Exploring the financial knowledge culture and behaviour of millennial and generation Z's: A case study of employees at Astel Systems (Pty) Ltd

by

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DECLARATION

I Thalia Fae Chetty, declare that:

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Jerimiah 9,11: "For I know the plans I have for you, Declares the Lord, plans to prosper you and give you hope and a future".

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ABSTRACT

Millennials are currently the largest generational cohort in many countries, and Generation Z are fast approaching. The financial wellbeing of these cohorts is imperative to global financial success and wellbeing. This study was conducted with the aim of exploring the financial habits and knowledge of two generational cohorts by assessing the personal savings and investment behaviours. Further, the study aimed to analyse the spending habits and financial goals of millennials and GenZ. Lastly, the study was implored to determine what strategy could be undertaken to improve the spending and savings habits, and the financial knowledge possessed by these two generations. The most appropriate research methodology to adopt was a qualitative approach, and employed 12 respondents, split equally between the two generational cohorts. Semi structured interviews were conducted with each respondent. By using a thematic approach to the study, significant themes presented themselves, aiding to meet the research objectives. Prevalent themes that emerged included saving patterns and budgeting, investment views and practices, the influence of financial technology and digitisation on saving behaviour, spending habits, financial well-being aspirations and the influences on financial acumen. The findings have found that both cohorts exercise savings habits at either the beginning or the end of the month, however more millennials have a strict savings plan as compared to GenZ. The responses also highlighted that both generational cohorts place emphasis on home ownership in affluent areas. 83% of respondents are risk adverse and choose to hold safer rather risky investments. The study also concluded that millennials are more financially committed than GenZ and have accumulated debt at a younger age in terms of a bond or vehicle finance. Several recommendations were made, including make use of a strict monthly budget, diversifying investment portfolios with the assistance of financial advisors, and Government intervention to reduce interest rates and offer housing subsidies to younger generational cohorts that wish to purchase homes.

Key Words

Millennials, Generation Z, Financial Behaviours, financial well-being, digitalisation

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1. CHAPTER ONE INTRODUCTION AND BACKGROUND

1.1 Introduction

The purpose of this qualitative study was to compare the financial behaviours of millennials and Generation Zs (herein referred to as "Gen Z") to ascertain, how each group differs in financial acumen, spending habits, investment or saving habits, and financial literacy. This is to inform future research to address problems uncovered within this study, as well as to aid in the development of future interventions to promote positive financial behavioural discipline and to address gaps in financial literacy or areas that need improvement.
According to population statistics, Gen Z and millennials make up 27% of the South African population which translates into a buying power of over 14 million people. Additionally, South Africa has a population of at least 27.5 million Generation Zs as of 2022 (Statista, 2022). These two generational cohorts are large contributors the economy as they are the generations that are currently employed or are to be seeking employment in the near future. The financial decisions of these generations directly influence the GPD, employment and financial status of the country. The earning and spending habits of these generations will directly impact various stakeholders such as financial institutions, the government and various other sectors such as manufacturing, agriculture and construction.

As illustrated in the literature review, research has been conducted on related topics such as financial literacy, financial well -being and generational attitudes but many of these have been based in developed economies and prior to this study. Furthermore, this research will be integrated with cogent theoretical underpinnings analysing financial behaviour through ecological systems theory, which used a more holistic approach to understand a multifaceted concept. The literature review also encompasses the theoretical concepts, which influence an individual's investment or spending behaviour, and financial well-being.

This study used an inductive oriented qualitative approach and data collection via interviews as a research instrument and thematically analysed. The findings were critically discussed and limitations and directions for future research were examined. Ethical issues were also taken into consideration throughout this study.

1.2 Background of study

Each generation has its own set of attitudes, culture, and behaviour (Brown, 2018; Oleárová et. al, 2022; Lee et. al, 2022). Currently, there is the largest generational diversity within the workplace, and the financial realm of society. Various researchers have committed to understanding the characteristics of different generations as well as generational shifts (Lyons and Kuron, 2014; Clark, 2017 and Dimock, 2019). A common interest exists in understanding each generation's market- related and financial behaviours, as well as personal financial habits. Different generations vary in the way they handle their finance- from how they access their money and make purchases to their credit behaviour, financial influences, education, and use of digitisation in their day- to-day financial affairs.

According to the psychology of millennials Rudin and Mcbreen, (2017), millennials are laying the groundwork for a secure financial future. However, it has also been found more millennials are living with their parents, are in debt, and have no retirement annuities or savings. This generation is also viewed as being ill-prepared for the real world, and lacking an understanding of financial practices (Pyoria, Ojala, Saari, and Jarvinen, 2017). Bialik and Fry (2019) suggested millennials have little to no organisational loyalty and are always on the move to the next best opportunity available. However, in the process, they are forgoing pension and provident fund accumulation (Bialik and Fry, 2019).

The millennial debt crisis is a 21st-century phenomenon characterised by high credit card debt, student loans, and debt burdens of individuals aged 26-40. Millennials are the cohort with the highest debt-to-income ratio (DeVaney, 2015). A one percent (1) % increase in student loan debt decreases the likelihood of owning a home by 0.15% points. Additionally, it is worse for less educated millennials as they have increasing rents and unstable incomes (Ben Ishai and Stanley, 2016).

Millennials' lack of financial literacy has caused them to have significant credit card debt, two- thirds more than the members of the previous generation (Generation X) (BusinessInsider, 2019). The use of social media such as Facebook and Instagram, coupled with the ease of online shopping, has contributed to wastefulness, and is significantly correlated with consumption behaviours (Nurhadi, 2020). A study in 2020 by Lee and Kim found that the inappropriate use and management of credit cards were found to be directly correlated with subjective rather than objective financial knowledge. Moreover, millennials who were overconfident about their financial knowledge have a greater propensity to engage in costly financial management behaviours (Lee and Kim, 2020).

In a survey done by the Centre for Generational Kinetics in 2017, it was ascertained that the fraction of Gen Z respondents who are earning and spending money is almost equal to those millennials that participated in the survey who were almost a decade older (Diffley, Keever, and Rourke, 2021) The survey further found that Gen Z are mirroring the spending attitudes, behaviours, and beliefs which display a combination of the tech-saturated world with elements from the previous generation. Therefore, it can be inferred that this exhibits Gen Z's future long-term contribution and self-reliance to the economy (Difley *et al.*, 2021). According to Stahl (2019), Gen Z are the most enterprising generation with a side hustle culture. Due to this, Gen Z have low workplace commitment, and can also see academic studies as a waste of time and too expensive, choosing on-the-job training, and seeking out tech-centred work environments (Stahl, 2019, Nadu, 2020). Despite this, according to the Federal Reserve Bank of St Louis (2022), only 15% of college graduate Gen Z believe that the cost of college was greater than the benefits. Additionally, Gen Z have 13% more student loans than millennials. According to Dore (2022), even though Gen Z are active in short-term stock investments, the rate of inflation may take its value away.

It is therefore important to understand financial behaviours in context, to understand the opportunities, goals, and challenges of both generations in a comparative way, as the gaps which exist between generations can influence the survival and standard of living of each generation.

Astel Systems (Pty) Ltd is a company that exists in the Tech Industry. Being in the tech industry, the compensation of the employees is market related and competitive. Employees are incentivized in monetary terms and in various ways. Annually, employees are awarded rewards in the form of a year end bonus based on both company and individual performance. Anually, quarterly incentive bonuses are also paid out which are based on overall company, team, and individual performance. Employee's performance is constantly monitored and measured. As an employee excels in the company and moves up the ranks, their salary is also adjusted accordingly. Further, the company contributes 2.5% to a Retirement Annuity and provides life insurance and income protection benefits.

1.3 Statement of the problem

Millennials and Gen Zs are highly financially active members of the South African economy, engaging in various financial and economic behaviours. According to StatsSA, in 2019 37.5% of South African consumers were millennials and Gen Zs (StatsSA, 2019).
Millennials and Gen Zs possess similarities as well as differences in terms of their spending habits, financial attitudes, and saving behaviours (Reisenwitz, 2021; Argawal, 2022). Whilst many of their behaviours intersect, research (Manimegalai, 2022) has found some glaring differences such as frivolous spending habits and lazy attitudes of millennials, which contrast with prudent saving behaviours and earlier entrance into the workforce by Gen Z (Adamczyk, 2021).

However, little research has been done to understand their financial behaviours comprehensively, holistically, and comparably, within South Africa. The majority of the existing literature and research on the topic is international. This study aims to explore and compare the financial behaviours and influencing factors of millennials and Gen Zs in South Africa, more especially at Astel Systems (Pty) Ltd. It is hoped that insights gained from this study will inform financial literacy development initiatives, as well as intervention design aimed at long-term financial well-being.
This study will therefore seek to unpack the trappings that contribute to the millennial's and Gen Z's indifference to understand the critical role played by prudent financial, investment and spending culture for the holistic emancipation into the contours of lifetime indebtedness.

1.4 Purpose of study

The purpose of this study was to thoroughly explore the antecedents to financial behaviours, patterns of financial behaviour, and influence on and range of financial literacy, leading to comprehensive documentation of the financial experiences of millennials and Gen Z. This will contribute to an improved understanding of the financial behaviour of different generations. Moreover, it will bring awareness to the shortcomings in hard-earned spending and saving habits, and precisely pinpoint areas of improvement and development in financial literacy. This study utilised both millennials and Gen Z who are financially active and are employed at the same company.

1.5 Justification of the study

Millennials make up 27% of the South African population which translates into a buying power of over 14 million people. Additionally, South Africa has a population of at least 27.5 million Generation Zs as of 2022, with 7.5 million being over 18 as of November 2019 (TransUnion,
2020). Of course, that number has since increased. These two generations are shaping South Africa's economy and credit market as they become increasingly financially active. Almost over 2 million Gen Z consumers are now credit active (TransUnion, 2020).

According to Alexander Forbes (2020), 35% of South African millennials pose a medium credit risk, whilst 6% pose a high credit risk. The millennial debt crisis is a huge issue within South Africa. In contrast, Gen Z consumers are wiser in their use of credit and savings building, and are therefore at lower credit risk. It can therefore be inferred that it is vital to explore and understand the triggers of spending and saving habits contextually from both generational perspectives. This is done in order to analyse the financial patterns, to learn from the positive patterns and take caution from the negative ones, as well as utilise the information to create interventions for spending and saving. As a result, it can be said that millennials and Gen Z would benefit most from this study.

South Africa's economy is in crisis post-COVID 19 pandemics with inflation surging to a 13- year high. For example, fuel prices were up by 45.3% in Q2 of 2022, representing the largest increase since 2009 (StatsSA, 2022). The economy was already at risk before the COVID 19 pandemic and is now grappling to recover. This consequentially severely affects the consumers and workforce. The results of this study may help to gain insights as to how to better manage finances to stimulate overall national GDP through responsible and healthy spending, whilst buffering against macroeconomic inflation challenges in bear market environment. In conjunction, understanding behavioural finance provides insight into how people make their financial decisions and understands why individuals are not meeting their financial goals. The psychological understanding of financial consumer and investment behaviour helps produce strategies for financial performance (Ruppert, 2004). This study, therefore, lends insights into extended cogent sectors such as marketing, purchasing, banking, insurance, financial advisory sectors, as well as financial education. These sectors may utilise this study to incorporate practical strategies to target specific engagement areas, be it investment, spending to name a few, and sectors that offer financial education may be able to impart knowledge from this study at a wide level, learning from pitfall examples of the previous generations to empower the future generations to be financially sustainable.

Creating financial policy at a legislative level is also vital to the economic success of a country. The Financial Sector Regulation Act No 9 of 2017 (FSR Act) seeks to promote financial inclusion and financial literacy, financial stability, and protection of financial customers (GovZA, 2022). This study leverages findings in line with the goals of the FSR Act, and can therefore inform subsequent policies for the improvement of financially active South African consumers.

1.6 Research aims, objectives and research questions

Within research, setting out clear aims and objectives are vital to creating a roadmap of what needs to be achieved. Throughout the research and analysis process, one may constantly refer to the research aim, and objectives being met.

This study aims to explore and compare the spending and investment behaviour of millennials and Gen Z. Based on this aim, the objectives are therefore listed as follows:

1. To assess the personal savings and investment behaviour of millennials and Gen Z
2. To consider the spending habits of millennials and Gen Z
3. To analyse the short, medium, and long-term financial goals of millennials and Gen Z.
4. To determine what strategy could be adopted in improving the spending habit, savings and financial knowledge possessed by Millennials and Gen Z

From these objectives research questions were then formulated.

1.7 Research questions

In qualitative studies, the ongoing process of questioning is an integral part of understanding the unfolding lives and perspectives of others (Tenny, Brannan, Brannan and Sharts-Hopko, 2022). The generating and refining of research questions are the scaffolding of a qualitative study. the research questions for this study are:

1: What are the spending habits of Millennials and Gen Z?

2: What are the personal savings and investment behaviour of Millennials and Gen Z?

3: What are the short, medium, and long-term financial goals of Millennials and Gen Z.?

4: What strategy could be adopted in improving the spending habit, savings and financial knowledge possessed by Millennials and Gen Z?

For the purpose of this study a qualitative approach was chosen.

1.8 Overview of research design

A qualitative exploratory study was performed. This study sought to understand the insights, experiences and pertinent factors that influence an individual's financial behaviour and used an interpretive approach. In interpretivism, one attempt to conceptualize each participant’s subjective experience and offer imaginative interpretation (Kahlke,2014).

This approach assumes that different individuals may have different patterns of financial behaviour based on their generational cohort, environment, and motivations. The study sample was drawn from millennials and Gen Z employed at Astel Systems (Pty) Ltd, of different seniority levels and demographics. Qualitative methodology insists that the researcher should be able to judge the point of saturation (Gregory and Muntermann, 2011). Therefore, the study sample anticipated was between 12-16 individuals. The final sample consisted of twelve respondents. The researcher used an interview schedule as a research instrument to collect data. Data collected were analysed using thematic analysis (dominant and emerging themes), presented, and discussed which culminated into trustworthiness findings. More details on the specific study research methodology are comprehensively discussed in Chapter three.

1.9 Chapter summary

This study encapsulated the views, insights, perceptions and experiences of GenZ’s and

Millennials within their financial behavioural attributes, orientation and pertinent decision making and problem solving abilities within the context of the ever increasing financial and investment options choices and pressures that could have long term implications if taken in a non-reasonable and non-accountable manner.

1.9.1. Chapter 2- Literature review

In chapter 2, literature will be examined, compared, and contrasted to the contextual factors that influence the financial habits of millennials and Gen Zs. The chapter will define and explain the concept of financial behaviour and financial well-being. An examination of the microsystem, mesosystem and exosystem of millennials and Gen Z will be conducted.

1.9.2. Chapter 3- Research methodology

Chapter 3 discusses the research design in detail, and extensively illustrates how the research had been conducted, being a qualitative study. The chapter will further provide a contrast between the research designs and paradigms. The methodological rationale is discussed, data acquisition and sample size, and ends with ethical considerations.

1.9.3. Chapter 4- Data presentation and analysis

In chapter 4, the researchers' findings are presented and critically evaluated. The chapter will focus on answering the key objectives of this study and provide a linkage between the findings and the literature reviewed in Chapter 2.

1.9.4. Chapter 5- conclusion and recommendations

To conclude, Chapter 5 is based on the findings from respondents and the literature that has been evaluated, thereafter recommendations are made. The chapter also focuses on limitations experienced during the study and includes implications of the research for management and administrative discipline.

1.10 Chapter summary

The chapter placed emphasis on the problem statement, focusing on why the study was conducted. Chapter 1 identified the objectives and research questions which this study explored. This study aimed to investigate the financial behaviours of millennials and Gen Z, as the existing literature has deconstructed financial behaviour and studied these in individual environmental contexts. This study attempts to understand financial behaviours both holistically and comparatively across interrelated environments, with the aim of the results of this study serving multiple stakeholders. Chapter 2 will provide the literature and the theoretical underpinnings pertaining to scholastic perspective into the financial behaviours and well-being of both generational cohorts.

2. CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

The focus of this chapter is to examine and compare the contextual factors that influence millennials and Gen Z financial habits. The chapter begins by defining and explaining the concept of financial behaviour and financial well-being and thereafter follows the introduction and description of the theoretical underpinnings the study is contextualised within, namely the ecological theory by Urie Bronfenbrenner and the theory of Generations by Karl Manheim. Using the ecological approach, it seeks to describe and examine the microsystem of millennials and Gen Z. This includes looking at their attitudes, choices, and behaviours and what governs their choices and cogent options. Thereafter, discussion on the mesosystem context by looking at how both generations were parented and influenced in their mesosystem context, and how these influences have critically impacted their choices. Finally, the macrosystem's contextual aspects are illustrated and their effects are critically evaluated. It is important to note that this systemic view and its contexts are all reciprocal, as each system influences the other and vice versa, and therefore the contextual factors were categorized within each system according to both framework guidelines as well as the researcher's discretion. The chapter begins by elaborating the theoretical underpinnings of the ecological systems theory. The gap in the literature is mentioned as a justification of why the literature was presented in this approach. The introduction is now followed by the theoretical underpinnings.

2.2 Theoretical underpinnings of the study

This study borrows the underpinnings of the concept of financial wellbeing and is situated within an adapted ecological systems theory approach. The use of ecological systems theory approach uses both ecological layers as put forth by Urie Bronfenbrenner in 1974 (Darling, 2007) and examines the microsystem, mesosystem, exosystems, chronosystems and macrosystem an individual exists within. The theory of generations by Karl Manheim developed in 1928 is used to explain the unique experiences of each generational cohort and how these are shaped as a collective (Arkhipov, Vanchikova, Zolotareva, Yantranov, Budaeva, 2019). These theories were chosen as they were most applicable to the research objectives set forth.

This study is aligned with theoretical framework to underpin the concepts introduced. The study is contextualised in an adapted version of ecological systems theory by Urie Bronfenbrenner. This theory was originally developed to understand human childhood development, and later, social development (Hess and Schultz, 2008). Its basic premise states that certain environmental conditions produce different developmental results depending on the personal quality of the individual/ group living under these conditions.

There are five environmental systems within which an individual interacts. Firstly, is the microsystem that has direct influences on the individual/group. This is followed by the mesosystem which consists of middle factors, regulatory factors, or interconnection between the microsystem and exosystem. Thereafter is the exosystem which involves links between settings that have indirect impacts on the individual/ group. Fourthly, comes the macrosystem containing elements such as heritage, ethnicity, etc while the last type is chronosystem (Härkönen, 2001; Hess and Schultz, 2008). Understanding elements that were financial influences at each environmental level helped to analyse the financial behaviours and decisions of respondents and was also used as a structure for chapter two of this research.

The Theory of Planned Behaviour (TPB) was also used as a framework to understand the financial behaviours of individuals from both generational cohorts. This theory states that three constituents shape behavioural intent, and therefore behaviour. These constituents are attitudes, subjective norms, and lastly, perceived behavioural control (Manstead and Parker, 1995; Armitage and Conner, 2001). TPB solidifies the research and literature argument that expose the roots and the tentacles of how an individual juggles between the decision making and problem solving within the perspective and financial behavioural trends of millennials and Gen Z.

Other two concomitant theories are encapsulated and are further discussed in detail in chapter two. The two-factor theory of motivation is one of the oldest theories used to understand intrinsic and extrinsic factors influencing an individual's motivation (Alfayad and Arif, 2017). This theory was used to further understand the motivations of spending and saving behaviours.

The financial management module as opined by Deacon and Firebaugh (Brigham, 2016) has also been adopted by various researchers to understand financial decision-making. This was further reiterated by Aina (2020). This model uses inputs such as financial knowledge, age, demographic variables to name a few, and throughputs such as financial attitudes, financial management to understand the output of satisfaction with financial status.

2.3 Financial well-being and behaviour

Financial behaviours have been studied through the ages and have been recognised as a vital component of human lifestyle as the financial environment is a reciprocal one. Financial behaviour has been defined as the way an individual manages his or her money. This includes their savings, cash, credit, debt, expenditure, and budget. Financial behaviours have a direct impact on financial well-being. Rahman, Isa, Masud, Sarker and Chowdhury (2021) and defined financial well-being as "the perception of being able to sustain the current and anticipated living standard and financial freedom" (Burggen, Hogreve, Holmund, Lofgren 2017). Financial behaviour and financial well-being have both micro and macro-level implications. Financial behaviour is directly impacted by financial literacy, whilst financial behaviour impacts financial well-being (Tang and Baker, 2016).

Influences of financial behaviour include financial capabilities, financial inclusion, social capital, income, and mental health. There is a significant correlation between financial behaviour and financial well-being with mediating variables being age and education (Ajefu, Demir, and Haghpanahan, 2020). Therefore, it can be said that positive financial behaviour has a positive influence on financial well-being. Rahman *et al.,* (2021) also found a reciprocal relationship between financial behaviour and financial well-being by looking at financial stress as a mediating variable. Negative financial behaviour can cause an increase in financial stress and a decrease in financial well-being. In addition, Shim, Xiao, Barber and Lyons (2009) found that individuals who adopted positive financial behaviours report an increase in financial well- being and decreased stress, as well as an increase in financial satisfaction. However, Sabri, Wahab, Mahdzan, Magli, and Rahim (2022) found no significant relationship between financial behaviour and financial well-being. Adams and Moore (2007) found individuals with credit behaviour that is more high risk are more likely to report being depressed. Santos, Silva, Flores, and Norvilitis (2016) found that problematic financial behaviour is related to negative financial well-being.

The ability to cope with financial stress and challenges critically depends on an individual's financial knowledge/ financial literacy (Hoda, 2022). Financial literacy has a direct impact on both financial behaviour and financial well-being (Huston, 2010). According to Hung, Parker, and Yoong (2009), financial literacy can be defined as "knowledge of basic economic as well as financial principles and the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being". Financial knowledge is understood to be a component of financial literacy to support the economy as well as engage in positive financial behaviour. Financial literacy is a critical competency individual must possess (Messy and Monticone, 2016).

Chea, Foster, Heaney, Higgins, Oliver, O'Neil, and Russel (2015) found a positive relationship between financial literacy and positive financial behaviours. According to Ananda, Fietroh, Mikhratunnisa, and Rizqi (2020), financial literacy can be measured through the basic knowledge of financial concepts, loans, savings and investments an insurances, Their study showed that individuals with good financial literacy has a positive attitude towards financial management. Financial attitude can be seen as an interwoven concept within financial literacy. Both an individual's financial attitude and financial literacy can indicate their financial behaviour, such as paying bills, long-term saving choices, spending choices and budgeting (Ananda *et al.*, 2020).

2.4 An ecological model of financial well-being

Masenya and Dickason-Koekemoer (2020) stated that financial well-being exists in the realm of both subjective and objective elements, with objective elements consisting of income, expenses, and investments or savings, whilst the subjective elements include feelings surrounding financial satisfaction, the standard of living, and financial anxieties. Combining these elements gives a holistic picture of the individual's overall financial well-being. Salignac, Hamilton, Noone, Marjolin, and Muir (2020) used the ecological systems theory by Bronfenbrenner to create a conceptual framework used to analyse financial well-being. The original ecological systems theory was used to understand childhood development but has since been adapted to study various phenomena across multiple disciplines. Bronfenbrenner developed this framework to understand the contextual elements surrounding development, taking into account that development is not unidirectional, and that context in the basis of "ecology". These structures of contextual elements were named the microsystem, mesosystem, exosystem, macrosystem, and chronosystem. For this research, we look at the microsystem, mesosystem, exosystem and macrosystem as it serves as the most relevant. Understanding the context holistically leads to a nuanced understanding of a phenomenon or concept. To understand human behaviour, it is not enough to just look at the microsystem. There is a complex relationship that exists between an individual and the society in which their existence is rooted c. Anderson and Christenson (2002) stressed the importance of considering how the various systems interact with the individual and with each other and stated that the macrosystem is vital to understand and analysing the context of daily living (Anderson and Christenson, 2002).

Viewed as the first point of influence, the microsystem looks at factors that have direct contact with the individual itself. Relationships within the microsystem are bi-directional, where the individual is directly influenced by what is in the environment, and the individual can exert his or her influence on what is in the environment as well (Darling, 2007). It consists of the individual's subjective choices, beliefs, attitudes, feelings, and circumstances, as well as age, gender, education, socialisation, and financial capabilities. It also includes the individual's immediate relationships with family, spouse, household factors, dependents, and combined household income. The actions of the individual within this system will determine how they directly react to those situated within the system as well (Salignac *et al.,* 2020). The individual is not a passive recipient of the influences within this setting, but instead is someone who helps construct these influences (Christiansen and Chater, 2016).

The mesosystem, detailed in Figure 2.1, consists of community influences and governing elements. This system focuses on accessibility and legislative requirements, which are not mentioned within the diagram, that govern how an individual handles their finances and socioeconomic influences. The mesosystem is also viewed as a buffer between the microsystem and exosystem and is bidirectional between these two systems (Salignac *et al.,* 2020). It can also be viewed as a connection between contexts. The mesosystem also includes the interactions between different organisations, such as schools, community organisations, institutions, and government agencies. These interactions can have a significant impact on the services and resources available to individuals and families and can shape their experiences and outcomes (Christensen *et al.,* 2016). The focus is on parenting styles and household influences, as well as dependents and decisions to start a family within the mesosystem context, as it is influenced by both the microsystem and macrosystem.

The macro system consists of societal and larger environmental influences and focuses on how cultural, social, and political elements affect an individual. Individuals may not experience macro systems directly but are instead impacted in an indirect manner (Darling, 2007; Salignac *et a.l,* 2020). Christensen *et al.* (2016) defined the macro system as the overall societal and global influences which were passively developed but influence an individual.

The macrosystem influences within this study are socioeconomic and technological movements, climate change, and global health crises, to name a few.

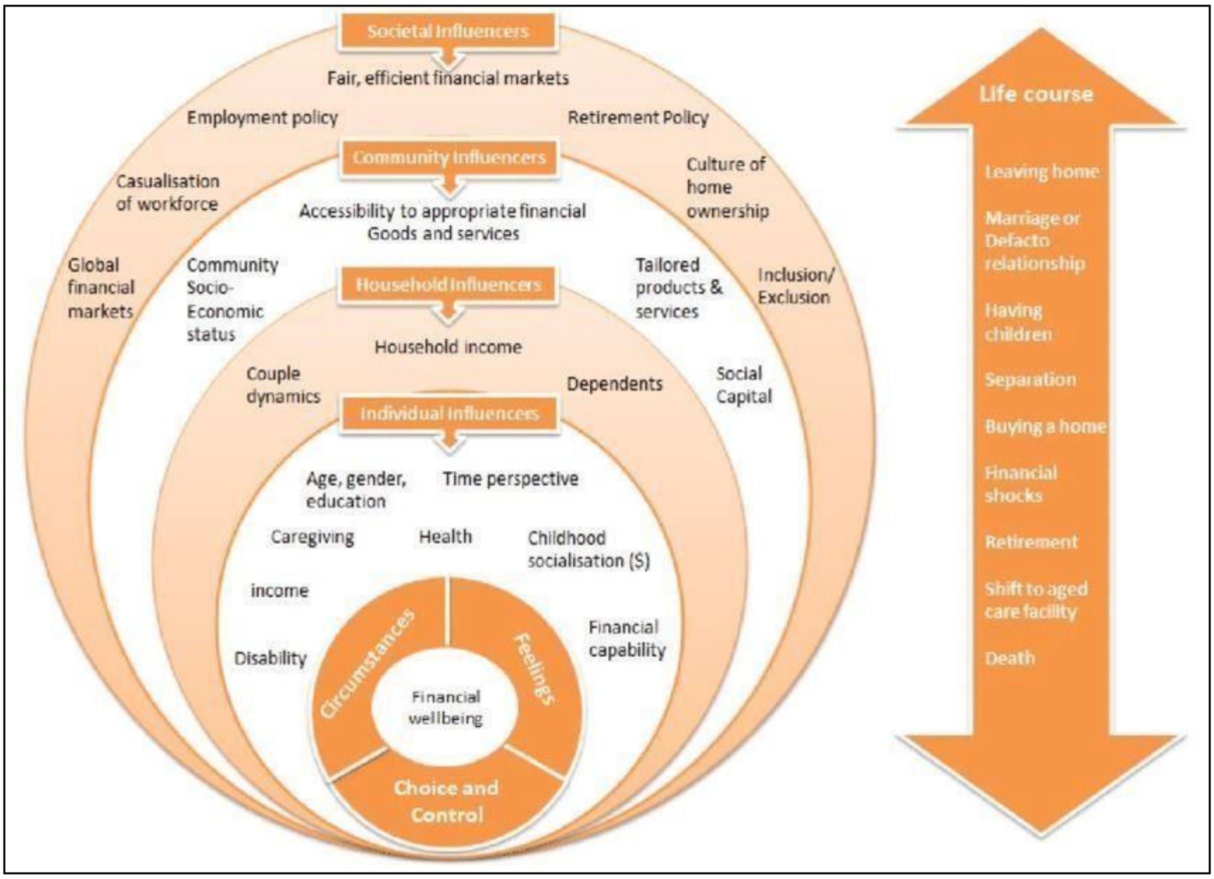

Figure 2.1 Conceptual Framework for Financial Well-being

Source: Salignac *et al*., 2020

An example of a conceptual framework for financial well-being was adapted for this study. This study, therefore, uses the ecological systems approach and uses the theory of generations to understand the generational cohorts shared experiences.

2.5 The Generational Theory

Karl Manheim developed the generational theory (Arkhipov, *et al.,* 2019). The basic premise is that people born around the same time have similar values, attributes, and experiences that are different from those who were born at a different time. Manheim posited that generations illustrate a basis for making sense of social movements and how change is possible whilst still preserving cultural identities and tradition (Arkhipov, *et al.,* 2019). He describes five processes from which social changes emerge as follows: new respondents in the cultural process emerge, former respondents in the cultural process disappear, members of any generation can participate for a little amount of time, cultural heritage is passed from one generation to the next, and generational transitions are continuous.

Buskirk-Cohen, Duncan, and Levicoff (2016) also postulated that birth year on its own is not sufficient enough to place a person in a specific generation, a person must experience the defining events and contexts of that generation. Generations are formed through two factors, namely common location in a historical time like shared events and experiences as well as the conscious awareness of the historical location and events situated within it. It is however important to note that individuals of different cultures, socioeconomic backgrounds, and other divisive factors may experience and interpret the same events differently. Rhyder (1965) noted that events which occurred during adolescence or before the age of 25 are more likely to influence worldviews and attitudes. Millennials have been exposed to various shared experiences that have shaped the generation such as The Great Recession, the September 9/11 terrorist attack, and the apartheid that was an incredibly significant time in South African history. This has directly impacted the generation, and has affected the earning capacity, households, and mind-sets of those born in this era. Gen Z are born into a very technologically inclined world and have connected with digital technology from birth. Digitalisation has shaped this generation and group those born in this era together.

Wood, Crapnell, Lau, Bennett, Lotstein, Ferris, Kuo (2018) found that events within social and political contexts that occurred particularly around young adulthood greatly affect an individual’s life trajectory, and the consequences of these events have consequences on individuals' values as well as how they transition into their adulthood roles.

The life course perspective as outlined by Elder shows that social change impacts individual development. This can be likened to how the macrosystem influences an individual when using the lens of ecological theory. Often the life course perspective and ecological theory are used in conjunction with each other to gain a holistic picture of individuals’ subjective and objective reality. Elder also mentioned that historical events and individual experiences are linked through families, as it links their fates together.

Karashchuk, Mayorova1, Nikishin, and Kornilova (2020) state that generations are separated by at least 20 years. Four generational personalities emerge every twenty years in a cycle. These four personalities are idealist, reactive, civic, and adaptive. Idealists are a generation of narcissists who give rise to a generation of alienated relatives, who then raise collaborative society-minded civics, and the generation that follows tends to have an ethos of personal sacrifice. These labels have been influential in creating new and popular ideas about generational differences Research and topics of discussion about generations range from their thoughts on religion to their financial and workplace behaviours.

2.6 The Microsystem Context

2.6.1 Defining millennials and Generation Z

Millennials can be defined as individuals of the population who were born between 1981 and 1996 and joined the workforce in the early 2000s (Pyoria *et al*., 2017). In 2022, this generation will be aged between 25 and 41 years old. Main (2021) defines a millennial as the generation born between the early 1980s and 1990s and is also known as Generation Y. Raines (2002) inferred this generation was shaped by the time they were born between 1980 and 2000.

Millennials, according to Main (2021), are characterised negatively as being narcissistic and lazy and are accustomed to switching jobs frequently. Comer (2017) has labelled millennials as being "fame-obsessed" and believes they are entitled to promotions every two years without earning them. On a positive note, millennials are also open-minded and are more inclusive of the LGBT community. As a generation, they are liberal, confident, and agile to accept new ways of living (Main, 2021). According to Raines (2002), this generation is friendly and open- minded. They are collaborative and are an influential generation. In addition, these individuals are talented and well-educated.

Millennials attach a higher value to spending time with family and leisure activities than income employment. Millennials thrive on constant feedback and praise and are the generation that seeks flexible working conditions and demands "me time" (Main, 2021). This population is also less devoted to a single employer than older generations (Pyoria *et al*., 2017). They are forgoing pension and provident fund accumulation, as they are on the move to the next best opportunity available.

Over the years, research has indicated that millennials were on average, slower to reach certain financial milestones than previous generations, and millennials have been labelled as money wasters who are said to be frivolous with personal finances (Adamczyk, 2021)

According to Raines (2002), millennials are also referred to as the Internet Generation or the Digital Generation, being known to send news viral with the click of a mouse. Digital media was first introduced to this generation, and their interactions are predominantly made through a screen. Even in a social setting, this generation can be seen sitting at a table together but interacting on their mobile devices. This generational cohort has become so dependent on technology, 70% check their mobile devices hourly (Comer, 2017).

Talmon (2019) distinguished the parenting styles of their baby boomer parents as "helicopter" in nature. This meant that millennials were supported by their parents throughout life's challenges, which was not common practice for preceding generations. According to Stein (2013), these individuals are living at home with their parents as opposed to living with partners, attributed to their lazy attitudes. Comer (2017) further confirmed that millennials were the children of the baby boomer generation.

The generation was shaped by certain messages that were conferred to everyone at this time. Millennials were exposed to messages such as the following (Raines, 2002):

- Each person is special and catered to from birth for e.g.: Nickelodeon and Baby Gap are new ventures that were created to cater to this generation.
- Being connected 24/7 either via text messages or other forms of communication that do not include chatting on the telephone.
- Achievement is immediate to the extent that some parents hired professionals to assist with placing their children in good day care and colleges.
- Serving the community by volunteering their time and effort to worthy courses

Gen Z is classified as individuals of the population who were born between 1997 and 2010 (Hassan & Kodwani, 2020). Gen Z, specifically those aged 14 to 21, are people who are already working and saving money (Adams and Moore, 2007). Being born into the digital world, Gen Z is often referred to as "Tech Natives". Meola (2023) confirmed that Gen Z are born between 1997 and 2012, being raised digitally on the internet with the most exposure to social media than preceding generations.

Gen Z are more aware of spending and prefer to spend less, as this generation has witnessed recessions and more frequent wars than most generations. When it comes to spending, Gen Z are brand conscious, however this generation is not more loyal than others. Being born into a digital era, the exposure to a variety of goods and services is vast. These forces brands to operate in a motion of constant innovation and reinvention to remain relevant.

The work ethic of this generation is different from millennials. They prefer to work independently and are not focused on collaboration with their peers. Gen Z is economically dependent on their parents, with most still residing at home, making them more selective in how they choose to spend money.

Technology has been pivotal in moulding the preferences of Gen Z. At least 75% of this generation owns a smart device that is constantly accessed throughout the day. According to Meola (2023), by the age of 12, most of this generation received their first mobile device, communicating primarily via social media and instant messaging. Furthermore, 95% of this generation views YouTube videos daily. This generation does not only engage with content online; they are constantly creating and sharing their content. Modern technology has shaped these individuals into requiring constant, up-to-date information at the touch of a button. The expectancy of on-demand information is great, such as how-to videos and product reviews.

Gen Z was born to Gen X parents that chose to protect their kids through surveillance such as nanny cams and tracking devices. Gen Z were encouraged to be realistic about their capabilities and focus on what skills they are good at. Their parents also instilled in them that only the best win (Seemiller and Grace, 2016).

Figure 2.2. Identifies the differences between Millennials and Gen Z which have been elaborated on in the above sections.

Millennials	Generation Z
Raised by Baby Boomers	Raised by Gen Xers
Grew up during an economic boom	Grew up during a recession
Tend to be idealistic	Tend to be pragmatic
Focused on having experiences	Focused on saving money
Mobile pioneers	Mobile natives
Prefer brands that share their values	Prefer brands that feel authentic
Prefer Facebook and Instagram	Prefer Snapchat and Instagram

Figure 22. Diagram Highlighting the Characteristics of Millennials and Gen Z

Source: Ramchndani, 2019

2.6.2 The Great resignation: Gen Z and millennials

Before examining the great resignation, it is important to note the rationale behind it featuring in the microsystem context. The microsystem looks at feelings, circumstances, choices, and control as it relates to the individual. The great resignation was a massive phenomenon based on a decision taken with an amalgamation of feelings, choices and control, and circumstances. Therefore, the phenomenon of the COVID-19 pandemic will feature in both the microsystem and macrosystem due to its unprecedented effect.

March 2020 can be defined as the start of worldwide change and chaos. When the COVID-19 pandemic hit every city in the world, no one could predict the long-lasting changes this pandemic would have on the world. The pandemic brought about change in every aspect of life.

Certain industries such as tourism, food services, and hospitality were shut down completely with immediate effect, leaving millions of individuals around the world jobless. In more fortunate sectors, working models were adjusted to "work from home" to ensure the safety of staff. For many, this was the first time they were exposed to such working conditions.

Considering the pandemic many individuals, mainly millennials and Gen Z, have altered their perspectives and re-evaluated priorities. This period of introspection has led to the Great Resignation (Hetler, 2022).

The Great Resignation, as defined by Anthony Klotz, is said to be the resignation of employees from jobs they no longer felt fulfilled and satisfied in. This comes after a period of great uncertainty due to the pandemic, which forced individuals to remain in their current careers and job roles. An astounding 47 million individuals worldwide resigned from their jobs because of a change in perspective. The model of being driven purely by money no longer applied, and the world adjusted to see a desire for work-life balance, healthy corporate culture, and flexibility (Smith, 2022).

Both millennials and Gen Z are holding companies accountable for corporate social responsibility and are more attracted to companies that are concerned about their impact on the greater society (Smith, 2022). Both generational cohorts are interested in what a company has to offer, over and above basic salary needs.

This economic movement spanned across all industries, with certain industries suffering more than others. Those in tourism and hospitality were among the largest groups of employees to seek reduced hours and no work for extended periods, resulting in financial strain and instability.

Job security was a large driving force for the Great Resignation. According to Hetler (2022), the healthcare industry in the United States of America lost 579,000 members of the work force, based on high-stress levels and anxiety that were triggered by the pandemic.

According to a survey conducted by LinkedIn, the lockdowns that occurred with every wave of the pandemic limited movement from an individual's home was a deciding factor to change employers. Furthermore, a survey conducted by Microsoft in 2022, whose respondents were Gen Z and millennials, found that 52% of respondents were considering a change of employment during the year. Another 37% of respondents were noted as saying they would remain with their current employer if roles could be changed internally (Tong, 2022).

Millennials and Gen Z are both seeking flexibility and the opportunity to have multiple streams of income. Employees that allow work from home and flexible working hours are more attractive than employers that are still adopting traditional working models. 77% of the respondents said they will remain with their current employer given flexibility. Flexibility has been given the option to work when and however, so long as the job requirements are fulfilled (Tong, 2022)

The results from the Microsoft survey also found that 76% of both millennials and Gen Z are aspiring to be their boss, but having a business venture that aligns with their goals and vision (Tong, 2022). Both millennials and Gen Z have been described as "lazy", however, these generations are changing the narrative and are forging their career paths. Both generations have given birth to a younger set of entrepreneurs, well before the age of business owners of preceding generations.

In the current digital era, access to knowledge and collaboration is limitless. Information is available almost instantaneously, and Gen Z taking full advantage of this by absorbing all the knowledge that is available and seeking advice from fellow like-minded individuals. Collaboration over competition is the theme that has been created (Brennan, 2022). By collaborating with each other, more can be created.

2.6.3 Financial goals and planning

Financial goals are investment and saving targets that an individual aims to achieve within a set timeframe. These goals are aligned with the stage of life an individual is in. The short-term financial goals of a teenager and a newly married couple would differ due to the different phases of life the individuals are in (Gobler, 2022). A newly married couple would incur household expenses and have a home loan, whereas a teenage will have minimum commitments as they would preside at home with parents.

Goals can be categorised as short, medium, and long-term. The defining factor for each goal is the period in which the goal is to be attained. A short-term goal has an expiry date of 12 months or within a year. Financial short-term goals can include but are not limited to sticking to a monthly budget, paying off accumulated credit card debt, creating an emergency fund, or saving for the deposit of a new vehicle (Gobler, 2022).

Mid-term goals are set to be attainable in an extended period, namely between three to five years. During this goal attainment generating a second stream of income is usually beneficial to help an individual achieve these goals, as they require more of a financial commitment than a short-term goal. For instance, saving for the deposit of an individual's dream home, paying off high student debts, starting a college fund for a child, or saving capital to start a business are all examples of mid-term financial goals (Gobler, 2022).

The most common and highly sought-after long-term goal is saving for an individual's retirement. Other long-term financial goals can include financial freedom such as paying for all debt from mortgages, cars, and credit cards to creating generational wealth for future generations to inherit (Gobler, 2022). Studies show that Gen Z is saving 20% of their income towards their retirement, compared to the 15% being saved by millennials (Pino, 2022).

Financial goals for each generation will differ due to the circumstances that shape that generation, for example at high interest rates it is not possible to purchase property early on in an individual's working career due to the earning capacity of a junior employee. Higher interest rates influenced by recessions and other global issues such as war make it more difficult to make repayments.

2.6.4 Investment behaviour

Gen Z has been challenged with crippling inflation, an increase in the cost of education creating higher student debt, and the stagnation of salaries which has affected their financial goals and achievements. Pino (2022) inferred that Gen Z have 13% more student debt than millennials, which has crippled their ability to achieve financial goals such as accumulating a retirement fund, settling down, or the acquisition of their own home. However, Gen Z understand the importance of savings and have a positive attitude towards the concept. When making a purchase, Gen Z will first analyse how the purchase will affect their savings. Their knowledge is acquired mainly from family, and their parents play a big role in influencing their financial habits and knowledge. (Uzelac and Lučić, 2020). Figure 2.3 depicts the areas in which Gen Z save:

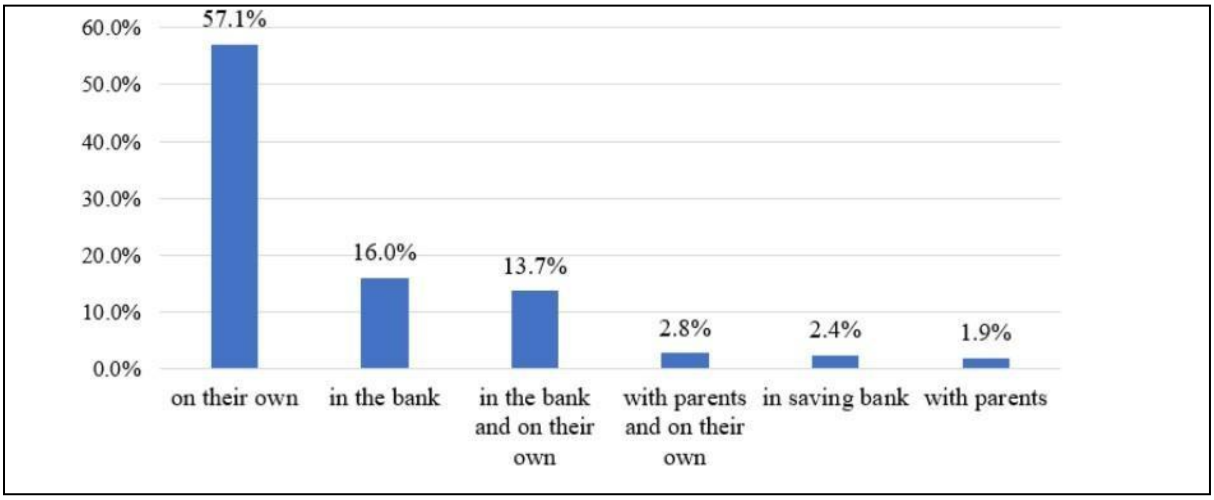

Figure 2. 3 Areas in Which Gen Z Save Money

Source: Uzelac and Lučić, 2020

As reported by Reinicke (2022), studies have found that millennials are more concerned about a future recession than other generations. A survey found that only 71% of Gen Zs were concerned, in comparison to 80% of millennials that are fearful of another recession. During the last recession, millennials suffered financially with at least one third having no choice but to liquidate assets to survive. Reinicke (2022) inferred that millennials are making smart financial moves by creating budgets, saving towards emergency funds, and seeking the advice of professionals.

Most of the Gen Z population are entering the workforce and are trying to find their feet. However, with the rising inflation rates and increased cost of living, this generation is finding it difficult to meet ends meet. In the case of financial crisis, Gen Z turn to their parents and many are choosing to live at home, as they cannot afford to move out and sustain their lifestyle (Diaz, 2022).

According to Lee and Kira (2016), the propensity to plan influences the financial decisions of people. Empirical evidence suggests a propensity to plan is positively related to wealth accumulation. Specifically, one's propensity to plan by budgeting, saving and positive credit usage in a non-detrimental way. Shim et al., (2009) and O'Niell (2018) agreed with this, as they have stated that those who do not plan or stick to a budget have lower financial behaviour scores than those who do.

Lee and Kim (2020), found that good financial knowledge coupled with the propensity to plan yields better financial behaviour. Objective financial knowledge was also found to be less than perceived financial knowledge in millennial cohorts. Those who had higher objective financial knowledge also had better credit behaviours, and were less likely to incur unnecessary debt. Rosdiana (2020) stated that self-control and attitude also play a role in financial behaviour and financial goals. It is found that a lower locus of control yields negative financial outcomes, and overconfidence combined with a negative attitude towards saving has a negative effect on financial behaviour and outcomes and does not help individuals reach financial goals.

According to the Australian Parliament House (2021) millennials budget, and whilst some budget to save at the beginning of the month, most save what is left over after paying expenses and spending. Most millennials have a positive attitude towards saving and try to save but millennials are more likely to dip into their savings, sometimes to use it for unnecessary purchases.

Gen Z has been described as a saving savvy generation, as they began saving much earlier than millennials, and track their spending, income, and financial goals much more stringently, according to a survey by CNBC (2020). According to a survey done by Knit in 2020, from a total of 60 00 Gen Z respondents, 42% cite saving as their main financial priority. This agrees with data from the World Economic Forum (2021) which states Gen Z attempt to save at least 14% of their monthly income. Gen Z also use spending journals or apps to track their weekly spending, abide by stricter budgeting rules, save at the beginning of the month, and try as much as possible to not dip into savings unless in a case of dire emergency. This is in line with guidelines put forward by African Bank (2017) which states that saving should be prioritised before expenses, and individuals should aim to save 10% of their income per month.

Millennials choose to go with their peers or follow their instincts regarding their investment choices, and have distrust towards financial advisors (CNBC, 2020).

Millennials are a unique population and have adopted savings habits that are different to preceding generations. It has been identified that Millennials focus more on achieving short term financial goals such as saving to pay off credit card debt, rather than saving towards retirement. Further, Millennials are more risk adverse and tend to invest their money in low risk investment vehicles. This can be a direct effect of the 2008 financial crisis that would have had a significant effect on this generation (Chen, 2022).

Notte (2016) inferred that while individuals have the right intention to save towards their retirement, there are short term goals that need to be satisfied first that inhibit the ability to save for the long term.

Mallam (2022) digressed that Gen Z are moving away from the traditional methods of investing activities of preceding generations. By using technology, this generation is using the knowledge that is so easily available to make smart money moves. Furthermore, Mallam (2022) inferred that the Gen Z population has a higher risk appetite than boomers and millennials.

The technological era Gen Z has been exposed to, and the rapid pace in which innovation takes place are the most driving factors behind their investment behaviour.

From the above presentation of theory, it can be said that technology is a driving force for both cohorts, and a significant amount of time is spent connected to a mobile device daily. Banks and financial institutions are becoming outdated, and there are new ways to manage money which are seeming to be more and more effective.

2.7 The mesosystem context

This study focuses on the financial views of millennials and Gen Z's parents, their parenting styles and household influences as well as dependents and decisions to start a family within the mesosystem context, as it is influenced by both the microsystem and macrosystem.

Baby boomers, born between 1946 to 1964, are parents to early millennials. Early to mid-Generation Xers born between 1965 and 1977 are parents to late millennials. “Xennials” are a microgeneration or “cross-over” generation of those individuals born on the cusp of being millennials, that is between 1978 and 1983, although some classify xennials as 1985 (Oxford Dictionary, 2020). Generally, Xennials are the parents to older Gen Z and older Generation alpha, whilst millennials are parents to younger Gen Z and most of the younger generation alpha (Kretschmer, 2021).

Boomers were raised by the silent generation and as a result, wanted the best for their kids, especially in terms of education. According to Ohio Health (2017), baby boomers struggled with the concept of traditional child discipline, and instead tended to have more conversations with their children in an attempt to include them in family matters. As a result, children of baby boomers were seen to be a lot more put together and managed to critically evaluate circumstances before making decisions. However, a study by Bee (2017) found that boomer parents were still relatively authoritarian in their parenting style. This resulted in millennials having lower self-esteem than baby boomers. Baby boomers were also found to readily access the available credit, be wasteful with money, and end up with substantial debt. Boomers are also more likely to take a higher amount of investment risk and choose not to play it safe. This has impacted their offspring, as many of them learned how to spend and save from their parents.

Generation X, on the other hand, has witnessed various economic and social factors which have played a role in their defining characteristic of focusing on financial safety, security, and stability. Due to experiencing economic downturns, and job insecurity, this generation prioritised necessities and avoided expensive luxury purchases unless they have saved for these. They use credit cards responsibly and pay every month (Phaisuwat and Vongurai, 2016). This conservative behaviour has translated towards their offspring's financial habits as seen in the spending of late millennials and early Gen Z. In terms of spending, generation X places a high value on spending on education and will take on student debt to pay for their children’s education and future (Swanzen, 2018). Generation X are also focused on work-life balance, and individualism and supports alternative lifestyles, and is extremely involved and overly focused on their child’s development to the point that they were labelled helicopter parents (Howe and Strauss, 2007).

Millennials who are parents of early Gen Z are having fewer children, as they view kids as costly and marriage is viewed with fear due to high rates of divorce, as well as the risk attached to it (Taylor, Passel, Wang, and Velasco, 2011). Many millennials who do have kids are unmarried, as millennials share characteristics with generation X such as they are risk averse, and marriage is viewed as a risk. In addition, millennials are seen as being averse to marriage, especially if they do not see themselves as financially stable (Barroso, Parker, and Bennett, 2020). According to Barroso *et al.* (2020), 61% of both early and late millennials state they cannot afford to have kids. Those that do have kids have stated it is an enormous cost that has impacted their standard of living. More women are also part of the work force and many working mothers struggle with parenting and work balance (Noor, Yew, and Yusoff, 2022).

Gen Z is watching their millennial parents/older siblings/ family members of the millennial generation struggle with parenting, cost of living, and finding work-life balance, and 89% of Gen Z women have stated a desire to either delay having children or not have them at all (Forbes, 2022).

From the above, it can be said that despite boomers and Generation X having a positive view of homeownership, millennials and Gen Z often view homeownership as out of reach. Of those millennials who own homes, 63% have regrets. Older millennials have a more positive view of homeownership, as their parents' viewed homeownership as a sign of wealth, success, and stability whilst younger millennials and Gen Z view it as a financial burden, as their parents were more risk averse. It is therefore evident that mesosystem contexts such as parenting, having kids, and home ownership greatly influence the decision-making and worldviews of millennials and Gen Z.

2.8 The exosystem context

The exosystem encompasses multiple external factors and influences that frame the structure and relationships of an individual with the world. It is the portion of the world where the individual may have indirect participation or no participation. For contextual purposes, we have framed these influences within the exosystem. The concept of the exosystem contributes to the metaphor of nested systems, and macroeconomic trends affect how individuals may make personal decisions. The exosystem context discusses the fourth industrial revolution, the gig economy, side hustle culture and digitisation, climate change, finance, and technology and concludes with the effects of the pandemic and mental health.

2.8.1 The fourth industrial revolution

Introduced at the world economic forum, the 4th industrial revolution was defined in 2016 and encompasses technological, virtual, and physical systems with people and organisations.

According to Schwab (2017), the fourth industrial revolution describes a world where "individuals move between digital domains and offline reality with the use of connected technology to enable and manage their lives. In addition, the fourth industrial revolution, henceforth referred to as 4IR, is driven by the convergence of novel biological, digital and physical innovations (Schwab 2016; Elayyen, 2021).

The rise of automation and artificial intelligence specifically is introducing new paradigms of work, manufacturing, transport, and service delivery, redefining established systems as we know them. As a result, this revolution has given rise to a global societal transformation at a rapid pace (Xu, David, and Kim, 2018). The first three industrial revolutions were characterized by technological growth and advancement, but the growth was at a much steadier pace. However, the 4IR rate is exponential. The speed and pace of this revolution are historically unprecedented (Schwab, 2016). The prominence of technology is not confined to just business and organisation but is also seen in the way people socialize with each other and carry out daily activities of living through the emergence of new technologies. According to Schwab (2016), what makes the 4IR so unique is the fact that it is taking place in all spheres of life, and spans industries from medicine, to social (dating), food, quantum computing, AI, etc.

The 4IR consists of cyber systems, the internet of things (IoT), the internet of services, social technology, Smart factory, etc. Furthermore, blockchain technology, cryptocurrency, and bioengineering blur the lines between the physical and the cyber (Erboz,2017; Hirschi, 2018). These technologies revolutionize how goods and services are produced and consumed (Erboz,2017; Kayembe and Nel, 2019). It has given rise to widespread automation, shifts in job structure, and job displacement, and has created a whole host of opportunities and challenges for labour markets. According to Kergroach (2017), IoT has become a real-time, hyper-responsive superorganism that can manage operations and act without the active involvement of individuals. AI has super capabilities and can carry out cognitive tasks and independent behaviours, becoming self-governing. Furthermore, their super-processing speed and algorithms counterbalance human error and constraints (Kergroach, 2017; Elayen, 2021; AI, 2022). The resultant effect is a loss of jobs for middle-skilled routine occupations. 4IR has various perceived advantages, however according to Shava and Hofsi (2017) the lack of skills and capacity to integrate new technologies, fear of job loss and inequality severely threaten the success of the 4IR (Cheng, Awan, Ahmed, and Tan, 2021).

Third world and developing countries are at the greatest risk because these weaker and impoverished countries are still struggling to pass through the second and third industrial revolutions. Prisecaru (2016) posited that digitalization now magnifies the inequalities which already exist, as well as reproduces them, and may widen the gap in economic development. Despite this, Koulopoulo and Keldsen (2016) maintain that globally, millennials and Gen Z will be the leading workforce who will be able to successfully navigate these challenges by immersing themselves within the new financial systems and types of economies. 4IR has given rise to intense digitisation and new financial systems, as well as a brand-new economy called the GIG economy. Both generational cohorts have been born into a digital era and are very technologically inclined. As technology is a large part of their everyday life, they will be able to move swiftly with the changes brought about by The 4th Industrial Revolution.

2.8.2 The Gig economy

The platform economy (henceforth referred to as the gig economy), was born through digital mediation. Traditional labour markets require hierarchy and closed employment, with a standardized wage/ salary structure, hours, benefits, etc. however, a gig economy is an open market system, with individuals working for short spaces of time, and is characterized by freelance /project-based work (Vallas and Schor, 2020). Also referred to as a platform economy, this economy exemplifies an online platform-based economy that interweaves requesters (companies looking to fulfil service-based tasks) and providers (individuals providing a service for a fee) for specific tasks over a varied duration of time (JPMorgan and Chase, 2016). The online platform company acts as an intermediary where providers enter a work agreement with the on-demand company, which will then connect them with potential clients. The on-demand company receives compensation for being the intermediary.

Millennials and Gen Z characteristics have caused the gig economy to flourish. According to Shinde (2022), millennials and Gen Z make up 48% of the Gig workforce in India across sectors such as e-commerce, healthcare, finance and technology, and quick commerce. According to the Taskmo Gig Index report, there was a 50% increase in gig workers over five months. More millennials and Gen Zs are choosing Gig work over full-time employment (Shinde, 2022). This is due to a preference for flexible work schedules.

Deloitte (2018) reported that in 2015, the general millennial population reported being satisfied working in gig economies, as their overall income saw an increase. It was also reported, after a ten-year analysis by the US Bureau of Labour Statistics, that organisations save up to 30% in labour costs by hiring gig employees rather than contract workers (Deloitte, 2018). Reasons cited for partaking in the gig economy by millennials and Gen Zs range from flexible working hours and autonomy to being unwilling to go to college and incurring student debt. The everpervasive rising student debt crisis combined with millennials and Gen Zs tech-savvy nature has added to these generational cohorts finding gig work more desirable, as it comes with both personal and financial freedom. Freelance employment is therefore meeting demands that traditional work roles cannot (Deloitte, 2018). Of the 300 millennials and 300 Gen Zs that were surveyed (over coverage of 42 countries), 58% cited an interest in joining the gig economy for a chance to earn more money, and 37% cited a better work-life balance. Of those who expressed reluctance at joining a gig economy, 39% cited unpredictable income and 37% stated they would not be comfortable with unpredictable hours.

According to the Eastern Cape socio-economic consultative council, an analysis had shown that 62% of individuals are working yet classify themselves as poor (ECSECC, 2022). The national minimum wage of R23.19 an hour yields a minimum wage of R4,452.00 a month (Government Gazette, 2021). This has led to many South Africans finding work through Bolt, Uber, Mr D, etc. According to Fairwork (2021), an estimated 130 000 millennials and Gen Zs are employed in location-based platform work and web-based platform work either part-time or full-time, with this number estimated to grow by 10% annually.

McKinsey and Company (2022) suggested that two-thirds of the employees of the gig economy think that having a diverse set of income sources is more reliable and secure than relying on one employer. However, many scholars and gig employees have expressed concerns. Biswas, Deep, and Bathla (2022) question the stability of the gig economy and ponder if it is a reactionary impact of the COVID-19pandemic. According to Fairwork (2021), there is unease surrounding the lack of benefits, exposure to unfair working conditions, and limited access to income security protections. These include, but are not limited to, unemployment insurance, workers' compensation, disability insurance, and sick pay. The International Labour Union (2019) also fears there is a general lack of social protection for gig workers.

To combat the concerns above, platforms such as Uber, Lyft, and Trupo, for example, have begun offering perks and rewards such as discounts to employees for accessing telemedicine, roadside assistance, etc. Uber subsidizes car maintenance and offers discount phone plans. All the above companies have also set a precedent in offering health insurance, as well as month to-month portable benefit solutions which are universal and can also be pro-rated. Additionally, the existence of web-based economies has given rise to the side hustle culture phenomenon.

2.8.3 Side hustle culture and digitisation

More millennials and Gen Z have now used social network services such as Facebook, Instagram, and Tiktok to launch their products, businesses and earn an income through being social media influencers. Social media influencers, including Youtubers, influence the purchases of millennials and Gen Z in the fashion sector. Furthermore, Wolf (2020) shed light on the fact that content creators earn a substantial amount of income through brand representation, advertising, and marketing, through their popularity. Respondents in Wolf's study also found micro-influencers are more trusted and authentic, leading to higher popularity and in turn, a higher income. Social networking has become a type of entrepreneurship, and Forbes (2020) views social media influencing as a legitimate career either as a side hustle or a full-time job. Kohlstadt (2022) agrees, and the social media ecosystem is seeing more professionals such as doctors, lawyers, and engineers using influencing and content creation as a second stream of income. Whilst this does not fall into the standard paradigm of a gig economy, it does speak to how digitisation and side hustle culture has rewritten how the latest generations earn more money, and how they spend it as well.

Conventional marketing is on its way out, and social media marketing is the new tool for establishing user engagement and purchasing Kohlstadt (2022). There are at least 3 billion social network users globally and more brands are using social media as their main advertising tool. This influences how millennials and Gen Zs especially make purchases. Prasath and Yoganathen (2018) found that social media marketing has a high positive correlation with consumer buying decision-making. Ardiansyah and Sarwoko (2020) also found that social media marketing has a positive significant effect on both brand awareness and purchasing decisions. Davidaviciene and Meidute-Kavaliauskiene (2019) focused on how social media influenced purchasing decisions of millennials as well as their purchasing behaviour and found that from their sample, 97% of individuals' purchasing behaviour was influenced by social media. Additionally, 91% of respondents shopped online, citing reasons such as the best available price, large variety of choices, a comfortable search, and convenience based on delivery. It can be established that motives for online purchasing were motivated by familiarity, escapism, need for instant gratification and there was a favourable attitude towards online shopping.

Thangavel, Pathak, and Chandra (2019) looked at Gen Z consumer habits and found that Gen Z preferred method of shopping was online. Reasons for online purchasing included deal hunting and convenience seeking, unwillingness to interact with salespeople, economic-quality seeking, and brand and quality social consciousness. Gen Z motives for purchasing are highly influenced by their social and political views. Wang (2021) posited Gen Z are likely to spend more on sustainable products due to their environmental consciousness and will resist supporting brands/ sites that support racism or lack inclusivity. Post-pandemic, Gen Z have altogether abandoned the traditional model of shopping and almost exclusively shop online or via social media. These sentiments were echoed by McCoy, Wang, and Chi (2021) and Agarwal (2022). Agarwal (2022) also found that Gen Z were more likely to spend their money on "green brands" due to their passionate view on climate change. Understanding these spending motives, therefore, give insight into understanding both generational cohorts' spending behaviour.

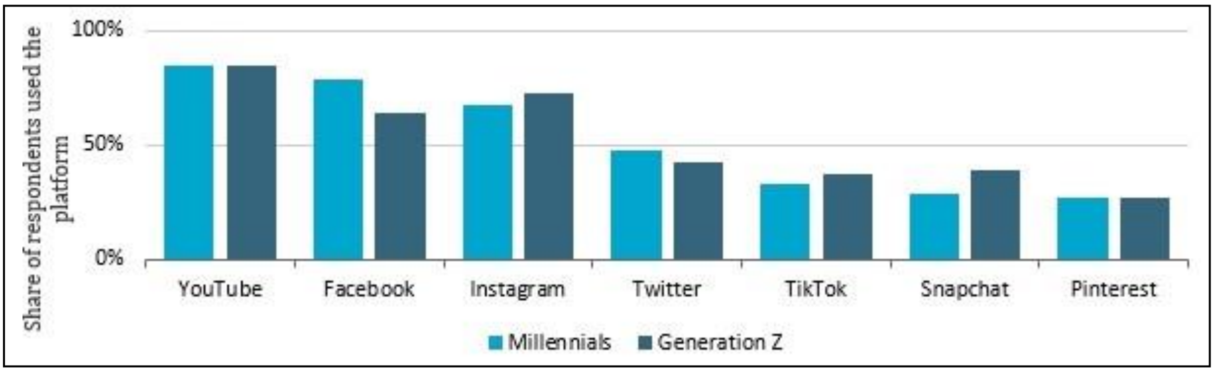

Figure 2.4 Millennials and Gen Z Social Media Platform Usage

Source: Euromonitor International Digital Consumer Survey (2020)

2.8.4 Climate change

Climate change has become a major variable affecting how millennials and Gen Z choose to save, spend, or invest their money and choose their occupation. Climate consciousness and climate change activism are vastly supported by millennials and Gen Z alike, according to Tyson, Kennedy, and Funk (2021). 45% of millennials and Gen Z cite climate change as a reason not to save for retirement. Climate change causes existential anxiety which has led millennials and Gen Z to find jobs that combine flexibility with purpose. 59% of millennials and Gen ZS Will choose to remain with eco-conscious employees. Climate change is also cited as a main reason for millennials and Gen Z being apprehensive about starting families and being parents. Also important are life cycle factors such as financial resources and student loan liabilities.

Gen Z have moved to more eco-conscious purchasing, especially concerning fashion and vehicles. Gen Z are more likely to purchase cars that are good for the environment, such as purchasing electric cars (Reyes, Carmen, Luminarias, Mangulabnan, and Ogunbode, 2021). According to Dasgupta, van Maanen, Gosling, Piontek, Otto, and Schleussner (2021), 84% of Gen Z undergraduate students see no point in pursuing a career due to existential crises around the future and the lack of earth's longevity and sustainability. Furthermore, extreme weather conditions have caused US taxpayers over $10 billion due to the increased frequency of natural disasters.

Temperature increases have also caused at least a 2.4% increase in interpersonal conflict and car accidents, combined with all-around productivity slow down. This agrees with Shayegh, Manoussi, and Dasgupta (2021) as hot temperatures decrease worker productivity and economic output. As climate change affects factories, poor countries are hit hardest and suffer the most. In addition, there is a marked decrease in rainforest productivity. Shayegh *et al.,* (2021) conducted a South African study that showed that productivity output per adult drops by 20% due to climate change, especially within the unskilled labour force. Millennials and Gen Z are therefore more likely to place value on climate-resilient development when spending their money as well as when choosing places of occupation (Day, Fankhauser, Kingsmill., Costa, and Mavrogianni, 2019).

Berahab (2022) found that the energy crisis in South Africa contributed to the higher cost of living. The South African agricultural industry association, Agri SA, warned that food prices would reach “catastrophic proportions”, expressing concern that the combined costs of fertilizer, diesel, electricity, and labour were making sustainable food production extremely difficult. This directly affects millennials and Gen Z lifestyles and ability to stay afloat financially.

Millennials and Gen Zs now have reduced or are not saving for retirement and have an unfavourable view of home ownership (Xu, Johnson, Bartholomae, O'Neill, and Gutter, 2015). Additionally, millennials and Gen Z will face an estimated $113, 000 in lost wealth over a lifetime. This number is expected to increase as climate change progresses negatively, according to the National Bureau of Economic Research (2015). Economic losses of climate change have been deemed to be greater than those of other economic challenges, and in global totality, millennials and Gen Z are expected to lose $8.8 trillion in lifetime income. Research has shown that climate change disrupts the global economy and causes weakened productivity due to nihilistic attitudes and existential crises. The effects of climate change are globally apparent, showing a reduction of productivity of basic elements such as weakened crop harvests.

The research evidence shows the severe impact climate change has on millennials and Gen Z ability to save, and how it influences their spending behaviour. These financial challenges have given further rise to finance and technology intersections to assist economies and citizens to help manage the transitions and adapting. Fintech is by far one of the greatest used technologies in the 21st century and has influenced how millennials and Gen Z alike, manage their finances.

2.8.5 Fintech

Recent research has shown that fintech plays a vital role in the way millennials and Gen Z handle their money. Mention (2019) describes Fintech as any innovation that is related to how a business strives to improve the process and delivery of financial services. The main driver of FinTech is digitalization. Fintech is gaining momentum and has become increasingly popular globally, generating revenue of $31.85 billion in 2018 as compared to $12.2 billion in 2013. (Kagan) 2022 inferred that Fintech is a new form of technology that aims to improve and automate the use of financial services.

Financial technology was introduced in the 21st century, with cryptocurrency, online banking, and financial well-being platforms taking the world by storm. However, there are many other components to FinTech such as retail banking, education, and the management of investments.

As new start-ups join the market, the traditional financial industry is being disrupted and with the use of technology operational costs are subsequently being reduced.

FinTech has since evolved from being at the back end of banking institutions to being consumer-facing, with the use of Mobile Applications available on smart devices.

These apps allow for numerous financial transactions such as transferring funds, purchasing stock, applying for credit without physically appearing at a bank, and other numerous financial activities (Kagan, 2022).

As FinTech is digitally inclined, the main users of Fintech experiences are Millennials and Gen Z. Gen Z, being born into a digital era area has become accustomed to using digital payment methods in all aspects of life from ordering food, and transportation such as Uber and Lyft and online shopping. According to a study conducted by Barkley, the total FinTech expenditure of Gen Z in the United States was a staggering $143 billion in 2020 as compared to the expenditure of Millennials amounting to $65 billion (Aseng,2020).

The growth of the Fintech industry is heavily reliant on Gen Z as this is the generation that is motivated by the ease of convenience, and information at their fingertips and is highly susceptible to technology with this generation aging from 20 to 25, they are the future consumers of the world.

Millennials are more resistant to the use of FinTech as this generation is wearier of privacy and security constraints (Aseng, 2020). However, a study conducted by Gulliot (2022) inferred that Millennials are trusting FinTech apps more and are now willing to store funds in various mobile applications. This shift was also catapulted due to COVID-19 Pandemic as the world went into a lockdown and contactless interactions became a necessity.

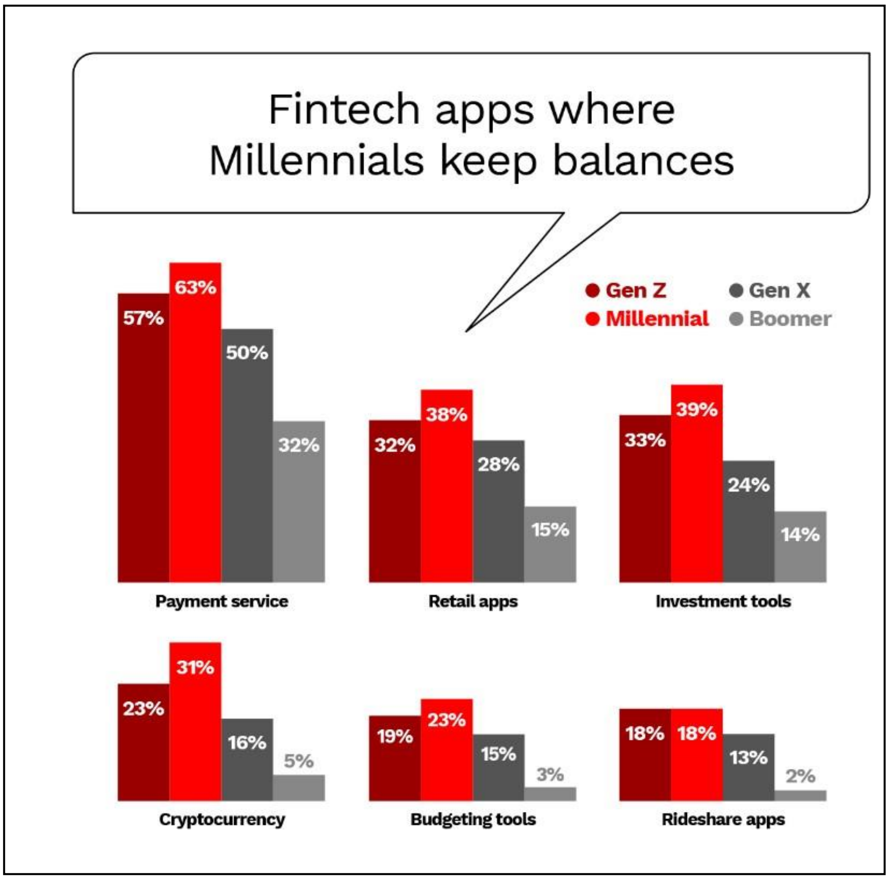

Figure 2.5 Graph of Millennials and Gen Z FinTech App Usage

Source: Gulliot (2022)

2.8.6 The COVID-19 pandemic, impact and mental health

Each generational cohort has had its unique challenges. Millennials have thus far experienced two global recessions: the 2008 financial global crisis, also known as The Great Recession, and now, the financial crisis because of COVID-19 pandemic. Based on their age, when the great recession hit, millennials were graduating from college or university and trying to find employment. Despite many finding jobs at this time or just before the great recession, many had lost their jobs, and if they did keep employment, they were unlikely to be able to negotiate for pay raises and better pay as they lacked the leverage needed. Furthermore, millennials were more likely to rent as they could not afford to purchase homes, and this caused an eviction crisis. When millennials entered college, tuition was on an exponential rise as many countries had defunded higher education. This caused a substantial amount of student debt crisis. However, Wagener, Stassart and Etienne (2021) reported that many millennials had recovered from the great recession and were moving up in their careers when the pandemic hit. Bracken (2020) stated that 3 in 10 millennial employees received a pay cut during the pandemic and 1 in 5 millennials lost their jobs due to the pandemic-induced recession. The pandemic was their second generational setback, and amid the pandemic, 26% of millennials believe the student loans they had incurred were not worth their college education as they were not protected from the global financial crisis (Williams, 2020). Whilst there is much literature based on the effect of the great recession, academic research on the post covid financial climate remains sparse in comparison. However, various finance companies and news providers have used polls and online research to estimate the impact of Covid 19 pandemic on millennials and Gen Z.

Harari, Selar, and Bareket-Brojmel (2022) analysed how COVID impacted Gen Z and found that before the pandemic, Gen Z had lived in a robust economy compared to the previous generations. Older Gen Z entered the workforce immediately before the pandemic and it was found that it was the longest economic expansion in the US with record low unemployment. However, when the pandemic hit, job openings were cancelled in masses and the unemployment rate reached its all-time high (Adamcyzk, 2020, Harari et al, 2022). A survey by DailyPay found that rising prices over the past three years have resulted in nearly 75% of Gen Z being unable to meet their financial obligations on time. 54% of Gen Z have also chosen to live with their parents due to inflation and the economic crisis post-pandemic. Reasons for these decisions have been cited as Gen Z have had less time to accumulate savings or go into better-paying jobs. These are similar conditions millennials faced during the great recession (Bank of America, 2022). According to the Bank of America (2022), median rent payments are up to 16% year over year for Gen Z. 38% of American Gen Z who were surveyed state they have no investments as they do not have money to spare and nearly 46% already carry debt through student loans. A study by Insite Consulting (2022) investigated the perceptions of Gen Z post-pandemic and found that 58% of respondents were stressed due to financial worries. Despite these statistics, Azimi, Andonova, and Schewe (2022) believe that Gen Z is the hero generation and will be able to bounce back financially and mentally due to their collective consciousness and high levels of resilience. This agrees with data collected by the Bank of America (2022) which found that despite it being a challenge, 66% of Gen Z are actively saving to reach their financial goals and 58% are optimistic about their financial future. The pandemic has also caused Gen Z to take provisional positive financial action by trying to invest in stock markets, and 28% are trying to contribute to a retirement account. 80% are trying to earn a supplemental income. The Deloitte 2022 survey shows that 43% of Gen Zs have taken on a part-time job and gig work and are rethinking how they plan financially.

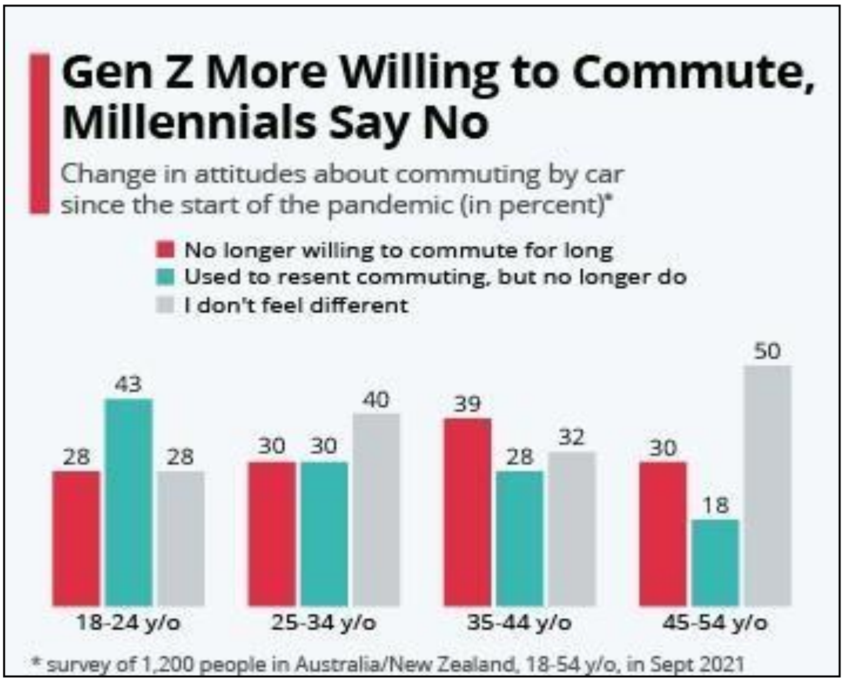

Figure 2.6 Graph depicting Millennials and Gen Z Willingness to Commute

Source: Satista (2022)

The silver lining of the Covid 19 pandemic has been the option to work remotely. Both Gen Z and millennials have indicated that remote working has helped them save money, but Gen Z are more willing to go back to the office. Both generational cohorts have stated they save on costs such as commuting, office attire, and dry cleaning, to name a few (Deloitte, 2022). However, An October 2022 poll done by Yahoo finance showed that less than 29% of their sample prefer working from home, and only 27% view working from home as a necessity. This has been rationalized though, by experts saying that due to the pandemic, Gen Z have only been exposed to work-from-home models (Yahoo Finance, 2022). This agrees with a survey done in Australia (Satista, 2021). It is still too early to predict the long-term effects of the pandemic on Gen Z financial stability, but with time more studies may establish a consensus.

As stated earlier, both generational cohorts have expressed anxiety and uncertainty surrounding their financial future, especially in the post-pandemic financial climate. Wagener, Stassart, and Etienne (2022) reported that millennials had high levels of anxiety and lower levels of positive emotions post-pandemic. Survey data from their study showed uncertainty was based on the post-pandemic climate, daily restrictions from the lockdown measures, and the modifications of livelihood. In Spring 2020, the first lockdown was implemented. This disrupted working modalities and restricted social contact and consequently caused mental health issues.

Klaiber, DeLongis and Sin (2021) established that psychological symptom exceeded clinical significance and lockdown measures caused elevated levels of depression and anxiety. Millennials were reported to be most burdened as they were more restricted, and survey data showed millennials having the highest intolerance levels to uncertainty (Klaiber *et al.,* 2021, Wagener *et al.,* 2022). Millennials went through the most uncertainty regarding their working conditions, professional future, and financial income. Moreover, millennials were seen as the core group to contribute to the cessation of the spread of COVID-19 pandemic and were most concerned over the health of their aging parents (Wagener *et al*., 2022). New parents in the millennial cohort also experienced anxiety and stress over working from home as there was a marked lack of boundaries between their professional and personal lives, and the resultant effect was an increased mental load.

Rahmawati, Ratanasi, Hidaya, Ramdania, Jjahjono, and Awan (2020) stated that millennials had marked anxiety over being fired or let go of by their employers in the face of the pandemic, being exposed to constant death, and changes in both work status and income. Unilateral dismissals were a major cause for concern, which was deemed to be a constant source of anxiety and uncertainty.

Mahmoud, Polay, and Aizouk (2021) cited job insecurity, burnout, and lack of satisfaction as a cause of stress, and job insecurity was positively related to high levels of burnout. They also reported moral disengagement was experienced by both generation Z and millennials, but fewer organisational citizenship behaviours were noted amongst Gen Z due to a lack of engagement and anxiety. Bandari, (2019) found that lockdown caused both millennials and Gen Z to be more engaged in social media and internet usage at this time, but constantly absorbing information about COVID 19 pandemic had a negative effect and increased anxiety levels.

The World Economic Forum (2022) reported on the phenomenon of “quiet quitting”. The term is defined as employees putting no more effort into their job than necessary and a survey by Gallup (2022) suggested that at least half the US workforce are quiet quitters. Among Gen Z workers, quiet quitting gained popularity on TikTok. This phenomenon is a result of a lack of purpose, disengagement, and a coping strategy to deal with burnout and financial stress. However, the positive side of quiet quitting was an increase in work-life balance.

Gangwar and D'Costa (2021) found a strong correlation between stress and burnout, in the context of the pandemic. Covid restrictions caused isolation and loneliness and no social contact support. The American Psychological Association (2022) establishes social support as a buffer to stress, however, this buffer was non-existent during the pandemic, leading to an increase in mental health issues. The Blue Cross Blue Shield Association (2020) reported an increase in substance abuse-related disorders and major depression amongst millennials during the pandemic. Cynicism was also highly prevalent amongst the millennial cohort.

McKinsey (2022) released survey data that showed that although Gen Z were less vulnerable to the physical impacts of COVI-19, they were not immune to the mental strife that came with the high rate of job loss and interrupted learning. Gen Z reported struggles with job and study aspirations and dating, which affected their mental health negatively. The American Psychological Association (2021) reported Gen Z experiencing mental anguish over their delayed entry into the workforce, and uncertainty causing them to struggle to make major life decisions as well as reporting changes in body weight, self-concept, and self-esteem due to stress. The Deloitte Millennial and Gen Z Survey (2022) discovered that 46% of Gen Z respondents were stressed or anxious all the time, with millennial stress levels declining from 44% in 2020 to 38% in 2022. However, both generational cohorts are seeing an increase in help-seeking behaviours such as going to therapy or demanding employer and family support (Deloitte, 2018).

2.9 Gap in literature

Many of the existing studies on millennials and Gen Z financial habits have not been comparative or holistic. Most of the literature is international and lacks the nuances of the South African context and lived experience, social and political climate, and culture. Moreover, the effects of the pandemic have been under-researched in such a manner. This study takes a comprehensive approach to add to the existing literature as well as to create a pathway for future research.

2.10 Chapter summary

This chapter summarised the theoretical underpinnings of this study focusing on Bronfenbrenner's ecological theory and the theory of generations as conceptualized by Karl Manheim. The arguments, discussions, and descriptions focused on financial well-being, and the definitions of millennials and Generation Z, their attitudes, characteristics, and how it influences their behaviours in a microsystem context, which also included the great resignation. This was followed by their mesosystem context and how they were parented, their view on marriage and children, and home ownership. It then critically discussed their macrosystem influences such as the fourth industrial revolution, side hustle culture and digitisation, climate change, finance and technology, and the impact of Covid-19 pandemic. These discussions have been greatly supported by researchers, organisations, and scholars alike. Lastly, this chapter outlined the gap in the literature. Chapter three follows and outlines the methodological process in detail as applied within this study.

3. CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this chapter is to present the research methodology within qualitative context focusing on financial behaviours of millennials and Generation Zs. The utilization of this methodology makes provisions for a deeper insight and understanding of the experiences and insights behind the financial behaviour of the two-generational cohorts within this study. Additionally, this methodology opens avenues for future related research on this topic. Within this chapter, research designs and paradigms are critically compared. Thereafter, the applicability of a qualitative research design is examined. This is then followed by the methodological rationale, data acquisition procedures, and methods of analysis. Lastly, the ethical concerns are debated.

3.2 Research design

Research design is a practical and methodological framework used to execute research. Although observations are made in everyday life, the research design is different in that it attempts to standardize conditions in a designed and planned manner (Grbich, 2012). There are three main types of research design methodologies which include qualitative, quantitative, and mixed methods design, each with its own ontological, epistemological and methodological theoretical underpinnings. Choosing the applicable research design is informed by the topic of research and the aim (Blanche et al, 2006; Phillips and Moutinho, 2018).

A research design is a blueprint of tools and techniques, that procedurally offer research protocol in the data collection, management, analysis and interpretation incorporating the research questions that the participants in the study have to respond to (Creswell, 2013). Therefore, it encapsulates information on what data is to be collected, coalesced, synthesized and evaluated with the culmination into an empirical findings and results.

3.3 Theoretical research paradigms (approaches and philosophies)

A paradigm is defined as a set of ideas used as a worldview to explain phenomena (Neuman, 2014; Moon et. al, 2018). There are four research philosophies, namely: positivism, interpretivism, realism and pragmatism. Paradigms such ontologically, in positivism, depicts the nature of reality is single, tangible, and fragmented, and there is a dualism as the knower and the known are viewed as independent. Epistemologically, generalizations are free of context and there are causal linkages that are simultaneous or temporally precedent with their effects. Inquiry is also seen as value-free (Thanh and Thanh, 2015). Axiology which is a value-based paradigm could be construed as having its thrust on research ethics and its positionality is complementary to epistemology (knowledge) and ontology (reality).

Ontologically, realities are multiple and are constructed, the knower and known are interrelated, and time and context cannot be ignored. Epistemologically, all entities are interrelated and mutually reactive and reciprocal, therefore it is almost impossible to distinguish cause from effect. Lastly, the inquiry is value-bound (Thanh and Thanh, 2015).

The paradigms falling under the umbrella of naturalism include interpretivism, social constructivism, and the critical paradigm. Additionally, there is postmodernism.

The table below by Sheppard (2020) summarizes each paradigm and explains the emphasis and underlying theoretical assumption involved.

Table 3.1 Comparison of research philosophies

Philosophy	Emphasis	Assumption
Positivism (Quantitative)	Objectivity, knowability, Deductive logic	Society can and should be studied empirically and scientifically.
Interpretivism (Qualitative)	Research on humans	People interpret their social roles in relationships, which influences how they then give meaning to those roles and the roles of others.

Social constructionism (Qualitative)	Truth is varying, socially constructed, and ever-changing	Reality is created collectively; social context and interaction frame our realities
Critical paradigm (Qualitative)	Power, inequality, and social change	Social science can never be truly value-free and should be conducted with the express goal of social change in mind.
Philosophy	**Emphasis**	**Assumption**
Postmodernism (Qualitative)		Truth in any form may or may not be known

Source: Sheppard (2020)

This research used an interpretivist approach by employing a qualitative design and understanding the influences which determine their financial behaviour, as well as understanding their social roles and the roles of others, and the resultant effects on their decision-making. Social constructivism (which is also a type of interpretivism and does not exist independently) is evident as we look at the social context that gives meaning to the reality of everyone (Thanh and Thanh, 2015). The interpretivist approach as part of the qualitative oriented methodology which is predicated on the theory construction (Creswell, 2013) was employed as this approach places great significance importance of exploring the complexities of human experiences within their social and cultural contexts. By adopting an interpretivist approach, the researcher aims to uncover the diverse perspectives, meanings, and interpretations individuals bring to their lived experiences (Pham, 2018).

3.4 Research approach

The research approach is vital to the way research is structured, configured, and executed. A researcher may use an inductive approach or a deductive approach. The inductive approach cogent to qualitative methodology posits that the research begins by collecting data relevant to the specific level of focus, then immersing oneself in the data to find patterns. Whilst looking for patterns, an attempt is made to make inferences from this data to develop a reason for how or why a phenomenon occurs. From this set of observations, general propositions are made. This could be viewed as developing conclusions based on the specific findings and applying them to the general conclusion.

The deductive approach applicable to quantitative methodology involves following the opposite route. The researcher begins with a general theory or hypothesis, then researches existing theory and data on the phenomenon being studied and executes hypothesis testing to ascertain if the hypothesis is supported or not supported (Gregory and Muntermann, 2011).

3.5 Research methods

Research methods are systematic methods of inquiry applied to understand and make inferences about the world, and how it is experienced. The method chosen is dependent on the above concepts already discussed such as the paradigm, approach, and design (Sekaran and Bougie, 2016). The two main methods of research are qualitative and quantitative, respectively (Sekaran and Bougie, 2016).

Qualitative research can be defined as "a situated activity which locates the observer to the world (Denzin and Lincoln, 2008). The interpretive practice of qualitative design is especially useful in understanding the social world by examining the underpinnings of social concepts (Gregory and Muntermann, 2011). It consists of data that is non-numerical and descriptive of feelings, opinions, or experiences. It uses open-ended questions, interviews, focus groups, and behavioural observation and is best for formulating hypotheses by gathering detailed information from smaller groups. Manual analysis is conducted through the grouping of common themes and ideas or emerging patterns in views/opinions. Data is subjective and the researcher has a personal involvement in the study.

The employed research design is qualitative due to its inherent explorative nature to understand and compare the financial behaviour of Gen Z and millennials.

The research will employ a qualitative research design as this design IS predicated on the textual, non-numerical and non-statistical analysis which delve a level deeper and immerse the researcher with the study project (Creswell, 2013). This design is also flexible and adaptable as it is based on insights that emerge during the research process. The results also offer trustworthiness, credibility and justification which can also be contextualized (Smith, 2015).

To understand the motivations and knowledge which inform the financial behaviour of respondents, a meaningful research design was employed. Qualitative research seeks to understand the lived experience which is what this study aimed to do. Using the qualitative design removed the limitations of quantifying respondents' experiences. This ties in with the nature of this study on financial behaviour.

Smaller sample sizes and flexibility of data collection and analysis which is characteristic of qualitative research design, also aided in making this study meaningful (Gregory and Muntermann, 2011). In constructivism (a type of interpretivism), the experiences of multiple people are explored according to their reality and then interwoven to find a theory or a pattern emerging, or being constructed, from the data, and usually employs grounded theory (Charmaz, 2006). Interpretivism attempts to emphasize social, cultural, and structural contexts which can influence and affect an individual's experience and decision-making and usually employs thematic analysis (Birks and Mills, 2011). This study adopts an interpretivist approach as it attempts to understand financial decision-making.

3.6 Research setting

The research setting was the company Astel Systems (Pty) Ltd. This company is a Durban-based Information Technology enterprise in the Umhlanga area and was chosen due to its variety of ages of employees as well as their socio-economic backgrounds. Astel Systems employ 55 individuals of diverse races, socio-economic backgrounds, education levels, gender, and income level. The company also has millennials and Gen Z employed in executive management, middle management, and junior staff. Occupations range from software developers, business analysts, solution architects, project managers, and support staff. It encompasses a democratic and inclusive organisational culture. The director of Astel Systems is part of the researcher's professional network and agreed on allowing the researcher to use his company for research purposes after the study was pitched to him. The director signed a gatekeeper's letter which gave the researchers access to his employees (Appendix). It must be noted that no incentives (monetary or otherwise) were offered to the researcher, director, or respondents, and all participation was voluntary.

3.7 Recruitment and sampling

Having a good recruitment strategy is vital to the success of a study as study respondents should reflect the main characteristics of your target users so that findings can be applied to a larger population (Sheppard, 2020). Additionally, conducting research with screened respondents gives added validity to the entire research process. If respondents have been thoroughly screened, research feedback will be more valuable and representative of the objectives and aims of the study.

A sample is a cluster of individuals from where the data would be collected. Sampling allows the researcher to make claims about the target population with confidence, as it is representative (Neuman, 2014). Probability sampling techniques are used to create a statistically representative sample in quantitative research. Respondents are randomly selected and opportunities for respondents to be selected are fixed. This strategy is useful when the population is diverse and is also used when sampling bias must be reduced. Some of the probability sampling techniques which are used are simple random sampling, systematic sampling, and cluster sampling (Sheppard, 2020).

Non-probability sampling techniques are used in qualitative research as it recognizes that not all respondents can meet the research objective and selection is based on the judgment of the researcher. Respondent selection can be arbitrary or logical, and the researcher does not consider sampling bias. This strategy consists of different types such as purposive sampling, snowball sampling, convenience sampling, etc. (Blanche, 2006).

Table 3.2 Sampling techniques

Sampling Technique	Definition
Intensity sampling	Focused on exploring different components of a phenomenon with various intensities
Homogenous Sampling	Focuses on respondents who have similar
	experiences, beliefs, views, or backgrounds
Criterion sampling	Selecting respondents who meet predetermined inclusion criteria
Snowball Sampling	recruiting respondents based on the recommendation of an initial respondent already part of the sample

Random Purposive Sampling	randomly sampling respondents who have been purposively sampled

Source: Jacobs (2013)

The sampling strategy employed was purposive sampling due to both the utilization of researcher judgment and established selection criteria. According to Meitzer (2013), “purposive sampling is a non-probability sampling technique whereby respondents are strategically chosen to fit the context, nature, and objective of the study”. Criterion sampling, a subtype of purposive sampling, was employed as it selects individuals based on predetermined criteria called inclusion criteria. Inclusion criteria are key features of a target population that will be utilized by the researcher to answer the research questions and meet the research objectives (Gregory and Muntermann, 2011).

For this study, the inclusion criteria required respondents to fall into the category of Millennial or Gen Z, and be financially active employees of Astel Systems. All respondents were required to be able to speak fluent English, although English did not need to be their first language. The respondent must also have a signed employment contract with Astel Systems (Pty) Ltd. This inclusion strategy fits the objective of the study. The recruitment strategy involved the researcher sending email requests to the prospective respondents (Appendix). Thirty emails were sent, and twenty-five responded willingly to take part in the study. The first twelve to fit the inclusion criteria were added to the respondent list.

3.8 Sample size

The final sample consisted of twelve respondents: six millennials and six Gen Z. Of the six Millennials, four were male and two were female. All were in senior positions, three of the respondents were in senior management (two in senior development and one in senior business analyst), and three were in senior non-management positions (one as a senior in Human Resources, One as a senior business analyst, and one as a senior developer). In terms of marital

status, five of the six millennials are married, and one is single. Two are the primary breadwinners and four are not. In terms of race, two were white, three were Indian and one respondent was Black. Five respondents had dependents and one had none.

Amongst the Gen Z respondents, four were male, and two were female. In terms of occupation, two of the six respondents are business analysts, two are part of the finance division and two are developers. All the Gen Z respondents were juniors at the organisation, and only one of the six respondents was a primary breadwinner. Lastly, only one of the Gen Z is married and only one has dependents. The tables above describe the demographics of the sample.

The sample was large enough to cover a variety of opinions and limited the sample to the point of saturation. The sample size of 12 respondents was chosen based on the specific research goals and the ability to draw valid conclusions. Furthermore, population integrity was established in respondent recruitment, which ensured fruitful results. Each respondent was sent an informed consent form (Appendix 2) which was fully explained before each interview commenced.

3.9 Measurement instrument

The measurement instrument with open –ended question utilized was the interview schedule (Appendix 1). The interview schedule was chosen to be used as a guide to control the direction of the interview whilst still having the flexibility for extended probing of the responses given (Gregory and Muntermann, 2011). Questions were specifically formulated to address each of the research objectives. Both open-ended and close-ended questions were utilized as close- ended questions can be gateways to extended probing and open-ended questions are less leading (Adams, 2015). Special attention was paid to linguistics as well as the order of the questions to ensure a good flow of conversation (Adams, 2015). This specific interview schedule contained ten questions relating to saving and spending habits as well as financial literacy and knowledge.

3.10 Data collection

Data collection is the most important portion of the research. It is vital to employ the correct methods and technology for accurate and efficient data collection. The qualitative interview serves a dual function as it does not just collect information but also attempts to establish the meaning of the worldview and perceptions of the respondents (Gregory and Muntermann, 2011).

Within qualitative data collection, various methods can be employed such as interviews, observations, and focus groups. Individual interviews allow respondents to express their views and can be conversational between the researcher and respondent but can be time-consuming in both collection and analysis. In utilizing focus groups, a large amount of information can be collected in a short space of time, but the disadvantage posed is that it can be difficult to distinguish group views from individual views. Facilitating focus groups also requires a large amount of skill. In terms of involved observation, it allows for the researcher to have a prolonged involvement with respondents and encourages free and open conversation, but takes time to build trust, and behaviours may be altered by the presence of the researcher. Detached observation counters this disadvantage but introduces the potential of researcher bias into the study (Gregory and Muntermann, 2011).

3.11 Interviews

Interviews provide textual rich data that explicate the phenomenon in terms of participants' beliefs, experiences, and competences and are the most appropriate data collection method to employ for a qualitative study as they generate also in-depth and contextually rich information (Kelly, et. al, 2010).

One of the benefits of conducting interviews is it affords the researcher with the opportunity to explore participants' subjective experiences, interpretations, and meanings attributed to specific phenomena (Gubrium & Holstein, 2002).

In addition, another strength of conducting interviews is that it enables researchers to engage in a dialogic process with participants, allowing for a deeper understanding of their perspectives) Rubin and Rubin 2011).

According to Seidman (2013), during the process of conducting an interview the researcher can gather detailed accounts and uncover the complexities of human behaviour and social interactions.

Interviews also provide an opportunity for participants to express their thoughts, emotions, and personal narratives, thereby giving voice to their experiences (Fontana & Frey, 2005).

Carrying out interviews enable the researcher to explore participants' viewpoints in their natural context, capturing the intricacies of the social and cultural settings in which they occur (Kvale 2007).

Thus, interviews serve as a vital tool in qualitative research, enabling researchers to access rich and nuanced data that contribute to a deeper understanding of the phenomena under investigation hence this data collection method was employed for this study (Garbarski, et. al, 2016).

The method of data collection was semi-structured face-to-face interviews. However, the interviews were online video interviews using Microsoft teams' technology which was conducted by the researcher over one month. Each interview ranged between 15 minutes to 25 minutes. The semi-structured interview process is highly dependent on the perception and judgment of the interviewer (Gregory and Muntermann, 2011). The interviewer needs to be aware of their implicit biases, as well as the language and tone used.

The interview began by establishing rapport, followed by using the interview schedule to guide the conversation, and concluded with a debriefing. The interview schedule was a schematic guide to keep the interview aligned with the research objectives whilst comprehensively exploring the views and perceptions of the respondents. The debriefing was to ensure the respondent was comfortable throughout the process as well as to conclude.

Interview sessions were recorded with the built-in recording function. Handwritten notes during the interview schedule can be unreliable, therefore it was important to verbatim record the interview so that no information or key point is overlooked (Gregory and Muntermann, 2011).

3.12 Data analysis

Data analysis is a systematic search for meaning. It is a way to process qualitative data so that what has been learned can be communicated to others. Analysis means organising and interrogating data in ways that allow researchers to see patterns, identify themes, discover relationships, develop explanations, make interpretations, mount critiques, or generate theories.

It often involves synthesis, evaluation, interpretation, categorization, hypothesizing, comparison, and pattern finding. It always involves what Wolcott calls "mind work".
Researchers always engage their intellectual capacities to make sense of qualitative data.

(Gregory and Muntermann, 2011). Data analysis was deductive, iterative, and cyclical.

In the search for themes, first semantic themes were noted, then latent themes. Semantic themes are identified within explicit or surface meaning of data and are not looking for anything beyond what the respondent has said or written. The latent approach moves beyond the semantic content of data and starts to identify underlying ideas, assumptions, conceptualization, and ideologies that are theorized as shaping or informing the semantic content of the data and involve interpretative work, thus analysis produced is not only description but also theorized. The analysis stems from a constructionist paradigm and to some extent may overlap with other approaches to qualitative data analysis (Gregory and Muntermann, 2011).

The data analysis process employed the six-phase thematic analysis technique (Clark, Braun, hayfield, 2015). This is a thorough iterative process requiring constant refining and is therefore cyclical and is comprehensively described below.

Phase one requires transcribing data, then reading and immersing oneself in the data while noting down key points, areas of interest, and initial thoughts and ideas. In this process, one must keep in mind the research objectives and aims. For this process, transcription needs to be as accurate as possible to maintain data integrity.

Phase two consists of generating the initial data codes. Coded data is the most basic element of the raw data. The process of coding requires the researcher to note down what is going on in the data using keywords and minor descriptions. This was done by reading a data extract and then coding the behaviour and emotions seen in the extract.

Phase three had a main activity to search for tentative themes in the coded data. This involves sorting different codes into broader themes with their pertaining extracts. Themes that share the same idea, meaning, or pattern were combined. Themes can also be tentatively named based on appropriateness.

Phase four consists of reviewing and refining themes. In this step, the distinctions between the themes become evident. At this step, when coherent patterns weren't forming, the researcher went back and re-coded data and recreated themes until a thematic map was formed, and no other refinements were required.

Phase five requires naming and defining the themes and subthemes along with a detailed analysis concerning the research question.

Phase six is the synergy of the data and embedding of the extracts within the analytic narrative. This shows how the theme answers a research question and supports a central argument.

Data themes were highlighted and put onto an analysis matrix to fully view the data in its entirety.

3.13 Ethical considerations

Ethical conduct in research is vital to the success and integrity of a project, and all elements of ethics must be adhered to. The rights of respondents must be protected through the principles of confidentiality and informed consent. Confidentiality was maintained using anonymity and referring to the respondents by numerical key rather than using respondent names. No personally identifiable data was collected or utilized. The researcher was the only individual aware of the respondents' identities. Although the interview was face-to-face and virtual, only the audio was recorded.

The researcher sought the necessary permission from the Director of Astel Systems (Pty) Ltd, and received a signed gatekeeper's letter as confirmation.

The researcher applied for ethical approval from the University of Kwa-Zulu Natal Ethics Committee. Ethical clearance was granted (refer to Appendix 3) prior to the commencement of the interview process.

Informed consent was obtained before the interview. The informed consent form and its principles were explained to the respondents before signing. Respondents were made aware of the purpose, benefits, and risks of the study before they agreed to join.

The respondents were made aware that their participation is completely voluntary, and no coercion or incentives (financial or otherwise) was offered. They were also aware that they are free to terminate the interview at any time and there would be no repercussions to that.

3.14 Trustworthiness of the study

The trustworthiness of a study has five aspects: credibility, dependability, confirmability, transferability, and reflexivity (Lincoln and Guba, 1989; Rodwell, 1998). The table below describes each aspect of trustworthiness with its definition, and the action is taken to ensure trustworthiness was achieved and maintained.

Table 3 3.Aspect of Trustworthiness

Aspect of trustworthiness	Definition	Action taken
Credibility	The confidence that can be placed in the truth of the research findings. Ensuring the rigor of the research and internal consistency	Member checking was performed where analysis results were presented to respondents for further discussion before writing up the final report
Transferability	The degree to which the results of the research can be transferred to other contexts or settings with other respondents	Thick descriptions of data such as the use of quotes make the experiences of respondents explicit. making sure the analysis method was transparent
Dependability	The stability of the findings over time	External audit where data and results were presented with the research supervisor who was not involved in conducting the research
Confirmability	The degree to which the findings of the research can be confirmed by other researchers and that findings are derived from the data	Ensuring the analysis process was transparent, and presenting raw data and results to a supervisor not involved in conducting research, to review

Reflexibility	The process of critical self-reflection by the researcher such as biases and how that affect the answers of the respondents	The researcher was cognisant and aware of the manner of communication during interviews as well as discussed preconceptions with a supervisor not involved in conducting the research

Source: Lincoln and Guba, 1989

3.15 Limitations of the study

A limitation of the study was the timeframe in which the study was conducted. With a lengthier timeframe, more participants could be interviewed generating more responses to synthesize and consolidate their comments and inputs. The sample size is commensurate with the qualitative inquiry and was also limited due to the research setting. As the company did not employ a large number of employees, a logical representative number of participants were chosen.

3.16 Chapter summary

This chapter discussed and explained the research methodology chosen for the study. A qualitative research design was utilized which consisted of a naturalist interpretive paradigm. A non-probability purposive sampling method referred to as criterion sampling was used in conjunction with a recruitment strategy and inclusion criteria. The researcher conducted open ended and semi-structured interviews with the twelve respondents using Microsoft teams. These interviews were recorded and transcribed. The following chapter (Chapter 4-Presentation of results) will display the findings of this research using the objectives set out.

4. CHAPTER FOUR PRESENTATION OF RESULTS

4.1 Introduction

This chapter introduces and documents the responses gathered by the research respondents for the study. The chapter preceding illuminated the research methodology utilized for this study which employed a qualitative research design under the auspices of thematic analysis, interviews and purposive sampling. This study consisted of 12 respondents, namely 6 millennials and 6 generation Zs and all respondents were permanent employees of Astel Systems (Pty) Ltd. respondents ranged from senior management, senior level employees and junior level employees. Employees also ranged from developers, financial executives, business analysts and a human resource executive respectively. Based on the research questions and objectives of the study, responses were analysed and categorized into themes and sub-themes.

As a result of thematic analysis, themes emerge to respond to the objectives and the research respondents answered questions derived from these objectives.

4.2 Profile of respondents

The respondents age group ranged from 22 years to 37 years, fitting into either the Millennial or Gen Z generation. The group consisted of both males and females, and included a demographic of black, white, Indian and coloured individuals. The salary structure of individuals ranged from a monthly cost to company of a minimum R10, 000.00 to a maximum of R80,000.00. In the sample, there were breadwinners and those that had dependants.

4.3 Identification of dominant themes

Braun and Clarke (2006) established a six-phase analysis technique which was comprehensively discussed in chapter three. Phase four required the reviewing and refining of themes that then resulted in a thematic map or table. This illustrates a coherent pattern in the data that is finally grouped. The dominant themes that had emerged from the respondents responses are as follows:

- Saving and Investment practices and perceptions of millennials and Gen Z
- Spending practices and influences of millennials and Gen Z
- Attitudes of millennials and Gen Z surrounding their financial goals
- Perceptions and levels of financial literacy in millennials and Gen Z

The discussions to follow within this chapter pertains to the themes and categories as tabulated above. This was compiled from the responses gathered from the research respondents.

4.4. Presentation of discussion and analysis

Table 4.1 Themes and categories

Theme 1: Saving and Investment practices and perceptions of millennials and Gen Z
Sub-Theme: Intervention for the Human Capital department on Employee Wellness programme that ventilate the significance of discipline from the financial matters
Category 1: Saving patterns and budgeting
Category 2: Investment views and practices
Category 3: The influence of financial technology and digitisation on saving behaviour
Theme 2: Spending practices and influences of millennials and Gen Z
Sub-Theme – Decision making ability that is commensurate with one's disposable income and buying power when it comes to environmental influences.
Category 1: Spending Habits
Category 2: The influence of digitisation and social media on spending
Theme 3: Attitudes of millennials and Gen Z surrounding their financial goals

Sub-Theme: Balancing the financial priorities with affective and effective motivations that are in line with financial behaviour and inclinations.
Category 1: Financial well-being aspirations
Category 2: Barriers to reaching financial goals and aspirations
Theme 4: Perceptions and levels of financial literacy in millennials and Gen Z
Sub-Theme: The salient and tacit nature of perceptual tendencies versus prudent and fiduciary like financial astuteness.
Category 1: Influences on financial acumen
Category 2: Financial acumen (increasing financial acumen through literacy programs, from where did they acquire financial acumen)

Source: Compiled by author

As previously indicated, this study operated on a qualitative research design. The qualitative method seeks to understand the nuances of the topic being researched by examining the experiences of the research respondents. By iteratively examining the responses, the researcher must identify patterns and develop themes and subthemes (Gregory and Muntermann, 2011).

The literature review found in Chapter 2 of this project was amalgamated with the responses gained from the research respondents to identify patterns and subsequent themes. The responses found in this chapter are reported verbatim and no alterations were made to the quotes.

4.5 Objectives

4.5.1 Objective 1: To assess the personal savings and investment behaviour of millennials and Gen Z

To assess the personal savings and investment behaviour of Millennials and Gen Z

This objective focuses on the saving patterns and techniques used by millennials and Gen Zs, their usage of a budget in managing how they save, the investments they have and the risk levels, their attitudes to saving for emergencies and rainy days, and to evaluate how they would utilize their savings. It also looks at their use of technology such as banking apps that plays a role in how they save and invest. Theme one therefore evidently links to objective one.

4.5.1.1. Saving and investment practices and perceptions of millennials and Gen Z

According to (Johnston, 2021), financial goals can be described as savings and investment targets an individual wishes to accomplish within a certain timeline. These goals are also aligned to the area of life an individual is in.

4.5.1.2 Saving patterns and budgeting

The prioritization of saving at the beginning of the month ensures that money will be saved every month, and discipline would ensure that an individual's savings will grow. Saving at the end of the month encourages unhealthy spending habits and splurging or waste on unnecessary convenience purchases. The respondents elaborated on their savings pattern and why they save this way.

Respondent 1: *"So we save once a month based on our income. You know when we get paid, you take that percentage or that such an amount and then also when you're doing such for an event such as for a birthday party or something, or even a holiday, which goes into a separate savings. So you take your savings money and put it into an account, like me, I do it at the beginning of the month right, because see if you don't do it at the beginning of the month there's a chance you won't save cos you'll take that money and use it for something else. So, I put the money away and I don't look at that money again unless I really need it, I put savings away and it's not for my monthly spend".*

Respondent 3 had the shared similar sentiments about saving and chose to save at the beginning of the month.

Respondent 3: *So, I save every month. I mean I have an RA; I've got dedicated savings accounts that automatically go off my salary at the beginning of the month. From that perspective, I also look to save over and above that whenever I do have extra at the end of every month. Whatever I have extra, I prefer not to use, I prefer to just put it into a savings account whether it's a 30- day account or a fixed deposit account. So over and above my RA, I put 10-15 percent of my salary into savings.*

Respondent 3 further stated that he has less of a fixed amount saving goal and it is instead salary depending "*So just remember if I earned more, I would like to save like 20 to 30 percent of my salary. It's a percentage thing, so it's never the case where there's a set target that I need to save a month. My savings is based on my salary. Like I don't want to save x amount, I want to save x percent of my salary*".

Respondent 8 also follows a similar pattern as he said "*I tend to save at least 30 percent of my basic salary at the beginning of the month. Then after spending, I also save at the end of the month whatever is left over in my account*".

Respondent 4 also saves at the beginning of the following month but chooses to save a fixed amount rather than a percentage of her salary. "*In my home we have a fixed amount that goes into an investment fund as soon as we get our salaries. But we also try to save random amounts by the end of the month which goes into a separate savings account, but that's after we pay for all the expenses*".

Respondent 9 also follows saves a fixed amount at the beginning of each month.

Saving patterns have a direct impact on reaching financial goals. Guidelines put forward by African Bank (2017) state that savings should be prioritized before expenses, and individuals should aim to save 10% of their income per month.

The above responses coincide with the guidelines set out by African Bank (2017) as well as other banking authorities. The standard rule of thumb as set out by the literature and financial advisors is that at least 10% of an individual's basic salary should go into a savings account (SA Financial Planners, 2022).

However, many respondents choose to save at the end of the month.

According to the Australian Parliament House (2021), millennials budget, and whilst some budget to save at the beginning of the month, majority save what is left over after paying expenses and spending.

Respondent 2: *"I have a single income household so I need the discipline of a single income household, but I can only save at the end of the month you know. You need your money throughout the month and you're only able to save what's left over, and there's always unforeseen expenditure that may arise so yeah"*.

Respondent 7 also saves at the end of the month after paying off expenses "*Having just entered the workforce, I try to save the remainder of my salary once all expenses are paid off per month, but I also set aside 10% of my salary for a rainy-day fund".*

Respondent 12 does the same. "*I know it's not the most effective way to save but I don't have the luxury of saving at the beginning of each month as my expenses are quite high compared to what I earn. I aim to save each month at the end of the month based on what is left over before my next payday".*

Respondents 6, 10 and 11 had no proper saving patterns in place.

Respondent 6 noted "I *try to save, and I know the importance of saving so I try to save on a regular basis, but I mean my income isn't stable so it's hard".* Respondent 11 gave a similar response. bur respondent 10 explained,

"I try to live in the moment so I don't save but if I had to save it would be when there is a surplus amount that's greater than R5000-00 after my expenses. I prefer to live in the moment, hence the abnormal savings and even if I do save, I just spend it a week later, so it isn't really saving right". Respondent 5 has no saving pattern and chose not to elaborate on why.

According to Lee and Kira (2016), the propensity to plan influences the financial decisions of people. Empirical evidence suggests a propensity to plan is positively related to wealth accumulation. Specifically, one's propensity to plan by budgeting, saving and positive credit usage in a non-detrimental way. One's ability to save relies on one's ability to budget as well as their views on savings.

Millennial respondents did not make strict use of a budget as much as Generation Z. It was found that millennials do use a budget more as a guide and don't really see it as a budget in the strict sense.

Respondent one said, *"I do use a budget but more it's a guide you know like so it's not just you are running of like you know what money you have and what it's for".*

Respondent 3 had a similar response *"I use a budget but I felt like I don't need too much of a budget because I have a good grip on my finances. I think as I became more financially stable, I sort of eased up with regards to actually having a budget cos I mean I knew what I* *was doing but I was younger with less financial commitments but as I'm getting older commitments are increasing so now I'm trying to get more strict on my budget. But as it stands, I use it to guide me it's not like a budget you know".*

Respondent 4 shared a similar mindset "*It's really used as a guide within the month to make sure we're on track with expenses and income. It's actually a great tool to manage finances as it allows us to prepare adequately for the month ahead so it's really a guide thing".*

Respondents 2,5 and 6 do not use a budget to save. Respondent 2 said "*I already have an idea of what I need to do so I don't need a budget"* whilst respondents 3 and 5 simply stated they just don't use one. Respondents 7 to 12 all make use of a budget whether as a guide or strictly.

Respondent 8 said "*Due to my spending habits I stray away from my budgeted plan sometimes but not following my budget plan strictly doesn't impact the overall financial status of my life".* Respondent 11 stated: *"I make a monthly budget and follow it strictly "*

Respondent 9 also shared similar feelings and said, *"A budget is important and I try to follow it as much as possible cos it's important for me to have cash set aside for unexpected scenarios so I do that through a budget".*

Survey data from the World Economic Forum (2021) states Gen Z attempt to save at least 14% of their monthly income. Gen Z also use spending journals or apps to track their weekly spending, abide by stricter budgeting rules, save at the beginning of the month, and try as much as possible to not dip into savings unless in a case of dire emergency.

However, with regards to this study, it seems that Gen Z will dip into savings even if it isn't a dire emergency.

For example, respondent 11 said *"I try to save but I find myself constantly having to use it. Unforeseen circumstances just keep popping up".*

Respondent 10 said "*I know it's important to have a rainy-day fund, yet I do not have a rainy-day fund. It's because I know cash finance is always available".*

Despite this, all respondents had a positive attitude towards saving and viewed saving as an important financial behaviour to buffer themselves from negative financial circumstances. They had all responded that they do have a rainy-day fund or have an intention to have one.

Respondent 4 said "*Personally I believe having money saved for a rainy day is of utmost importance, you must have at least 3-6 months of your expenses saved up for like if anything should happen. Ideally that's the goal we should all intend to reach".*

Respondent 8 further iterated: *"I believe it's extremely important to have money saved for a rainy day. You must have funds to sort out the problem immediately and then find ways to recuperate that money quickly".*

Respondent 3 explained *"You must have a rainy-day fund. For me it's basically me sort of having enough money to be financially stable for a particular period but besides being financially stable and having that runway, if anything happens, it's also to have enough that it would make a difference to help me and my family. So, you must have a decent amount of your savings for that".*

Only respondent 11 stated *"I don't have a rainy-day fund for emergencies cos the difficult part is contributing to it. I'd have to use whatever I've saved for other things, but if anything happens, I'll have to look for ways to live within my means."*

4.5.1.3 Investment views and practices

The responses show that despite literature stating Gen Z have a higher risk appetite, the Gen Z in this study are just as risk averse as millennials and this could be because of the financial climate and macrosystem contexts. Only one Gen Z (respondent 8) respondent has invested in a high risk technologically based investment (cryptocurrency).

Furthermore, all the respondents except for two and eight have stated they do have risk concerns which would not lead them to choose risky investments, as their financial commitments cannot allow them to take the hits involved with risky investments, as seen in the responses above. Five Gen Z respondents and 3 millennial responses also stated that having the financial knowledge to know how to invest is also vital.

Only two of the twelve respondents have risky investments and those were respondents two and eight, one from each generational cohort.

Respondent 2 stated: "*I have two long term investments plans which are deemed to be kind of risky, but because the term is five years, I can recover from it if it doesn't do well, there's time to recover during the five-year period".*

Respondent 8 said *"I have invested in cryptocurrency before with the purchase of bitcoin and crypto stock exchange. As the crypto market is very volatile, I believe it's a very risky investment, but with the risk comes a high reward. I choose a risky investment so I can obtain a higher reward. My aim is not to get rich quick but to attain the highest return possible with my investment".*

Of the millennial respondents, five respondents have investments which are non-risky, such as notice accounts, pension funds, and property inheritance.

Respondent 4 stated: *"I have an optimal growth investment whereby the risk is minimal. This is a broad-based fund; hence the risk is minimal, but in turn the reward is minimal. I chose this investment at the time as i did not have any other knowledge of investments".*

Respondent 3 says "*I have many unit trusts and tax-free accounts but those are the sort of investments I have. I also count my property as an investment. Because money in the bank is only worth so much. With investments it's an opportunity to earn a little bit more than what the banks would offer in terms of return. And I am looking forward to diversifying my investments, so I like more property. They're non risky though".*

These responses agree with the literature as 5 out of 6 of the millennials have low risk investments and can be seen as risk averse.

Except for respondent 8 having crypto investments and respondent 10 having his inheritance as an investment, the rest of the Gen Z respondents do not have investments.

Respondent 7 has stated: "*I currently do not have any investments in place, but I am researching the highest return low risk investment options available to me. I would consider an unknown investment risky, especially if I don't know anyone personally who has tried the investment and I can't afford a risk like that".*

Respondent 12 expressed *"I would like to take out a tax-free investment in the next twelve months because I have friends who have them and they say it's a good investment and is low risk, because life is expensive. And if my investments don't do well and I lose money, I mean that's not good. Because I'm not financially stable yet".*

Millennials choose to go with their peers or follow their instincts regarding their investment choices, according to Investopedia (2020). Further, Millennials are more risk averse and tend to invest their money in low-risk investment vehicles. This can be a direct effect of the 2008 financial crisis that would have had a significant effect on this generation (Chen, 2022).

Mallam (2022) digressed that Gen Z are moving away from the traditional methods of investing activities of preceding generations. By using technology, this generation is using the knowledge that is so easily available to make smart money moves. Furthermore, Mallam, (2022) inferred that the Gen Z population has a higher risk appetite than Boomers and Millennials. The technological era Gen Z has been exposed to, and the rapid pace in which innovation takes place are the most driving factors behind their investment behaviour.

4.5.1.4 The influence of financial technology and digitisation on saving behaviour

Out of the six Millennial respondents, all had responded to say that digitalisation has caused a positive shift in their savings and have encouraged them to save more. Digitalisation has been the driving force for many financing vehicles to be created such as mobile banking apps and crypto currency apps that allow you to buy shares and invest at the click of a button.

Respondent 6 indicated that apps help him to save better, and respondent 3 added *"I've got access to all my finances at the click of a button, on my phone. I can move them around, with my money, easily. I won't say it's super easy, but it is convenient. Like everything can be done on digital apps. It made life a lot easier. Back when I started my investments, I had to rely a little on emails, with like statements and stuff. At a click of a button now I can just put money away into various savings accounts"*.

Respondent 2 iterated: "*It allowed us to save more as it's freely available to save through different avenues and options and parts where savings can happen. And it's easier to track your savings"*.

Respondent five also mentioned that savings occurs through purchases as well "*So online, if you use your account in a certain way like you get money back, that's savings you otherwise wouldn't have had. But also, with Takealot and stuff you have more deals, so you save. So, digitisation helps a lot like that"*.

Raines (2022) inferred that Millennials are also known as the Digital Generation, with technology first being introduced to this generation, with most of their interactions being done through a screen.

According to Meola (2023), technology has been pivotal in moulding the preferences of a Gen Z. At least 75% of this generation owns a smart device that is constantly accessed throughout the day.

Four out of the six Gen Z responded to also confirm that digitalisation has allowed them to save more money especially using banking apps that allow funds to be transferred to a savings account instantaneously and had responded in a similar manner as the millennials.

Respondent 8: *"Digitisation has enabled me to make investments in bitcoin and stuff cos of apps like Luon. I benefit from it a lot because it has helped me to use my money in a smart way".*

Respondents 7 and 9 view digitisations as unhealthy because they feel it does not assist with saving but instead makes them spend more and contributes to their unhealthy spending habits.

According to Forbes (2022), digitisation has a positive effect on saving. Money saving apps and digital banking are designed to make you save money when used properly. Many apps are created by fintech companies and feature investment opportunities, budgeting tools and expenses reduction tips, and rewards for meeting certain financial goals. By its nature, digital banking saves on costs, and you do not need to visit the bank for every small transaction (Equity Bank, 2022) Banking apps come with built-in budgeting tools, automated payments to avoid late fees (debit orders) and it is safe and secure. This correlates with the sentiments of 10 of the 12 respondents.

4.5.2 Objective 2: Spending practices and influences of millennials and Gen Z

4.5.2.1 Spending habits

The data collected indicates that millennials have higher levels of financial commitment than Gen Z. Millennial Respondents' biggest financial commitments are a home loan and vehicles, then range from school fees to utilities and groceries. Gen Z biggest expenses include vehicle repayments and medical aid. However, in addition to spending on these vital expenses, both generational cohorts have reported to spend on luxuries which can be deemed frivolous.

Table 4.2. Spending categories of millennials and Gen Z

Millennials	Spending Categories	Gen Z	Spending Categories
Respondent 1	• Home loan • Vehicle repayment • School fees for 2 children	Respondent 7	• Vehicle repayments • Medical aid • Fuel costs
Respondent 2	• Home loan • Vehicle repayment • School fees for 2 children	Respondent 8	• Vehicle repayment • Groceries • Medical aid
Respondent 3	• Home loan • Vehicle repayment • Rental on parent's house	Respondent 9	• Rent • Medical aid • Vehicle repayment
Respondent 4	• Home loan • Vehicle repayment • School fees for 1 child	Respondent 10	• Utilities • Wi-Fi • Medical aid
Respondent 5	• Groceries • Rent • Medical aid	Respondent 11	• Bank Loan • Vehicle repayment • Wi-Fi___33
Respondent 6	• School fees for 2 children • Utilities • groceries	Respondent 12	• Vehicle repayment • Groceries • Medical aid

Source: Compiled by Author

Despite having these large expenses, many millennials and Gen Z cite that they overspend on frivolities. Within this study however, it seems Gen Z spends a lot more on frivolities than millennials.

Respondent 1 said *"So look, when I was younger, I think I spent a lot more than I overspent, and sometimes on things I don't even like. You know sometimes you buy something that's ridiculously expensive. You make bad buying decisions. And then you feel bad like I spent 5k or 10k on those things, then you're like ok you might need the money in like two or three months. You think, okay I shouldn't have spent that. But I don't really do that anymore. Once or twice but hardly anymore. I have a family to think of now. So now I see to the kids, luxury items will come after".*

Respondent two shared the same sentiments but did state he also has two kids to consider and cited that convenience buying food and eating out with his family was the most luxury splurging he did.

Respondent 3 said he tries not to splurge or waste money *"I'll spend on my wife or on my hobbies but not often, I try to keep it minimal and it's not very extravagant from my side. And I'll splurge every now and again once I've saved enough money. Like if I want software or something, I'll save up for it then buy it, or like Lego and stuff. But I won't just, buy a new Lego every month. That's why I'm saying, its minimal".*

Respondent 5 mentioned that sometimes she uses her credit card unnecessarily to do frivolous things, such as getting her nails and eyelashes done, but will also budget for these things. Respondent 5 explained that he is very conservative with his spending because he has an unstable income. Respondent 6 explained that he does not spend frivolously on himself but will on his kids to make them happy.

Based on the responses millennials are more conservative in their spending due to their financial commitments, in comparison to generation Z. This disagrees with the literature found.

Respondent 7 said: "I try not to spend a lot, but I do waste a lot of money on food and clothes, uber Eats Mr D and stuff, eating out. I try too only do it occasionally though, but it's still pretty expensive. Like my biggest financial misstep is spending unnecessarily".

Respondent 8 shared a similar experience *"One of my biggest financial missteps is not being able to curb my spending for luxury goods. Like excessively expensive items such as sneakers, I could be saving and investing that kind of money, but I lack the discipline. I spend a lot on clothing and food that doesn't need to be spent".*

Respondent 9: "*I really spend excessively on luxury items, I spend frequently on clothing, make up, eating out. It can be excessive".*

Respondent 10 explained that he gambles and stays in hotels quite frequently. *"I could spend R8000-00 in one month and R15 000-00 in the next. I have an issue with financial discipline honestly".*

Respondent 12 will incur debt over unnecessary spending *"I use my credit card so unnecessarily. If we are invited out to dinner, instead of not going because I can't afford it, I'll use my credit card instead of using it for necessary expenses. My entertainment expenses are unnecessary such as going to the movies, eating out, and I also like to spend on luxury items".*

Gen Z are more aware of spending and prefer to spend less as this generation has witnessed recessions and more frequent wars than most generations. This does not agree with the findings of this study.

Over the years, research has indicated that Millennials were on average, slower to reach certain financial milestones than previous generations, and Millennials have been labelled as money wasters who are said to be frivolous with personal finances (Adamczyk, 2021).

4.5.2.2 The influence of digitisation and social media on spending

Online shopping and social media are large influences in the way both millennials and Gen Z spend their money. Many of the responses in both cohorts have expressed that digitisation and social media affect how they spend, due to goods and services being available so freely and efficiently. Five out of six millennials do use online shopping and are influenced by social media in terms of spending.

Respondent 1 said: *"I really think digitisation has caused us to spend more. Imagine if there was no online shopping, people would save more. Most of the things we buy online are unnecessary, like on social media you'll see influencers posting about a certain product and* *you'll see adverts based on your interests like on Instagram, and you'll go and think yeah i need that I want that. I used to do that. I used to see stuff online on social media and buy it and not even like it. But now I don't. But yeah, it has a big influence on how we spend money".*

Respondent 2: *"I don't really like to shop online because of safety and security reasons like online fraud and stuff. So, I'm not impacted by the online shopping stuff, but I would say social media advertising has an impact on my impulse purchases, because I will see something and be more enticed to go out and buy it. Like that way of advertising on social media, it gets us.*
Oh also, uber eats and stuff, which made stuff more available, so you do spend more".

Respondent 3 4 and 5 shared similar sentiments to respondent 2.

Respondent 4 explained how social media has affected her spending habits: "*It's easier to spend considering how many shopping entities have online stores. Social media, it influences my spending a lot because it entices me to be part of the latest trends with regards to everything, from make-up, to clothing, food and even vehicles and house modifications".* These views were also expressed by respondents 7,9 and 11 in the Gen Z generational cohort.

However, respondent 6 said he is not influenced by social media or digitisation in terms of spending. He says: *"I don't like social media, I don't use it, I don't like to shop online. So, it doesn't have an effect on me like that".*

Respondents 8, and 12 do not shop online and respondents 10 and 12 are not influenced by social media regarding their spending.

Respondent 8: *"I think digitisation in terms of online shopping doesn't affect my spending. I like to shop in stores, as I think there are better deals in store. But social media influences me in the sense that I follow pages that align with my interests. I see the latest sneaker trends online and I am made aware of new releases that I then want to purchase. So, it shows me the latest trends, but I must have an interest in it anyway. Like I'm loyal to specific brands, so I'll follow their pages and when they release a new sneaker, I'll want it".*

Respondent 10: "*I am not influenced by social media in what I buy, but shopping online has contributed to me spending on things I really don't need. Like on Takealot, I might buy something I don't really need, but it's going on sale, so I'll buy it".*

Respondent 12: "*I am not influenced by social media as I buy what I like or what I need at the time in store. And social media and digitisation hasn't affected the way I spend, because I do not have any shopping apps on my mobile device, nor do I have uber eats or Mr Delivery or any of that. So, I'm not affected at all. It doesn't interest me".*

Wang, Cao, and Lee (2021) found that social media influencers, including Youtubers, influence the purchases of millennials and Gen Z in the fashion sector. But based on this study, only 50% of the Generation Zs are fully influenced by digitisation and social media regarding their spending.

Conventional marketing is on its way out, and social media marketing is the new tool for establishing user engagement and purchasing (Jaankonmaki, Muller, and Brocke, 2017). There are at least 3 billion social network users globally and more brands are using social media as their main advertising tool. This influences how millennials and Gen Z especially make purchases. Prasath and Yoganathen (2018) found that social media marketing has a high positive correlation with consumer buying decision-making. Ardiansyah and Sarwoko (2020) also found that social media marketing has a positive significant effect on both brand awareness and purchasing decisions.

Being born into a digital era, the exposure to a variety of goods and services is vast. This forces brands to operate in a motion of constant innovation and reinvention to remain relevant (Deloitte, 2018).

4.5.3 Objective 3: Attitudes of millennials and Gen Z surrounding their financial goals

4.5.3.1 Financial wellbeing aspirations

Below is a table that illustrates the goals of millennials and Gen Z, that they believe will lead them to financial security, and increase their financial well-being.

Table 4.3 Financial goals of millennials and Gen Z

Millennials	
Respondent Number	**Financial Goals**
Respondent 1	● Home in a safe neighbourhood ● Affluent school for kids ● Save for retirement ● Create generational wealth
Respondent 2	● Save for retirement ● Be debt free ● Purchase home in an affluent neighbourhood
Respondent 3	● Save for retirement ● Have a nice home in a safe neighbourhood ● Create generational wealth
Respondent 4	● Be debt free ● Eliminate need for credit card use ● Have a large savings ● Have a home in affluent neighbourhood ● Be able to afford a good education for dependents
Respondent 5	● Purchase a home ● Purchase a reliable car ● Generate a stable income
Respondent 6	● Generate a stable income ● Purchase a better house in a safer neighbourhood ● Plan for retirement

Generation Z	
Respondent Number	**Financial Goals**
Respondent 7	● Grow savings ● Get to a higher salary bracket ● Purchase a home in an affluent suburb
Respondent 8	● Pay off debt ● Increase investments ● Purchase more property ● Retire comfortably
Respondent 9	● Purchase property ● Support future dependents ● Be able to afford both necessities and luxuries
Respondent 10	● Does not think about financial goals , due to having a large inheritance
Respondent 11	● Pay off loans and debt ● Have a steady increasing, stable income ● Purchase a house without a need to incur debt i.e., have a large down payment
Respondent 12	● Purchase home in affluent area ● Accumulate a large savings ● Pay off debt
	●

Source: Compiled by Author

Despite boomers and Generation X having a positive view of homeownership, millennials and Gen Z often view homeownership as out of reach. Of those millennials who own homes, 63% have regrets. Older millennials have a more positive view of homeownership as their parents viewed homeownership as a sign of wealth, success, and stability whilst younger millennials and generation Z view it as a financial burden, as their parents were more risk averse (Choi, Zhu, Goodman and Ganesh, 2018; Ismail and Shaari,2019). As the table above shows, both millennials and Gen Z view purchasing a home as a financial goal, and many have specified that to feel like they have attained a high level of financial well-being, the home must be purchased in an affluent area.

Millennials and Gen Z have similar financial wellbeing aspirations and all respondents view financial wellbeing in a similar manner. They all view financial security as having one or more stable sources of income to cover expenses, money to put away towards savings, money to comfortably afford necessities and luxuries, having no debt, taking care of their families, purchasing property, and retiring comfortably. But many of them recognise this definition of financial security as idyllic and none of the Gen Z respondents believe they are financially secure as it stands.

Respondent 12 said: *"Realistically, I see financial security as being able to live debt free, in terms of not having credit card debt and vehicle instalment, paying off your bond. Saving for retirement and retiring comfortably. Having enough money to just live without worrying about how you're going to pay for stuff. I'm not secure but I think I will feel secure once I pay off my short-term debt like my vehicle finance. And I want to take out an RA when i get a salary increase next year".*

Respondent 2 agreed and iterated: *"Financial security is super important. You must have a lot of things in place, save for emergencies, your children, your retirement. Financial security means having all these measures in place and still leading the lifestyle you wish to live".*

Respondent 11 further stated: "*financial security means I can cater for all my expenses and thereafter walk into a store and still be able to afford luxuries without having to worry if I will be able to cater for emergencies*. I*n a personal capacity, I know I'm not financially secure. I don't have RAs or a pension fund yet, but I'd like to start one".*

Three of the six millennial respondents believe they are secure to an extent as they are contributing to a retirement annuity and are trying to free up debt whilst working on increasing or diversifying their investments.

Respondent 1: "*Look, the goal is to create generational wealth right, and I'm not there yet. But*

I think I'm reaching it slowly; I'm trying to free up debt and I contribute to two retirement annuities so it's a process".

Respondent 3 "*So I have two retirement annuities and I am working on diversifying my investments, and I save a lot. I try to use my credit card in a smart way, mostly to build on my credit score. I also earn well so I think I'm secure relative to other people, but I am not where I like to be, ideally".*

Respondents 3 to 6 of the millennial cohort shared similar feelings as Gen Z in terms of not being secure. Their debt, income and expenses and contextual factors all play a role in them not feeling financially secure.

Both millennials and Gen Z are open to creating additional streams of incomes to supplement their current income and increase their level of financial wellbeing. All respondents were open to the idea of having multiple streams of income.

Respondent 1 said "*Sometimes I do some design and development work on the side especially like for people in the US and I get paid in dollars, and that's pretty great, it's not a steady income and is obviously time dependent, but its per project and its usually small ones, and the money does help, cos that little extra, you put it away into savings and it makes a difference"*

Respondent 6 has a second source of income, but still does not believe that second source of income is enough to help him achieve the level of financial wellbeing he desires. *"I'd like something else, just for job security. Like diversifying my job security cos anything can happen. That is the world we live in. If I get retrenched now, the business isn't going to help me stay afloat. I need more".*

Respondent 3, whilst open to a second stream of income says *"Look, I think it'll definitely help but not active income, my job is already so demanding, if I take on something secondary, I won't have time for anything. It won't be worth it you know. At the end of the day, you must have life balance as well. I'd like to have properties I rent out, or some sort of passive stream of income but not something where it's going to eat more of time I barely have".* Gen Z are open to opportunities for multiple streams of income.

But respondent 10 had a similar response to respondent 3 *"I am willing to create a second source of income provided it is self-sufficient, like crypto and shares, because I don't want to invest my time. I want to use my time for leisure".*

Respondent 11 said "*I'd like a second stream of income, but I'd like to be my own boss. Not like a second job, where I'm working for someone. It must be autonomous. Like putting my services online and working on private projects".*

Respondents 7, 9 and 12 all said they were willing to do other jobs such as being virtual assistants, doing I.T. development, or design work for some extra income.

The data above shows that both millennials and Gen Z have similar financial aspirations, view home ownership positively, and are open to working more than one job, or joining the GIG economy, to reach these goals. More millennials and Gen Zs are choosing Gig work over full- time employment. This is due to a preference for flexible work schedules (Sethi, 2022). Whilst this study agrees with the willingness of millennials and Gen Z to be part of the gig economy, the reasons within this study are for financial security, and not for a flexible schedule. The findings are in line with McKinsey Global (2017), who suggested that two-thirds of the employees of the gig economy think that having a diverse set of income sources is more reliable and secure than relying on one employer.

The most common and highly sought-after long-term goal is saving for an individual's retirement. Other long-term financial goals can include financial freedom such as paying for all debt from mortgages, cars, and credit cards to creating generational wealth for future generations to inherit (Johnston, 2021). Studies show that Gen Z is saving 20% of their income towards their retirement, compared to the 15% being saved by Millennials (Pino, 2022). However, within this study more millennials are saving for retirement than Gen Z.

4.5.3.2 Barriers to reaching financial goals and aspirations

Respondents in this study cited struggling through the pandemic in an already fragile economy, rising costs are crippling and have an adverse effect on their financial well-being, mental health and ability to sustain themselves properly.

Respondent one said: *"I would say it's hard because life is expensive now. When the fuel price goes up, everything goes up. Add the rising interest rate and then the costs go up with your bond and everything else. It's stressful because it impacts how much we save. You don't expect such an exponential rise like this. The fuel price went up so many times last year. So that is a barrier to me reaching my financial goals because it slows me down. But also, personally for me, when I was younger, I used my credit card a lot, on stupid things, and that* *had a negative impact on me financially. I'm in a better spot now but it did contribute to me not going further than i could have".*

Respondent 2 described his experiences: *"So I didn't grow up with money so that sets you apart from the get-go, having to do a lot by yourself. My wife and I had a plan of how we wanted to be financially. But then COVID 19 pandemic happened. My wife lost her job and it set us back bad financially. We went from a two-income household to me being the sole breadwinner. It is a lot of stress on me now. Especially because we have two children. The economy hasn't recovered, and my wife hasn't been able to find another job since. The cost of living is so high as well, so everyone is feeling the pinch. Some months, I find it difficult to do everything we are supposed to do. The company I work for is also not in the best state currently and just recently, people were retrenched. This is because recovery from the pandemic is an uphill battle. There's so much going on right now that we can't control, so it makes it hard to reach your financial aspirations".*

Respondent 3 explained the effects of his childhood and environment on his finances: "*Okay so when I was growing up, my dad lost his business, so we started helping him from a young age. But he didn't save for retirement and stuff because of his situation so now my brother and I help out a lot. I would say I'm close to reaching my financial goals, but there are barriers and there were many barriers when I was reaching them. When I studied, I had to take out a student loan, so I had already started with debt before I even started working, however I paid it off in a year. But I also had to make sure I took care of myself and my parents as well. And that can be a challenge sometimes. But also, with work and the cost of living. Like take load shedding for example, you pay monthly electricity costs, but now if some days you're working from home and there's load shedding, you have to make sure you are sorted out. So, I had to incur quite a bit of costs to prepare me for that. And it's beyond my control, it's a government problem, but it affects me badly. A couple months ago my wife was driving and hit a pothole and it caused a lot of damage to the car, and that was costly. We pay a lot of tax, I get taxed a lot, but these are costs I must incur because of a bad government. So that constant mental strain takes a lot out of a person. And those constant extra costs, is money I could have invested. You know what I mean, especially since I support two households".*

Respondents 4, 5 and 6 shared similar statements, citing tax, bad government management, bad labour markets and the pandemic as a source of financial stress and barriers which have impacted them on reaching their financial goals. This agrees with Berahab (2022), who found that the energy crisis in South Africa contributed to the higher cost of living. The South African agricultural industry association, Agri SA, warned that food prices would reach "catastrophic proportions", expressing concern that the combined costs of fertilizer, diesel, electricity, and labour were making sustainable food production extremely difficult (Okach, 2021). This directly affects millennials and Gen Z lifestyles and ability to stay afloat financially.

Whilst Gen Z shared similar views, they also mentioned climate change a lot more, and displayed nihilistic attitudes towards their jobs and future.

Respondent 8 said *"I'm just so over it all. I was without a job for almost two years during the pandemic and it sucked. It set me back badly. If I didn't have my parents, it would have been a lot worse. And now that I am working, I am grateful to have a job, because the unemployment rate is so bad, but it's also like, what's the point of it all sometimes? It's a lot of work stress, minimal pay, a lot of tax. There are no more opportunities in this country. I want to create generational wealth, but also, if the planet is dying, what is the point of creating generational wealth, when our planet won't even be inhabitable in a few more generations? I don't know, there's a lot of barriers that aren't in my hands"*. The other generation Z respondents shared similar sentiments of nihilism and fear.

Respondent 10: *"I have an inheritance and I don't really have many financial goals, or any, that I can think of. (laughs). I'm here for a good time, not a long time. I do what I got to do at work, have my fun, and that's it. If I must think about all the reasons I haven't reached where I'm supposed to be, it just frustrates me"*.

Respondent 7: *"I still live with my mother, and she helps me a lot, I can't move out because I can't afford rent right now. I'm trying to save for my own place but sometimes that seems impossible. The thing is, I feel like I've done everything right. Studied, tried to find the right job, but rising costs just make everything so hard. Then sometimes, I shop when I feel sad. And guilty, cos I just wasted money I could have been saving but what life is this? Like, when do we get to live?"*

As reported by (Reinicke, 2022), studies have found that Millennials are more concerned about a future recession than other generations. A survey found that only 71% of Gen Z were concerned, in comparison to 80% of Millennials that are fearful of another recession. During the last recession, Millennials suffered financially with at least one third having no choice but to liquidate assets to survive. (Reinicke, 2022) inferred that Millennials are making smart financial moves by creating budgets, saving towards emergency funds, and seeking the advice of professionals.

Most of the Gen Z population are entering the workforce and are trying to find their feet. However, with the rising inflation rates and increased cost of living, this generation is finding it difficult to make ends meet. In the case of the financial crisis, Gen Z s turn to their parents and many are choosing to live at home as they cannot afford to move out and sustain their lifestyle (Becker, 2022).

4.5.4 Objective 4: Perceptions and levels of financial literacy in millennials and Gen Z

4.5.4.1 Influences financial acumen

Baby boomers, born between 1946 to 1964 are parents to early millennials, and early to mid-Generation Xers (between 1965 and 1977) are parents to late millennials. Boomers are also more likely to take a higher amount of investment risk and choose not to play it safe (Cook, 2008). This has impacted their offspring as many of them learned how to spend and save from their parents.

Generation X, on the other hand, has witnessed various economic and social factors which have played a role in their defining characteristic of focusing on financial safety, security, and stability. Due to experiencing economic downturns, and job insecurity, this generation prioritized necessities and avoided expensive luxury purchases unless they have saved for them.

Lee and Kim (2020), found that good financial knowledge coupled with the propensity to plan yields better financial behaviour. Objective financial knowledge was also found to be less than perceived financial knowledge in millennial cohorts. Those who had higher objective financial knowledge also had better credit behaviours and were less likely to incur unnecessary debt.

4.5.4.2 Financial climate and influencing factors

Many of the respondents grew up in difficult financial climates, and this played a huge role in how they went about conducting themselves financially from their spending decisions to how they save and invest; millennials within this study grew up in lower to middle class income households.

Respondent 1: *"So I came from a middle-class household, and it wasn't extremely difficult, but it wasn't super comfortable either. It definitely impacted how I spend my money. There* *are certain things I didn't have that people in high income houses had, so I think buying luxury brands was definitely influenced by that. But also with saving, it impacted me because I realized I must save for a rainy day. I'm very aware of the financial climate we live in, and when I was younger my dad told me how to invest. I think I was on campus, my dad made me take a five- year investment and I took half of my weekly allowance and put it into the investment.*

Respondent 3: "*My upbringing had a huge impact on my relationship with money. I learnt balance, how to save for your long term and short-term goals. And I learnt how to be able to enjoy my money. My dad lost his business when we were growing up, so I had to work from an early age. And it also taught me to be aware of all the risks involved with money. So, my parents didn't have anything saved for retirement, now i have two RAs because i understand it's so important to save for retirement".*

Respondent 5: *"Growing up in a middle-income household I had to learn to save a lot. My parents had a lot of debt. Credit cards, loans. I learnt from an early age that I don't want to have a lot of debt. Now there is some debt you cannot have, like a home loan when you buy a home, but I know how important it is to keep your monthly expenses low".*

The Gen Z respondents grew up in more financially stable households. According to Phaisuwat et al (2016) generation X, has witnessed various economic and social factors which have played a role in their defining characteristic of focusing on financial safety, security, and stability. Due to experiencing economic downturns, and job insecurity, this generation prioritized necessities and avoided expensive luxury purchases unless they have saved for them. They use credit cards responsibly and pay them every month (Phaisuwat, P. and Vongurai, 2016). A Lot of this behaviour has transferred to their offspring.

Respondent 8: "*So I grew up in a very stable financial household with multiple streams of income. That taught me that just because we have a lot of money doesn't mean it needs to be spent wildly. And we were taught to always preserve 30% of your income after deductions. Furthermore, my parents always made sure I had the best of everything".*

The rest of the generation Z respondents share various similar responses. Respondent 12 mentioned that he learnt lessons through his parents' major financial issue.

Respondent 12: "*My dad's business did very well so I grew up financially comfortable. But when my dad's business closed because of issues with his business partner, it had a very negative impact. I learnt how important it is to save for unforeseeable circumstances".*

However, respondent 10 said due to never having to worry about money, he did not learn any valuable financial lessons.

Respondent 10: *I" grew up in a financially stable household with there being 6 individuals in my family (my parents and 3 other siblings with me being the youngest). Only one of my parents (my dad) worked while my mum was a housewife. She also had her own side businesses to save her own income. At that point in time our household earning capacity was above average. Being the youngest, the income and expenses of the house did not resonate with me as much, I got what I wanted, and my parents also paid for my education. This unbothered concern did not make me financially alert in terms of budgeting and saving and this still holds true till date".*

4.5.4.3 Financial acumen

According to a survey by Investopedia (2020) Millennials choose to go with their peers or follow their instincts regarding their investment choices and have distrust towards financial advisors.

But this study has found that millennials gain their financial acumen through financial advisors. All six millennial respondents cited they use financial advisors to gain their financial knowledge, especially knowledge around investments and three out of the six respondents explained they learned what not to do based on their parents' financial missteps. They also use friends, as well as the internet and those who are more knowledgeable in the field.

When asked about their feelings on financial literacy programs, five of the six millennials deemed them to be important whilst only three of the Gen Z said that financial literacy programs would be helpful.

Respondent 2 explained that he relies heavily on a financial advisor. *"My financial advisor explains to me about repo rates, market movements, all of those things so I understand a lot about how those work especially since he is a specialist in the field".*

He added *"I do think financial literacy programs are needed though from a school level as I didn't understand finance, taxes, investments, all of those, until I spoke to other people and did it myself. And with a financial advisor of course"*

Respondent 4 shared similar responses *"Look, my degree was in business science, so I learnt from doing a finance based degree. However, when I started working, I got a financial advisor, and I also did a lot of my own research. When I became active in the financial world, I realized just how little I knew. I think as it stands, me and a lot of people will benefit from financial literacy programs because i don't think i have a high financial acumen, even now"*.

Of the Gen Z respondents, three use financial advisors as well as the internet and friends, whilst three prefer to learn from friends and family who have a proven history of good financial acumen. All the Gen Z respondents also cited they learnt a lot from their parents and elder siblings.

Respondent 10: *"If I want to know something, I'll find out online. I don't see the point of having a financial advisor. Or I'll just ask my siblings. I don't think I need to learn from any financial literacy programs. Also, to learn from a financial literacy program you must have discipline. My issue isn't money, its discipline"*.

Respondents 8 and 9 shared the same response explaining that they don't doubt their financial acumen, and information is readily available on the internet, but they have discipline issues when it comes to spending.

However, respondent 7 said *"I think we all need to learn more about finance, even if our financial acumen is high. Explaining to individuals not just how investment portfolios work, and how to achieve a good credit score but explaining the importance of them, the effects of not having them, knowing how to look for good investment opportunities, the easiest and most effective ways of spending, saving, creating a credit score. All of that is important"*.

According to Hung et. al (2009: p.22), financial literacy can be defined as "knowledge of basic economic and financial principles and the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being".

The results show that even with good levels of financial acumen, financial literacy programs will still ultimately be beneficial, as 8 of the 12 respondents answered that it was needed, and looking at this study holistically, it seems both generations may learn from financial literacy programs to attain their financial goals. According to Rosdiana (2020), there are significant differences in the financial literacy levels between millennials and Generation Zs, and generation Z has a higher level of perceived financial literacy than millennials. Given that three out of six of the Gen Z respondents said they do not need financial literacy assistance, it can be inferred the data of this study agrees with that of Rosdiana (2020).

4.6 Chapter summary

This chapter highlighted and presented the results as obtained from the twelve respondents within this study, and these responses were amalgamated with each objective for the study. The respondent's input was also linked with data from chapter two to justify some of the literature provided. Chapter 5 will focus on further contextualizing the research findings with the literature used in chapter 2, as well as discuss the conclusions and recommendations for this study.

5. CHAPTER FIVE DISCUSSION OF CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study was undertaken to explore the financial knowledge culture and behaviour of millennials and GenZ's,, and was conducted at Astel Systems (Pty) Ltd. Chapter 1 was an introductory chapter, that provided insight into the background of the study, the problem statement and objectives. In chapter 2, literature related to both generational cohorts and their financial well-being was explored in detail. Other factors such as climate change, digitalisation and COVID-19 effects were also discussed. As elaborated in Chapter 3, a qualitative study was undertaken, assisting the researcher to retrieve detailed answers offering insight and findings. Chapter 3 also described the research design, data collection tools, and ethical considerations.

In Chapter 4, the findings of the research were presented as contributed by the 12 respondents, providing insight on the themes that emerged. This chapter will focus on presenting the research findings in relation to the objectives highlighted in the study. In addition, this chapter will include recommendations related to the study, limitations of the study and recommendations for future research.

5.2 Summary of findings

To assess the personal savings and investment behaviour of Millennials and Gen Z

Savings and budgeting

Five out of twelve respondents indicated that they save in some form at the beginning of the month: via investment plans or transferring a set percentage of their salary into savings. Three out of twelve respondents shared that they saved at the end of every month due to commitments during the month that limit their ability to save before any expenses are met during the month. The other respondents, made up of GenZ's did not have any savings patterns that they adhere to.

When it came to budgeting, Millennials were more likely to not follow a stringent budget, but use it more as a guide each month. 41% of the respondents admitted to not using a budget at all.

Investment views and practices

80% of the respondents have stated that due to having financial commitments and obligations they are more risk adverse as they do no not have the financial freedom to engage in risky investments. When it came to risky investments, only one respondent from each generational cohort expressed interest in this sort of investment. Aligning to the literature findings, five out of the six millennials have non risky investments. Respondents have reported that with digitalisation and banking apps, they are able to save more due to the convenient nature of the transactions.

The influence of financial technology and digitisation on saving behaviour

Out of the six millennial respondents, all had responded to say that digitalisation has caused a positive shift in their savings and have encouraged them to save more.

Four out of the six Gen Z responded to also confirm that digitalisation has allowed them to save more money especially using banking apps that allow funds to be transferred to a savings account instantaneously and had responded in a similar manner as the millennials.

Spending practices and influences of millennials and Gen Z

The data collected indicates that millennials have higher levels of financial commitments than Gen Z. Millennial Respondents' biggest financial commitments are a home loan and vehicle finance, then range from school fees to utilities and groceries. Gen Z biggest expenses include vehicle repayments and medical aid. However, in addition to spending on these vital expenses, both generational cohorts have reported to spend on luxuries which can be deemed frivolous.

The influence of digitisation and social media on spending

Five out of six millennials do use online shopping and are influenced by social media in terms of spending.

Based on this study, only 50% of the Generation Zs are fully influenced by digitisation and social media regarding their spending.

Attitudes of millennials and Gen Z surrounding their financial goals

Both millennials and Gen Z view purchasing a home as a financial goal, and many have specified that to feel like they have attained a high level of financial well-being, the home must be purchased in an affluent area.

Millennials and Gen Z have similar financial wellbeing aspirations and all respondents view financial wellbeing in a similar manner. They all view financial security as having one or more stable sources of income to cover expenses, money to put away towards savings, money to comfortably afford necessities and luxuries, having no debt, taking care of their families, purchasing property, and retiring comfortably. But many of them recognise this definition of financial security as idyllic and none of the Gen Z respondents believe they are financially secure as it stands.

Barriers to reaching financial goals and aspirations

Respondents in this study cited struggling through the pandemic in an already fragile economy, rising costs are crippling and have an adverse effect on their financial well-being, mental health and ability to sustain themselves adequately. Citing tax, bad government management, bad labour markets and the pandemic as a source of financial stress and barriers which have impacted them on reaching their financial goals. Whilst Gen Z shared similar views, they also mentioned climate change a lot more, and displayed nihilistic attitudes towards their jobs and future.

Perceptions and levels of financial literacy in millennials and Gen Z

This study has found that millennials gain their financial acumen through financial advisors. All six millennial respondents cited they use financial advisors to gain their financial knowledge, especially knowledge around investments and three out of the six respondents explained they learned what not to do based on their parents' financial missteps. They also use friends, as well as the internet and those who are more knowledgeable in the field.

When asked about their feelings on financial literacy programs, five of the six millennials deemed them to be important whilst only three of the Gen Z said that financial literacy programs would be helpful.

5.3 Conclusions of findings

Savings

Objective one focused on the saving patterns and techniques adopted by both generations, and their usage of a budget, investments and adversity to risk, rainy day funds and the spending of savings. (Reinicke, 2022) inferred that Millennials are making smart financial moves by creating budgets, saving towards emergency funds, and seeking the advice of professionals. According to Lee and Kira (2016), the propensity to plan influences the financial decisions of people. Further, empirical evidence suggests a propensity to plan is positively related to wealth accumulation. Specifically, one's propensity to plan by budgeting, saving and positive credit usage in a non-detrimental way. Xiao and O'Niell (2018) agreed with this as they have stated that those who do not plan/ stick to a budget have lower financial behaviour scores than those who do. According to the Australian Parliament House (2021), millennials budget, and whilst some budget to save at the beginning of the month, most save what is left over after paying expenses and spending. Most millennials have a positive attitude towards saving and try to save but millennials are more likely to dip into their savings, sometimes to use it for unnecessary purchases.

Gen. Z has been described as a saving savvy generation, as they began saving much earlier than millennials, and track their spending, income and financial goals much more stringently, according to a survey by CNBC (2020).

Based on the above literature, both generational cohorts express a favourable relationship to savings. As the findings show, both cohorts exercise savings habits at either the beginning or the end of the month, however more millennials have a strict savings plan as compared to GenZ's.

Given the above literature, financial planning is imperative to financial success and ensuring an individual is financially secure. Respondents from both cohorts expressed that they have a budget, but it is merely a guide and is not followed, while others admitted to not using a budget at all.

Investments

Millennials are more risk adverse and tend to invest their money in low-risk investment vehicles. This can be a direct effect of the 2008 financial crisis that would have had a significant effect on this generation (Chen, 2022). The findings of this study agree to the literature as only 16% of this cohort admitted to holding a risky investment. Mallam (2022) digressed that Gen Z are moving away from the traditional methods of investing activities of preceding generations. By using technology, this generation is using the knowledge that is so easily available to make smart money moves. Further, (Mallam, 2022) inferred that the Gen Z population has a higher risk appetite than Boomers and Millennials. Most of the GenZ's in this study did not hold any investments. Of those that did, only one held a high-risk investment in cryptocurrencies. As per the study, 83% of respondents are risk adverse and choose to hold safer rather than risky investments.

To consider the spending habits of Millennials and Gen Z.

Over the years, research has indicated that Millennials were on average, slower to reach certain financial milestones than previous generations, and Millennials have been labelled as money wasters who are said to be frivolous with personal finances (Adamczyk, 2021).

In comparison, in terms of spending, generation X places a high value on spending on education and will take on student debt to pay for their children's education and future (Swanzen, 2018). The study has found that many millennials are financially committed with a bond and vehicle finance, meaning they have incurred high levels of debt at a young age. They have also admitted to spending frivolously and incurring unnecessary expenses. It can be ascertained that GenZ's have fewer financial commitments in comparison of rental expenses to a bond that most millennials are paying off.

Influence of social media on spending

Being born into a digital era, the exposure to a variety of goods and services is vast. This forces brands to operate in a motion of constant innovation and reinvention to remain relevant (Deloitte, 2018). Wang, Cao, and Lee (2021) found that social media influencers, including Youtubers, influence the purchases of millennials and Gen Z in the fashion sector. Furthermore, Wolf (2020) shed light on the fact that content creators earn a substantial amount of income through brand representation, advertising, and marketing, through their popularity.

Five out of six millennials do use online shopping and are influenced by social media in terms of spending. The remainder of the respondents inferred that they are not influenced by social media or digitalisation and make purchasing decisions according to their needs.

To analyse the short, medium, and long-term financial goals of Millennials and Gen Z.

Despite boomers and Generation X having a positive view of homeownership, millennials and Gen Z often view homeownership as out of reach. Of those millennials who own homes, 63% have regrets. Older millennials have a more positive view of homeownership as their parents viewed homeownership as a sign of wealth, success, and stability whilst younger millennials and generation Z view it as a financial burden, as their parents were more risk averse (Choi, Zhu, Goodman and Ganesh, 2018; Ismail and Shaari,2019). As per the results from the respondents, both millennials and Gen Z view purchasing a home as a financial goal, and many have specified that in order to feel like they have attained a high level of financial well-being, the home must be purchased in an affluent area. Millennials and Gen Z have similar financial wellbeing aspirations and all respondents view financial wellbeing in a similar manner. They all view financial security as having one or more stable sources of income to cover expenses, money to put away towards savings, money to comfortably afford necessities and luxuries, having no debt, taking care of their families, purchasing property, and retiring comfortably. But many of them recognise this definition of financial security as idyllic and none of the Gen Z respondents believe they are financially secure as it stands.

To assess the financial knowledge possessed by Millennial and Gen Zs.

Lee and Kim (2020) found that good financial knowledge coupled with the propensity to plan yields better financial behaviour. Chea, Foster, Heaney, Higgins, Oliver, O'Neil, and Russel (2015) found a positive relationship between financial literacy and positive financial behaviours. Financial literacy has a direct impact on both financial behaviour and financial well-being (Huston, 2010). This study has found that millennials gain their financial acumen through financial advisors. The results show that even with good levels of financial acumen, financial literacy programs will still ultimately be beneficial, as 8 of the 12 respondents answered that it was needed, and looking at this study holistically, it seems both generations may learn from financial literacy programs in order to attain their financial goals. According to Rosdiana (2020), there are significant differences in the financial literacy levels between millennials and Generation Zs, and generation Z has a higher level of perceived financial literacy than millennials. Given that three out of six of the Gen Z respondents said they do not need financial literacy assistance, it can be inferred the data of this study agrees with that of Rosdiana (2020).

5.4 Recommendations

Budgeting is an important financial tool that any income baring individual should follow. This will ensure money is spent wisely, and money is not wasted on unnecessary items. This will also help assist individuals to avoid incurring unnecessary debt and enable them to become financially stable. As we are living in a digital world, budgeting apps are easily accessible as most individuals have a smart phone. Tech companies should create budgeting apps that vary from simple planning to long term financial forecasting. This will eliminate the daunting task of creating a manual excel budget that most individuals stay away from due to the effort required.

All individuals should habitually save at the beginning of each month, to avoid unnecessary spending during the month that will result in no savings taking place. Everyone should also strive to save at least 10% per month to ensure they are financially stable in the event of an emergency. In addition, an individual should further ensure they have at least 3 months of their salary in an emergency fund. This can be done by re-evaluating expenses to cut out frivolous spend and be disciplined to save this, thereafter other financial goals can be pursued.

As per the study, 83% of respondents are risk adverse and choose to hold safer rather risky investments. This can limit the return on investment received by being too risk adverse. Individuals should have a diversified portfolio of investments, holding both risky and non-risky investments. This will ensure a higher return is received and making the investment worth it. Financial advisors can assist with diversifying portfolios and an individual should seek the help of a financial professional to assist.

All banks should offer the service of a digital app and streamline processes to encourage an individual to save each month. This will aid all individuals in becoming financially secure as everyone is looking for simple and convenient options of carrying out transactions.

To assist, the South African Reserve Bank should intervene and have concessions to the interest rates for certain generational cohorts to assist with the monthly instalments. Reduced monthly repayments will allow an individual to save more, or increase the repayments made each month. By repaying the debt in a reduced amount of time, financial freedom is obtained sooner increasing the standard of living of an individual. Further, if there are lower repayments, more can be saved enabling an individual to retire comfortably within any financial stresses which could be detrimental to mental health and physical wellbeing.

Given the above literature and the research findings from the respondents, majority of the Millennials are influenced by social media when making purchases. As this is a digital generation that is easily influenced, social media influencers should offer discount codes and special bundle prices that will allow an individual to save money while spending on items that are being advertised. As mentioned, influencers receive substantial remuneration for advertising and can offer special deals and discounts to followers. An individual should also ensure their social media following focuses on healthy content that will improve their standard of living, as opposed to influencers posting about trends that result in a waste of money. Healthy content can focus on building financial acumen and mentioning investment opportunities to assist everyone in becoming financially secure.

Companies or the Government should offer housing subsidies to homeowners to assist with allowing an individual to own a home. As recommended above, reduced interest rates should also be offered to assist in being able to purchase a home.

Many also wish to plan for retirement and for an individual to retire comfortably financially, an employer needs to assist. All companies should have compulsory retirement funds that are subsided to ensure all employees are saving towards retirement. These costs should be offered in addition to an employee's cost to company, to ensure the individual's disposal income is not affected. The more disposal income an individual has, the more room there should be to save, invest and manage finances adequately.

Based on an individual's upbringing, and the financial climate which they were exposed to, an individual has certain financial habits that may not be the most appropriate to attain financial freedom. This can directly impact the future financial status of an individual and good financial habits should be learnt early in life. That being noted, the education system is a key driver in this. The education system should be adjusted to ensure there is a financial module that is included from early stages such as senior primary and entrepreneurship should be a compulsory subject in High School more knowledgeable a person is, the more they are able to invest and spend wisely. This will avoid the accumulation of debt and not planning adequately for retirement.

Most individuals have limited financial acumen, and lack in all areas from money management to knowledge about retirement funds and types of investments. The services of financial advisors should be offered for free by Government, to ensure that individuals that are seeking financial advice are able to receive it, even if they are not financially stable.

5.5 Scope for further research

As this study was conducted with 12 respondents from a company based in Umhlanga, Kwa Zulu Natal, of a similar profession, I would recommend that the researcher expand the sample population to experience a greater variety of respondents and varying backgrounds to have a more comprehensive study and have varying responses. To be more comprehensive in the findings, the sample size should also be increased to include various demographics, financial backgrounds, and respondents should vary across the generational cohorts the study is based on.

5.6 Conclusions

This study has contributed to the body of knowledge by providing a comparison between the spending and investment habits of two key generations being Millennials and Gen Z, stemming from an individual's financial acumen. According to Hung, Parker, and Yoong (2009: p.22), financial acumen and literacy can be defined as "knowledge of basic economic as well as financial principles and the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being". Financial knowledge is understood to be a component of financial literacy to support the economy as well as engage in positive financial behaviour. Financial literacy is a critical competency individual must possess (Messy and Monticone, 2016). The study has provided insight into the relationship between each generational cohort and their attitudes towards finances and the financial acumen they possess. A direct comparison has conducted between the budgeting, investing, and spending habits of both generations, contributing to the research for Millennials and Gen Z.

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APPENDIX 1 INTERVIEW SCHEDULE

Exploring The Financial Knowledge Culture And Behaviour Of Millennials And Generation Z's: A Case Study Of Employees Of Astel Systems (Pty) Ltd.

General:

Name and Surname:

Date of Birth:

Age:

Race:

Number of years employed:

Marital Status:

Dependants:

1. How did you acquire your financial knowledge?

2. How do you acquire financial advice? (probe by asking for examples)

3. Describe the earning capacity of your household. (Probe: are you the breadwinner? How do you contribute to the financial upkeep of your household)

4. Describe your saving habits? (probes : How often do you save? When do you save? Why is this your saving pattern? Do you find it effective? how important is it to have a savings account) (Note : only use probes if respondent does not volunteer this information)

5. Do you have investments? (if yes, probe: what kind of investments? Do you consider them risky? explain)

6. How did your upbringing affect your financial habits? (follow up : at what age were you financially independent)

7. What does financial security mean to you? (probe : would you say you are financially secure? Do you have knowledge of retirement annuities , pension fund etc? do you have one?)

8. What are you three biggest financial commitments?

9. Describe your spending habits? (probes : what do you spend on? What spending would you deem necessary? Which would you deem frivolous?)

10. What are your short, medium and long term financial goals?

11. Do you make use of a monthly budget? If yes, please explain if follow the budget strictly or use it as a guide?

12. How important is a rainy day fund to you? (probe : Do you have 3-6 months of your expenses put away into a savings account for an emergency? How would you handle a financial emergency?)

13. What would you deem your biggest financial missteps?

14. Do you think you would benefit from financial literacy programs? If yes, how? (probe : what knowledge do you think is necessary before becoming a financially active individual)

APPENDIX 2 CONSENT LETTER

UKZN HUMANITIES AND SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE (HSSREC)

APPLICATION FOR ETHICS APPROVAL
For research with human participants

Researcher Name: Thalia Fae Chetty
Email address: 210537426@stu.ukzn.ac.za
Institution: University of KwaZulu-Natal
Contact number: 083 307 9181
Supervisor: Dr Tony Ngwenya

Information Sheet and Consent to Participate in Research

Date: 30 May 2022

Dear Participant

My name is Thalia Fae, and I am studying towards the qualification of a Master of Business Administration (MBA) through the University of KwaZulu-Natal, College of Law & Management Studies, Graduate school of Business & Leadership.

You are invited to participate in a study that involves a research titled:

"Exploring The Financial Knowledge Culture And Behaviour Of Millennials And Generation Z's: A Case Study Of Employees Of Astel Systems (Pty) Ltd. "

The aim and purpose of this research is to explore and compare the spending and investment behaviour of Millennials and Gen Zs. This study is expected to enroll only GenZ's and Millennials at Astel Systems (Pty) Ltd and will require the recruitment of 12 participants.
Data will be collected in the form of interviews. The duration of your participation if you wish to enroll in the study will be for the period of the interview, limited to no more than an hour.

The study that is to be done involves no physical risks and or/discomfort.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee (approval number 00017543).

In the event of any problems or concerns/questions you may contact the researcher at 083 307 9181 or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557- Fax: 27 31 2604609

BREC UKZN Oct 2008 1

Email: HSSREC@ukzn.ac.za

Participation in this research is voluntary and participants may withdraw participation at any point without any consequences.

I ________________ have been informed about the study entitled *"The spending habits and investment behaviour of Millennials and Generation Z's in South Africa: A case study of employees of Astel Systems (Pty) Ltd"*. by Thalia Fae Chetty

I understand the purpose and procedures of the study.

I have been given an opportunity to answer questions about the study and have had answers to my satisfaction.

I declare that my participation in this study is entirely voluntary and that I may withdraw at any time without affecting any of the benefits that I usually am entitled to.

If I have any further questions/concerns or queries related to the study I understand that I may contact the researcher at (provide details).

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION
Research Office, Westville Campus
Govan Mbeki Building
Private Bag X 54001
Durban
4000
KwaZulu-Natal, SOUTH AFRICA
Tel: 27 31 2604557 - Fax: 27 31 2604609
Email: HSSREC@ukzn.ac.za

Additional consent, where applicable

I hereby provide consent to:

Audio-record my interview YES / NO

____________________ ____________________
Signature of Participant **Date**

APPENDIX 3 ETHICAL CLEARANCE

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

15 June 2022

Thalia Fae Chetty (210537426)
Grad School of Bus & Leadership
Westville Campus

Dear TF Chetty,

Protocol reference number: HSSREC/00004305/2022
Project title: Exploring the financial knowledge culture and behaviour of millennials and generation Z's: A case study of employees of Astel Systems (Pty) Ltd.
Degree: Masters

Approval Notification – Expedited Application

This letter serves to notify you that your application received on 09 June 2022 in connection with the above, was reviewed by the Humanities and Social Sciences Research Ethics Committee (HSSREC) and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

This approval is valid until 15 June 2023.
To ensure uninterrupted approval of this study beyond the approval expiry date, a progress report must be submitted to the Research Office on the appropriate form 2 - 3 months before the expiry date. A close-out report to be submitted when study is finished.

All research conducted during the COVID-19 period must adhere to the national and UKZN guidelines.

HSSREC is registered with the South African National Research Ethics Council (REC-040414-040).

Yours sincerely,

[redacted]

Professor Dipane Hlalele (Chair)

/dd

Humanities and Social Sciences Research Ethics Committee
Postal Address: Private Bag X54001, Durban, 4000, South Africa
Telephone: +27 (0)31 260 8350/4557/3587 **Email:** hssrec@ukzn.ac.za **Website:** http://research.ukzn.ac.za/Research-Ethics

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville

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