that this research model is not only able to explain the relationship between variables in the model, but also has the ability to predict observational data accurately. Thus, the structural model in this study can be said to have an adequate level of predictive relevance. Next, the structural model examines the relationship between DFL, SB, SV, INV and FWB.

Figure 2. Inner Model



Source: Processed data (2025)

The table below shows the results of direct and indirect relationships. The test results will be presented in the table below.

Table 6. Direct and Indirect Effect

Direct Effect		T-Statistic	P-Value	Information
H1	DFL – FWB	1,444	0.149	Rejected
Indirect Effect		**T-Statistic**	**P-Value**	**Information**
H2	DFL – SB – FWB	4,061	0.000	Accepted
H3	DFL – SV – FWB	2,168	0.031	Accepted
H4	DFL – INV – FWB	5,074	0.000	Accepted

Source: Processed data (2025)

The results of hypothesis testing on the structural model indicate that digital financial literacy (DFL) does not have a significant direct effect on financial well-being (FWB) with a T-statistic of 1.444 and a p-value of 0.149 (> 0.05), thus H1 is rejected. This indicates that increasing digital financial literacy does not directly improve individual financial well-being, but rather through certain financial behavioral mechanisms.

On the other hand, the results of the indirect relationship test (mediation) show that Digital Financial Literacy has a significant effect on Financial Well-Being through three types of financial behavior, namely spending behavior, saving behavior, and investment behavior. The DFL → SB → FWB path has a T-statistic of 4.061 with a p-value of 0.000, the DFL → SV → FWB path has a T-statistic of 2.168 with a p-value of 0.031, and the DFL → INV → FWB path shows the strongest influence with a T-statistic of 5.074 and a p-value of 0.000. Thus, the three mediation hypotheses (H2, H3, and H4) are declared accepted. These findings confirm that digital financial literacy plays an important role in improving the financial well-being of millennial families in rural East Java through smart financial behavior in managing expenses, saving, and investing.

Discussion

The Influence of Digital Financial Literacy on Financial Well-Being

The test results show that Digital Financial Literacy (DFL) does not directly affect Financial Well-Being (FWB), with a T-statistic of 1.444 and a p-value of 0.149 (> 0.05), thus H1 is rejected. This finding indicates that increasing digital financial literacy does not automatically improve individual financial well-being. This condition may be caused by digital financial knowledge not being fully applied in daily financial behavior. Even if someone understands digital financial concepts such as the use of e-wallet applications, digital banking services, and online investments, the benefits will not be optimal if not accompanied by disciplined and wise financial behavior. This indicates that although some millennial families have basic knowledge of digital financial services such as mobile banking or e-wallets, this knowledge has not been fully implemented in daily financial decision-making. Limited access to digital infrastructure, technological literacy, and conventional financial habits remain major obstacles in rural areas. Therefore, increasing digital financial literacy needs to be accompanied by mentoring efforts so that millennial families are able to apply this knowledge to improve their financial well-being. These results are in line with previous research by (Potrich et al., 2016) which state

that financial literacy influences financial well-being only if it is followed by good and consistent financial practices.

The Influence of Digital Financial Literacy on Financial Well-Being through Spending Behavior

The results of the mediation test indicate that Digital Financial Literacy has a significant effect on Financial Well-Being through Spending Behavior with a T-statistic of 4.061 and a p-value of 0.000 (<0.05), thus H2 is accepted. This means that the higher an individual's level of digital financial literacy, the better their spending management behavior, and this has an impact on improving financial well-being. Individuals with good digital financial literacy tend to be able to utilize digital technology to record, monitor, and control spending effectively, for example through e-wallet or financial tracker applications. This indicates that millennial families with higher digital financial literacy tend to be able to control household spending more wisely, especially by utilizing financial recording applications or digital wallets. In rural areas, spending management is often done without formal recording. However, with access to digital technology, millennial families are starting to show changes in financial behavior that are more organized and directed. They can monitor household cash flow and distinguish between needs and consumptive desires, which ultimately supports improving family financial well-being. These results are in line with research by (Herawati & Mukhsin, 2025; Mouna & Jarboui, 2015) who found that spending control plays an important role in shaping financial well-being, especially among the digitally active younger generation.

The Influence of Digital Financial Literacy on Financial Well-Being through Saving Behavior

The analysis results show that Digital Financial Literacy also has a significant effect on Financial Well-Being through Saving Behavior, with a T-statistic of 2.168 and a p-value of 0.031 (<0.05), thus H3 is accepted. This indicates that the ability to understand and use digital financial technology encourages individuals to save more regularly and efficiently. Millennial families in rural areas with high digital financial literacy tend to utilize digital savings features, such as auto-debit savings or micro-saving platforms, to manage funds in a planned manner. Access to digital savings services such as mobile banking and auto-debit savings makes it easy to set aside a portion of income regularly, even for families with irregular incomes. In rural East Java, the culture of traditional saving (for example, at home or through social gatherings) is still strong, but the transition to digital savings shows a positive increase in financial awareness. This saving habit not only strengthens household economic resilience but also creates a sense of financial security that forms the basis for long-term financial well-being. This finding supports the research results of (Tang & Baker, 2016) which states that saving behavior is a key factor in building long-term financial well-being, because saving creates a sense of financial security and reduces financial risk in the future.

The Influence of Digital Financial Literacy on Financial Well-Being through Investment Behavior

The results also show that Digital Financial Literacy has a significant effect on Financial Well-Being through Investment Behavior, with a T-statistic of 5.074 and a p-value of 0.000 (<0.05), thus H4 is accepted. This pathway is the strongest influence among the three financial behaviors tested. These findings indicate that individuals with high levels of digital financial literacy are not only able to manage expenses and savings, but also bold and wise in investing through digital platforms, such as online mutual funds, peer-to-peer lending, or digital stocks. Rational and information-based investment behavior increases the potential for wealth growth and long-term well-being. This indicates that millennial families in rural areas with high digital financial literacy are starting to utilize technology for simple investment activities, such as online mutual funds, micro-investment platforms, or digital gold products. Although still limited, this phenomenon indicates a shift in mindset among rural millennials who are starting to focus on the future and build long-term assets. Digital literacy helps them better understand the risks and potential returns of investments, resulting in more rational and measured decisions. These results confirm that digital financial literacy can empower millennial families in rural areas to not only survive financially but also thrive through smart investments. These findings align with research by (Xiao & Porto, 2017) and (Aydin & Akben-Selcuk , 2021) which emphasized that financial literacy and digital skills play a crucial role in shaping smart investment behaviors that promote financial well-being.

CONCLUSION

This study analyzes the influence of Digital Financial Literacy (DFL) on the Financial Well-Being (FWB) of millennial families in rural East Java by considering the mediating roles of spending behavior, saving behavior, and investment behavior. The results show that DFL has no direct effect on FWB, but has a significant indirect effect through these three financial behaviors. The mediation pathway through investment behavior has the strongest influence, indicating that the ability to utilize digital technology for investment decisions plays a significant role in improving financial well-being. These findings confirm that digital financial literacy contributes to financial well-being when accompanied by intelligent and disciplined financial behavior.

Practically, the results of this study emphasize the need for synergy between digital financial literacy education and the development of healthy financial behaviors. Local governments and financial institutions are advised to strengthen educational programs that are applicable and easily accessible to rural communities, such as training in expense management, digital savings, and safe, app-based investments. Educational institutions and local communities can act as facilitators of digital financial training, while digital financial service providers are expected to continue improving the security and inclusivity of their platforms to reach users in rural areas.

This study has limitations, including its cross-sectional design, which is unable to capture the dynamics of financial behavior over time, and its limited coverage area. Therefore, future research is recommended to use a longitudinal design, expand the study area, and add variables such as financial self-efficacy, trust in digital finance, or financial stress to enrich the model. A qualitative approach can also be used to better understand how millennial families utilize digital technology in their daily financial management. Overall, improving digital financial literacy coupled with prudent financial behavior can be key to building sustainable financial well-being in rural communities.

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