Letran Business and Economic Review
Volume 2 Issue 2
EISSN: 2704-4637

FINANCIAL LITERACY AND PURCHASING POWER AMONG MILLENNIAL AND GENERATION Z FINANCE AND ACCOUNTING PROFESSIONALS IN TAGUIG CITY: DEVELOPING FINANCIAL EMPOWERMENT STRATEGIES

Manimtim, Xia Khaela B.[1], Javier, Ramoncito[2]
[1]Student, Graduate School
[2]Faculty, Graduate School
xiakhaela.manimtim@letran.edu.ph

ABSTRACT

This study examines the financial literacy and purchasing power of Millennial and Generation Z finance and accounting professionals in Taguig City, exploring their relationship and providing strategies for financial empowerment. Using a quantitative approach with survey data from 382 respondents, the analysis employed t-tests, ANOVA, and multiple regression. Results revealed that financial literacy significantly predicts purchasing power, accounting for 81% of variability in Millennials and 49.8% in Generation Z. Significant differences in financial literacy and purchasing power were found based on civil status, income level, and years employed, while sex and educational attainment showed no impact. The study recommends targeted financial education initiatives at personal, organizational, and institutional levels and a financial literacy strategy plan to enhance financial outcomes.

KEYWORDS: financial literacy, purchasing power, Millennials, Generation Z, financial empowerment strategies

INTRODUCTION

Financial literacy and purchasing power are not just concepts, but tools that empower individuals, particularly professionals in the finance and accounting sectors, to understand and navigate the economic landscape. Over the past decade, the global perspective has shifted to view financial literacy as a crucial element of personal and professional development. It is the ability to understand and effectively use financial knowledge to make informed decisions, empowering individuals to manage their finances adeptly and navigate complex economic environments (Lusardi & Mitchell, 2019). Purchasing power, the ability of individuals to buy goods and services based on their income, is equally pivotal in assessing economic well-being and consumer behavior (Ganesan et al., 2020).

Recent research has highlighted the interconnectedness between financial literacy among Generation Z and Millennials, and various economic outcomes, emphasizing its role in shaping savings behavior, investment decisions, and overall financial well-being (Lusardi et al., 2023). This connection becomes particularly pertinent in the context of professionals in finance and accounting, who are not just managing corporate finances but also shaping organizational financial strategies, thereby playing a crucial role in the company's success (Boubaker et al., 2023). Understanding the relationship between financial literacy and purchasing power among these professionals is essential for predicting workforce productivity, job satisfaction, and overall organizational performance (Ghimire et al., 2024).

In recent years, studies have underscored the importance of enhancing financial literacy among professionals, citing its positive impact on organizational outcomes such as employee retention and financial decision-making (Goyal & Kumar, 2021). Conversely, gaps in financial literacy can lead to suboptimal financial decisions, impacting personal financial security and long-term economic stability (Zhang et al., 2023). Moreover, as economies evolve and financial landscapes become increasingly complex, the ability of professionals to navigate financial challenges and leverage their purchasing power effectively becomes a determinant of economic resilience and individual prosperity (Gallego-Losada et al., 2022).

Within the context of finance and accounting professionals, this study on the interrelationship between financial literacy and purchasing power among finance and accounting professionals offers valuable insights into workforce dynamics and organizational effectiveness. By examining how financial literacy levels influence purchasing behaviors and economic decision-making within this demographic, this study aims to significantly contribute to the existing literature. It provides empirical evidence and practical implications for enhancing financial education programs and promoting economic empowerment among professionals (Rai et al., 2019).

The study seeks to bridge gaps in understanding the nuanced interactions between financial literacy and purchasing power among Generation Z and Millennial finance and accounting professionals in a corporate setting, informing policy makers, educators, and organizational leaders on strategies to foster economic competence and enhance overall financial well-being within the workforce. Through a comprehensive literature review and empirical investigation, this research provides a vigorous framework for future studies and practical interventions to strengthen financial literacy initiatives and optimize purchasing power management among professionals in similar organizational contexts.

Theoretical Framework

The Theory of Planned Behavior (TPB), developed by Icek Ajzen (2019), provides the theoretical foundation for this study on financial literacy and purchasing power among Millennial and Generation Z finance and accounting professionals in Taguig City. TPB posits that behavior is influenced by intention, shaped by attitudes, subjective norms, and perceived behavioral control. In this context, financial literacy—encompassing financial awareness, skills, and behaviors—aligns with perceived behavioral control, as financially literate individuals are more confident in managing their finances, ultimately affecting purchasing power. Demographic factors such as age, sex, civil status, education, income, and employment tenure influence financial attitudes, norms, and perceived control, impacting financial decision-making. Attitudes reflect beliefs about financial literacy, subjective norms involve social pressures, and perceived control relates to an individual's ability to manage financial resources. Financial literacy acts as a mediator between these factors and purchasing power, which represents the ability to acquire goods and services based on income and economic conditions.

Letran Business and Economic Review
Volume 2 Issue 2
EISSN: 2704-4637

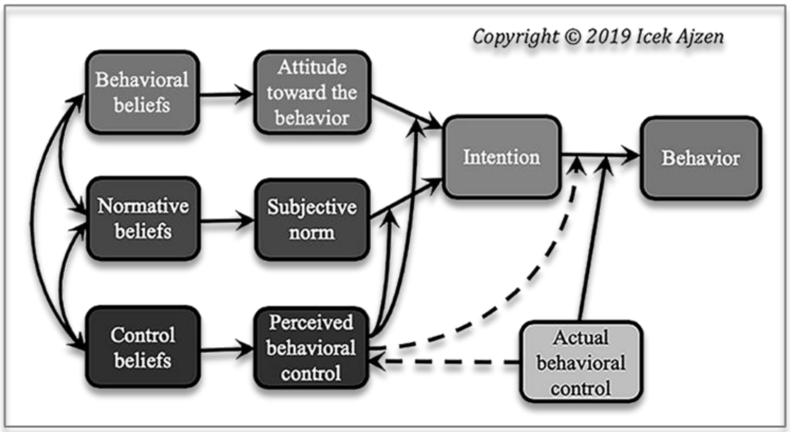

Figure 1: Theoretical Framework - Theory of Planned Behavior Model (Ajzen, 2019)

This study applies TPB to examine how demographic factors shape financial attitudes, norms, and control, influencing financial literacy and purchasing behaviors. The findings will inform policies and strategies to enhance financial literacy, optimize purchasing power, and improve financial well-being and organizational effectiveness in Taguig City.

Review of Related Literature

The literature review on financial literacy and purchasing power among professionals, several key findings and trends emerge. Studies consistently highlight the critical importance of financial literacy in influencing individuals' financial behaviors and outcomes. Boubaker et al. (2023) emphasized that higher levels of financial literacy correlate with better financial decision-making among college students, a trend echoed in various workplace settings (Zhang et al., 2023). Moreover, Lusardi and Mitchell (2019) argude that improved financial literacy contributes to greater economic stability and retirement preparedness.

Conversely, inadequate financial literacy can lead to detrimental financial behaviors and lower purchasing power (Lusardi et al., 2023). Despite efforts to enhance financial education and literacy globally (Ganesan et al., 2020), disparities in financial knowledge persist across different demographics and regions (Rahman et al., 2021). These disparities are evident in studies focusing on specific populations, such as youth (Rai et al., 2019).

From the synthesis, it is evident that while financial literacy positively impacts purchasing power through informed financial decisions and behaviors, there remain significant challenges and gaps in understanding how demographic factors, educational interventions, and institutional policies interact to influence these dynamics. Addressing these gaps is crucial for developing targeted strategies to improve financial literacy and optimize purchasing power among professionals across various organizational contexts.

Conceptual Framework

The conceptual framework of this study explores the relationship between financial literacy and purchasing power among Millennial and Generation Z finance and accounting professionals in Taguig City. It posits those demographic variables—such as age, sex, civil status, education, income level, and years employed—directly influence both financial literacy and purchasing power, with financial literacy also serving as a potential mediator. Financial literacy, measured through financial awareness, experience, skills, goals, and decisions, is expected to interact with purchasing power, which reflects an individual's ability to acquire goods and services based on financial management skills and economic conditions. Derived from the study by Dewi et al. (2019), this framework suggests that financial literacy and purchasing power are interrelated, where improvements in financial literacy may enhance purchasing power and vice versa.

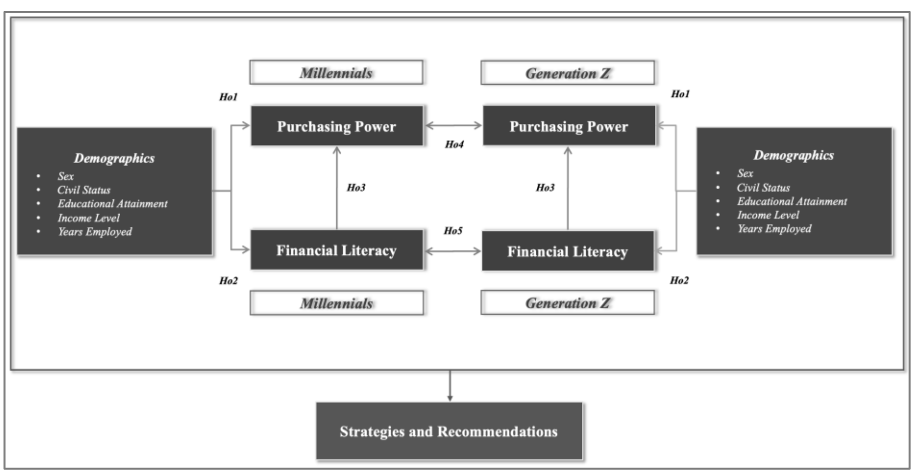

Figure 2: Conceptual Framework

The study tests multiple hypotheses regarding these relationships, including whether demographic factors significantly affect purchasing power, whether financial literacy differs between Millennials and Gen Zs, and whether financial literacy serves as a predictor of purchasing power. Additionally, it examines generational differences in financial literacy and purchasing power, assessing whether Millennials and Gen Zs exhibit significant variations. The framework follows a quantitative research approach, utilizing statistical analysis to validate these relationships and provide insights into how financial literacy and purchasing power can be strengthened among professionals in Taguig City.

METHODOLOGY

Research Design

The researcher employed quantitative descriptive predictive to assess the financial literacy and purchasing power among Millennial and Generation Z finance and accounting professionals in Taguig City. The respondents were the finance and accounting employees working in companies located in Taguig City. Taguig City was selected as the primary study site due to its high concentration of corporate offices and the accessibility of the target population.

Subjects and Study Sites

The study focused on finance and accounting professionals working full-time in companies based in Taguig City, a major corporate hub. The target population included Millennials and Generation Z employees across various departments and organizational levels. Taguig City was chosen for its high concentration of corporate offices, ensuring accessibility to the target group. To maintain relevance, respondents had to meet specific criteria, including being employed in finance and accounting roles within the selected companies. This approach ensures the study captures insights from individuals most affected by financial literacy and purchasing power dynamics in a corporate setting.

Data Measures

The main tool used in data collection was a survey questionnaire which was validated by the academicians from the University. To establish the reliability of the questionnaire, the researcher administered the survey form to a sample of 20 respondents. After results were tabulated and organized, Cronbach's Coefficient Alpha was used to measure its reliability coefficient. The questionnaire composed of five sets of questions, each respectively corresponding to the level of purchasing power, relative to social factors, employee benefits, cost of living and life style; and level of financial literacy, in terms of awareness, experience, skills, goals, decision and behaviour. Each of the variables consisting of statements answerable through a 4-point Likert scale with "4" as Strongly Agree/Very High and "1" as Strongly Disagree/Very Low.

Data Collection

Data collection involved distribution of the survey questionnaires electronically to employees in Taguig City. Participation was voluntary and anonymous to encourage candid responses. The survey was made accessible for a specified period to allow participants sufficient time to complete it, with reminders sent to enhance response rates.

Ethical Considerations

This study upholds key ethical considerations, including informed consent, confidentiality, and voluntary participation. Participants will be fully informed about the study's purpose, their involvement, and any potential risks or benefits to ensure voluntary consent. Confidentiality will be strictly maintained by anonymizing personal data and restricting access to authorized personnel only. Additionally, participation will be entirely voluntary, with no coercion, and respondents may withdraw at any time without consequences. These measures ensure the protection of participants' rights and privacy throughout the research process.

Data Analysis

The study aims to comprehensively analyze the demographic profile, employment background, purchasing power, and financial literacy of millennial and Generation Z finance and accounting professionals in Taguig City. To achieve this, it first examines key demographic characteristics, including age, civil status, educational attainment, income level, and years of employment. These variables are essential in understanding the financial behaviors and needs of the respondents. Frequency and percentage formulas are used to present the demographic data, providing a structured overview of respondent profiles. Additionally, the study assesses purchasing power by examining various influencing factors such as social considerations, employment benefits, cost of living, and lifestyle choices. This is done through statistical treatments such as mean and standard deviation to quantify purchasing behaviors. Similarly, financial literacy levels are evaluated based on awareness, experience, skills, goals, decisions, and behavior, allowing for an in-depth understanding of respondents' financial knowledge and practices.

To determine whether significant differences exist between millennials and Generation Z in terms of purchasing power and financial literacy, the study employs inferential statistical tools, including Independent Sample T-tests and One-Way ANOVA. These tests are preceded by the Shapiro-Wilk test for data normality and Levene's test for homogeneity of variances to ensure the reliability of the results. The study also explores the predictive relationship between financial literacy and purchasing power using Pearson product-moment correlation and multiple regression analysis. This approach allows for the identification of key financial literacy components—such as awareness, experience, skills, goals, decisions, and behavior—that have the strongest impact on purchasing power. Furthermore, the Independent Sample T-test is specifically used in Objective 5 to determine if significant differences exist in purchasing power and financial literacy between the two generational cohorts. The findings from this research not only provide practical recommendations to enhance financial literacy and purchasing power among finance and accounting professionals in Taguig City but also offer insights that organizations can use for employee development and economic well-being. These insights contribute to targeted financial empowerment strategies tailored to the specific needs of millennials and Generation Z professionals.

RESULTS AND DISCUSSION

Profile of the Respondents

Table 1 summarizes the respondents' profile. The respondent profiles reveal similarities and differences between Millennials and Generation Z. Both groups had nearly equal gender representation, with Millennials at 49.23% female and 50.77% male, while Generation Z was 50.80% female and 49.20% male. Civil status varied significantly, as Millennials were almost evenly split between single (48.21%) and married (51.28%), whereas the majority of Generation Z respondents (91.44%) were married, with only 8.56% single.

Table 1 Profile of the Respondents

Profile		Millennials		Generation Z	
		f	%	f	%
Entire Group		195	100.00	187	100.00
Sex	Female	96	49.23	95	50.80
	Male	99	50.77	92	49.20
Civil Status	Single	94	48.21	16	8.56
	Married	100	51.28	171	91.44
	Divorced/Separated	1	0.51	0	0.00
Educational Attainment	College Graduate	178	91.28	171	91.44
	Post Graduate Studies	17	8.72	16	8.56
Income Level	< Php 30,000	11	5.64	19	10.16
	Php 30,001 - 50,000	149	76.41	144	77.00
	Php 50,001 - 70,000	24	12.31	16	8.56
	Php 70,001 - 90,000	5	2.56	4	2.14
	> Php 90,000	6	3.08	4	2.14
Years Employed	< 1 year	7	3.59	7	3.74
	1 - 3 years	129	66.15	138	73.80
	4 - 6 years	36	18.46	39	20.86
	7 - 9 years	14	7.18	3	1.60
	> 10 years	9	4.62	0	0.00

Both generations had high educational attainment, with 91.28% of Millennials and 91.44% of Generation Z being college graduates, and a smaller portion pursuing post-graduate studies. Regarding income, most respondents earned between Php 30,001-50,000 (76.41% of Millennials, 77.00% of Generation Z). However, Millennials had a higher percentage (12.31%) earning Php 50,001-70,000 compared to Generation Z (8.56%). Few respondents in either group earned above Php 70,000, while a small portion of Millennials (5.64%) and Generation Z (10.16%) earned less than Php 30,000.

Employment duration differed, with most respondents working for 1-3 years (Millennials: 66.15%, Generation Z: 73.80%). Millennials had a more diverse range of work experience, with 18.46% employed for 4-6 years, 7.18% for 7-9 years, and 4.62% for over 10 years. In contrast, Generation Z had none with over 10 years of employment and only 20.86% working for 4-6 years.

In summary, both generations share similar education levels and income ranges, but Millennials have a more balanced distribution in employment duration and are more likely to be single, while Generation Z predominantly reports being married and has less varied work experience.

Level of Purchasing Power and Financial Literacy

Table 2 shows summary of the respondents' level of purchasing power in terms of social factors, employee benefits, cost of living and lifestyle and level financial literacy in terms of financial awareness, financial experience, financial skills, financial goals, financial decisions and financial behavior.

Table 2: Summary of Level of Purchasing Power

Indicators	Millennials		Generation Z	
	Mean	Interpretation	Mean	Interpretation
Purchasing Power				
Social Factors	3.51	Very High	3.36	Very High
Employment Benefits	3.49	Very High	3.36	Very High
Cost of Living	3.56	Very High	3.48	Very High
Lifestyle	3.49	Very High	3.39	Very High
Mean	**3.51**	**Very High**	**3.40**	**Very High**
Financial Literacy				
Financial Awareness	3.53	*Very High*	3.54	*Very High*
Financial Experience	3.56	*Very High*	3.50	*Very High*
Financial Skills	3.49	*Very High*	3.42	*Very High*
Financial Goals	3.55	*Very High*	3.47	*Very High*
Financial Decisions	3.53	*Very High*	3.42	*Very High*
Financial Behavior	3.61	*Very High*	3.57	*Very High*
Mean	**3.54**	***Very High***	**3.48**	***Very High***

Legend: 4 -- 3.25 – 4.00 Strongly Agree (SA) / Very High (VH)
3 -- 2.50 – 3.24 Agree(A) / High/ (H)
2 -- 1.75 – 2.49 Disagree (DA) / Low (L)
1 -- 1.00 – 1.74 Strongly Disagree (SD) / Very Low (VL)

The survey results reveal that the purchasing power of both Millennials and Generation Z respondents is rated as "Very High." This reflects the respondents' access to employment benefits, adaptability to lifestyle demands, and effective social and financial support structures. The economic context of these findings may stem from the rising financial literacy levels among young professionals and their ability to leverage resources such as employee benefits and higher-paying professional jobs in urban settings like Taguig City (Lusardi et al., 2021). Millennials' slightly higher purchasing power compared to Gen Z could be attributed to their more established careers and longer tenure in employment, giving them greater financial stability and access to higher income levels (Mikler, 2022).

The high cost of living is identified as the most influential factor for purchasing power across both generations, with the highest mean scores in the data. This result is consistent with urban studies highlighting how individuals in metropolitan areas experience higher expenses, which, while challenging, often drive individuals to pursue more competitive income levels and financial strategies (Öncel et al., 2023). The influence of the cost of living as a top factor reflects the respondents' financial awareness of their economic environment and their ability to adjust their purchasing behaviors accordingly.

Social factors have a slightly greater impact on Millennials compared to Gen Z, likely because Millennials, who are typically in their late 20s to early 40s, are at life stages where social responsibilities, such as family and community engagements, play a significant role in their financial priorities. This generational difference aligns with studies suggesting that Millennials prioritize social connections and stability in their financial decision-making compared to younger cohorts (Bagama, 2024).

For Generation Z, lifestyle factors have a slightly higher influence compared to other components. Gen Z's focus on lifestyle may reflect their digital-native status and inclination toward aligning financial habits with personal values, trends, and experiences. Research shows that Gen Z prioritizes experiential spending and uses digital tools to manage lifestyle choices, often opting for convenience and personalization in their purchasing habits (Bagama, 2024).

The "Very High" purchasing power ratings for both generations highlight their adaptability to economic challenges and their capacity to balance various financial priorities. Differences in the influence of cost of living, social factors, and lifestyle reflect the distinct generational priorities shaped by their life stages, economic experiences, and societal roles.

Additionally, the survey results indicate that both Millennials and Generation Z have "Very High" financial literacy, reflecting strong financial management skills. This may be due to increased access to financial education and digital tools (Brown et al., 2021). Millennials have a slightly higher financial literacy score (3.54) than Generation Z (3.48), likely due to their longer financial experience, aligning with Lusardi and Mitchell (2019).

Financial behavior was the highest-rated component for both groups, with Millennials scoring 3.61 and Generation Z 3.57, suggesting strong practical money management skills. Millennials' second-highest score in financial experiences (3.56) may be linked to their exposure to homeownership, retirement planning, and debt management. In contrast, Generation Z's lower financial decision score (3.42) reflects their relative inexperience as they are still entering the workforce (Ganesan et al., 2020).

Financial skills received the lowest scores for both groups (Millennials: 3.49, Generation Z: 3.42), indicating a need for improvement in budgeting and investment strategies, consistent with Goyal and Kumar (2021). Generation Z's lower financial decision rating may also stem from reliance on parental or institutional guidance.

Overall, the high financial literacy levels demonstrate both generations' adaptability, but differences in financial skills and decision-making highlight the impact of life stages and experience, emphasizing the need for targeted financial literacy programs.

Differences on Purchasing Power and Financial Literacy When Demographic Profile is Used as a Test Factor

The analysis in Tables 3 highlights significant differences in purchasing power among Millennials and Generation Z based on demographic factors. For Millennials, civil status, income level, and years employed significantly influence purchasing power (p-values < .000), while sex and educational attainment do not (p-values of .155 and .828, respectively). Similarly, for Generation Z, purchasing power is significantly affected by civil status, income level, and years employed. However, unlike Millennials, sex plays a significant role in Generation Z's purchasing power, suggesting generational differences in financial behavior.

Table 3: Differences of Purchasing Power When Grouped According to Demographic Profile among Millennial and Generation Z Respondents

Generational Group	Variables		Computed Value	P-value	Decision	Conclusion
Millennials	Sex	Purchasing Power	2.041	.155	Accept Ho	Not Significant
	Educational attainment		0.047	.828	Accept Ho	Not Significant
	Civil Status		57.005	.000*	Reject Ho	Significant
	Income Level		9.850	.000*	Reject Ho	Significant
	Years Employed		11.076	.000*	Reject Ho	Significant
Generation Z	Sex		8.470	.004*	Accept Ho	Significant
	Educational attainment		0.013	.908	Accept Ho	Not Significant
	Civil Status		88.399	.000*	Reject Ho	Significant
	Income Level		10.730	.000*	Reject Ho	Significant
	Years Employed		5.726	.000*	Reject Ho	Significant

These findings align with studies indicating that income and financial independence shape purchasing decisions among Millennials and Gen Z (Deloitte Global, 2023). Millennials, being more financially established, tend to have higher spending power, whereas Generation Z is still in the early career stage or financially dependent.

The lack of significant differences based on educational attainment may indicate that financial literacy is more influenced by targeted education and real-world experiences than formal education (Niu et al., 2020). Moreover, studies suggest that highly educated individuals often prioritize intrinsic motivators over financial gain, favoring job satisfaction and personal growth over purchasing power (Zhang et al., 2023; Kremer, 2024). The difference in the impact of sex on purchasing power between Millennials and Gen Z may stem from evolving societal and workplace dynamics. Millennials' longer exposure to financial systems may have reduced gender disparities, while Generation Z, still early in their careers, may experience financial differences influenced by income disparity or social expectations (Racolța-Paina et al., 2021).

Additionally, civil status, income level, and years of employment significantly impact purchasing power in both generations, as marriage often brings combined financial resources, and stable income enhances spending capacity (Silinskas et al., 2021). Financial socialization, which shapes financial behaviors through family, peers, media, and education, plays a critical role in financial literacy and decision-making (Goyal & Kumar, 2021).

Overall, these findings underscore the need for tailored financial empowerment strategies that address generational and demographic differences, particularly in gender dynamics and financial literacy across educational levels. Understanding these factors is key to developing effective financial policies and interventions.

.

Financial Literacy as Predictor of Purchasing Power

Table 4 presents the regression analysis showing financial literacy as a predictor of purchasing power among Millennials, Gen Zs, and both groups combined. The results indicate that 81.0% of the variability in Millennials' purchasing power is explained by financial literacy, while 49.8% of Gen Z's variability in purchasing power is accounted for by financial literacy. For both groups combined, financial literacy explains 51.9% of the variability in purchasing power. With p-values of .000 across all models, which are less than the significance level, we reject the null hypotheses, concluding that financial literacy significantly predicts the purchasing power of Millennials, Gen Zs, and both groups combined.

Table 4: Regression Analysis of Financial Literacy Predicting Purchasing Power of the Millennials and Generation Z

Variables		R-squared	P-value	Decision	Conclusion
Financial Literacy of Millennials	Purchasing Power of the Millennials	0.535	.000	Reject Ho	Significant
Financial Literacy of Generation Zs	Purchasing Power of Generation Zs	0.498	.000	Reject Ho	Significant
Financial Literacy of Both Groups	**Purchasing Power of Both Groups**	**0.519**	**.000**	**Reject Ho**	**Significant**

*Significant at .05

This suggests that individuals with higher financial literacy are better equipped to manage their finances, make informed purchasing decisions, and utilize their financial resources effectively. According to Lusardi and Mitchell (2021), financial literacy plays a crucial role in shaping financial behaviors, including the ability to budget, save, and spend wisely, all of which directly influence purchasing power. Financially literate individuals are more likely to understand the implications of their spending choices, enabling them to prioritize essential needs and make long-term financial plans that enhance their purchasing capacity.

The stronger prediction of purchasing power for Millennials can be attributed to their relatively higher income levels and financial independence compared to Generation Z, allowing them to apply their financial knowledge to a broader range of financial decisions. This finding is supported by research from Marbun et al. (2023), which suggests that financial knowledge is more likely to be applied effectively when individuals have the financial means to do so. Conversely, while Generation Z's purchasing power is less strongly predicted by financial literacy, their increasing financial responsibility, particularly in managing student loans or starting early careers, makes them more sensitive to financial knowledge, as they are beginning to establish their financial habits (Lusardi et al., 2019). Thus, even though the relationship between financial literacy and purchasing power is more pronounced for Millennials, Generation Z still benefits from financial literacy, especially as they progress through their financial journey.

Overall, the relationship between financial literacy and purchasing power emphasizes the importance of financial education for both generations. Financial literacy equips individuals with the skills necessary to manage their finances effectively, ultimately impacting their ability to make informed spending decisions and achieve economic empowerment.

Difference Between Millennials and Generation Zs on the Overall Purchasing Power and Overall Financial Literacy

Table 5 presents the t-test results comparing the overall purchasing power between Millennial and Gen Z respondents. The p-value of .224 exceeds the significance level (typically set at 0.05), meaning that we do not reject the null hypothesis (H4). Therefore, it can be concluded that "There is no significant difference between the purchasing power of Millennial and Gen Z respondents."

Table 5: Difference Between Millennials and Generation Zs on the Overall Purchasing Power and Overall Financial Literacy

Generation Group	Variable	Mean	Computed-t	P-value	Decision	Conclusion
Millennials	Purchasing Power	3.51	1.22	0.224	*Accept Ho*	*Not Significant*
Gen Zs		3.40				
Millennials	Financial Literacy	3.54	1.19	0.236	*Accept Ho*	*Not Significant*
Gen Zs		3.48				

This finding is consistent with current literature, which shows that generational purchasing behaviors are strongly influenced by external economic factors like inflation and the cost of living. Studies such as Deloitte's Global Millennial and Gen Z Survey (2023) reveal that both generations face similar financial pressures, leading to comparable spending patterns and financial concerns. Likewise, the World Economic

Forum (2023) reports that economic stressors have narrowed the gap between the two generations, resulting in shared concerns over financial stability and purchasing decisions, despite slight differences in consumption preferences.

Moreover, purchasing power is shaped by broader socio-economic contexts rather than generational differences alone. These results suggest that both Millennials and Gen Zs, as professionals working in finance and accounting likely face similar financial pressures and salary ranges, thus minimizing the differences in their purchasing capabilities.

Presented in table 5 as well the t-test results on the overall financial literacy between Millennial and Gen Z respondents. The p-value of .236, which exceeds the typical significance level (0.05), suggests that we do not reject the null hypothesis (H5). Therefore, it can be concluded that "There is no significant difference in the financial literacy of both Millennial and Gen Z respondents."

A key study by the Global Financial Literacy Excellence Center (GFLEC) in 2021 indicates that while financial literacy is generally low across generations, there are no stark differences in financial literacy levels between Millennials (Gen Ys) and Gen Zs. The study highlights that financial literacy remains low for both groups, with Gen Y answering 48% of questions correctly on average, and Gen Z slightly lower at 43%. Despite these small differences, both generations struggle with similar financial challenges, such as managing debt and understanding financial risks, pointing to a broadly similar level of financial literacy across these groups. Furthermore, the Yakoboski et al. (2022) confirms that while financial literacy does tend to increase with age, the differences between generations like Millennials and Gen Zs are not pronounced enough to indicate a significant gap. Both generations face comparable financial difficulties, further supporting your conclusion of no significant difference in financial literacy between these cohorts.

Moreover, since both groups of respondents work in finance and accounting professions, they have access to similar financial knowledge and decision-making frameworks, further minimizing any generational gap in financial literacy.

CONCLUSION

The study reveals that financial literacy is a significant predictor of purchasing power among millennial and Gen Z finance and accounting professionals, though its influence varies between the two groups. For millennials, financial literacy explains 81.0% of their purchasing power, with financial skills emerging as the sole significant predictor. In contrast, for Gen Z, financial literacy accounts for 49.8% of their purchasing power, with financial skills, experiences, goals, and decisions all playing a role. These findings suggest that while millennials rely heavily on their financial skills, Gen Z's purchasing power is shaped by multiple factors, reflecting their early-stage professional and financial responsibilities.

Overall, respondents exhibited a "Very High" level of both purchasing power and financial literacy, benefiting from stable employment, high income levels, and strong financial management skills. The regression analysis confirmed financial literacy as a key determinant of purchasing power for both generations, particularly emphasizing the importance of financial skills, experiences, goals, and decisions. Interestingly, financial awareness and behavior were not found to be strong predictors, indicating that practical financial management and goal-setting are more critical in influencing purchasing decisions.

Contrary to expectations, no significant differences were found between millennials and Gen Z in terms of financial literacy and purchasing power. This challenges the common belief in generational financial gaps and suggests that both groups face similar economic pressures, such as high living costs and financial instability, leading to comparable financial outcomes. This finding underscores the need to focus on external socio-economic factors rather than solely generational differences when examining financial behavior.

The study's results have important implications for financial education and policy-making. Programs should prioritize practical financial skills for millennials and emphasize financial experiences and decision-making for Gen Z. Tailoring financial literacy initiatives to each generation's unique needs can enhance financial decision-making and overall economic well-being.

From a theoretical perspective, the findings align with the Theory of Planned Behavior (TPB), which suggests that financial literacy enhances perceived control over financial decisions, ultimately improving purchasing power. Millennials' reliance on financial skills suggests strong perceived behavioral control, while Gen Z's decisions are influenced by a broader range of factors. These insights support the TPB framework in explaining financial behavior and offer practical applications for promoting financial empowerment.

Overall, the study reinforces the crucial role of financial literacy in enhancing purchasing power among finance and accounting professionals, emphasizing the value of informed financial decision-making in achieving economic empowerment for both millennials and Generation Z.

RECOMMENDATIONS

Based on the study's findings and conclusions, a set of comprehensive financial empowerment strategies is recommended for individual professionals, organizations, educational institutions, government bodies, financial advisors, and key stakeholders. These strategies are designed to enhance financial literacy and purchasing power, recognizing the significant relationship between the two, particularly among millennial and Generation Z finance and accounting professionals. Individual professionals are encouraged to invest in financial education through workshops and self-study resources, focusing on financial experience, skills, goals, and decision-making to strengthen their purchasing power. Organizations should implement financial wellness programs as part of employee benefits, addressing generational differences by tailoring advanced financial planning strategies for millennials and foundational financial education for Gen Z employees. Educational institutions should integrate financial literacy into their curricula, offering hands-on training and real-world financial management scenarios to prepare students for financial decision-making. Government bodies are urged to launch nationwide financial literacy campaigns, integrate financial education into public education, and collaborate with financial institutions to provide accessible financial products that promote savings and long-term financial planning. Financial advisors should provide tailored services that emphasize financial goal-setting, decision-making, and investment planning, catering to the distinct financial needs of each generation. Future finance professionals are encouraged to seek mentorship, internships, and hands-on experiences to build financial acumen early in their careers. Academic researchers can further explore external economic factors and the effectiveness of financial education interventions in improving financial literacy and purchasing power.

REFERENCES

Agner, M. & Desello, J. (2023). Financial Inclusion and the Role of Financial Literacy in the Philippines. International Journal of Economics and Finance 15(6), 2023.

Agnew, S., Roger, P., & Roger, T. (2024). Adolescent financial literacy: Viewing peers as good financial role models (Working Papers in Economics 24/14). University of Canterbury, Department of Economics and Finance.

Bangko Sentral ng Pilipinas. (2019). 2019 Financial inclusion survey.

Boubaker, S., Goodell, J. W., Kumar, S., & Sureka, R. (2023). COVID-19 and finance scholarship: A systematic and bibliometric analysis. International Review of Financial Analysis, 85, 102458.
Cafferky, K. & Winterton, J. (2019). Revisiting human capital theory: progress and prospects. Retrieved from https://www.elgaronline.com/edcollchap/edcoll/9781786439000/9781786439000.00023.xml
Castro, N., Salamat L. & Tabor M. (2020). Financial literacy of young professionals in the Philippines. EPRA Journals, 5(3), 2455-7838.
Collado, Z. (2019). Challenges in public health facilities and services: evidence from a geographically isolated and disadvantaged area in the Philippines. Journal of Global Health Reports. 2019;3:e2019059. doi:10.29392/joghr.3.e2019059.
Delayco, M. & Jabar, M. (2021). Impulse buying and financial literacy among public elementary and high school teachers in the Philippines. DLSU Business & Economics Review, 31(1) 42–54.
Deloitte. (2023). Deloitte 2023 Gen Z and Millennial Survey gives employers actionable insights into climate, sustainability, and work/life balance. Deloitte. https://www.deloitte.com.
Gallego-Losada, R., Montero-Navarro, A., Rodríguez-Sánchez, J. L., & González-Torres, T. (2022). Retirement planning and financial literacy, at the crossroads. A bibliometric analysis. Finance Research Letters, 44, 102109.
Ganesan, Y., Pitchay, A. B. A., & Nasser, M. A. M. (2020). Does intention influence the financial literacy of depositors of Islamic banking? A case of Malaysia. International Journal of Social Economics, 47(5), 675-690.
Global Wellness Institute. (2021). The Global Wellness Economy: Looking Beyond COVID. Retrieved from Global Wellness Institute website.
Goyal, K., & Kumar, S. (2021). Financial literacy: A systematic review and bibliometric analysis. International Journal of Consumer Studies, 45(1), 80-105.
Gumasing, M., Ong, A. & Tacardon, E. (2023). The perception of food quality and food value among the purchasing intentions of street foods in the capital of the Philippines. Sustainability. 2023; 15(16):12549. https://doi.org/10.3390/su151612549.
International Labour Organization (ILO). (2021). Global Wage Report 2020-21: Wages and minimum wages in the time of COVID-19. Geneva: International Labour Office.
Kurniawan, A., Sugiharto, B., & Mikola, A. A. (2019, November). The effect of financial literacy and financial management behavior on female workers purchasing power. In ICASI 2019: Proceedings of The 2nd International Conference On Advance And Scientific Innovation, ICASI 2019, 18 July, Banda Aceh, Indonesia (p. 212). European Alliance for Innovation.
Kremer, A. (2024). The motivation of nations: Intrinsic values make whole countries happy. International Journal of Community Well-Being, 7(2), 139–153. https://doi.org/10.1007/s42413-024-00205-4.
Lao, R. M. P., Javier, R. P., & Areola, E. M. Q. (2023). Job satisfaction and organizational commitment of Millennial and Gen Z hotel employees: A basis for management technique development. Journal of Sustainable Community Development 5(2), 2747-0040. https://doi.org/10.32924/jscd.v5i2.96.
Lusardi, A. (2019). Financial literacy and the need for financial education: Evidence and implications. Swiss Journal of Economics and Statistics, 155(1), 2235-6282. https://doi.org/10.1186/s41937-019-0027-5.
Lusardi, A., & Mitchell, O. S. (2023). The importance of financial literacy: Opening a new field. Journal of Economic Perspectives, 37(4), 137-154.
Niu, G., Zhou, Y., & Gan, H. (2020). Financial literacy and retirement preparation in China. Pacific-Basin Finance Journal, 59, 101262.
PwC. (2020). Consumer insights survey 2020. Retrieved from PwC website.
Rahman, M., Isa, C. R., Masud, M. M., Sarker, M., & Chowdhury, N. T. (2021). The role of financial behaviour, financial literacy, and financial stress in explaining the financial well-being of B40 group in Malaysia. Future Business Journal, 7, 1-18.
Rai, K., Dua, S., & Yadav, M. (2019). Association of financial attitude, financial behaviour and financial knowledge towards financial literacy: A structural equation modeling approach. FIIB Business Review, 8(1), 51-60.
Roth, J., Sant'Anna, P. H., Bilinski, A., & Poe, J. (2023). What's trending in difference-in-differences? A synthesis of the recent econometrics literature. Journal of Econometrics, 235(2), 2218-2244.
Urban Institute. (2020). The State of the Nation's Housing. Retrieved from Urban Institute website.
Walters, R. (RW Philippines). (2024). Salary survey guide Philippines 2024.
Wiedmann, T., Lenzen, M., Keyßer, L. T., & Steinberger, J. K. (2020). Scientists' warning on affluence. Nature communications, 11(1), 3107.
World Bank. (2020). World Development Report 2020: Trading for Development in the Age of Global Value Chains. Washington, DC: World Bank.
Zhang, Y., & Chatterjee, S. (2023). Financial well-being in the United States: The roles of financial literacy and financial stress. Sustainability, 15(5), 4505.
Zhang, L., Wang, Y., & Liu, X. (2023). Effects of gratitude on intrinsic and extrinsic motivators in career decision-making. Motivation and Emotion, 47(4), 669–678. https://doi.org/10.1007/s11031-023-10020-7.