

The Investigation of Saving Habits of Generation Z's Young Adults

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Abstract

Generation Z presents people born after 1995 and is also called digital generation, generation of media and generation.com. Its members have specific attitudes and expectations as consumers, employees and citizens. They are the youngest consumers who participate on labour market. Also, they have specific savings habits and a level of financial literacy. To understand how members of Generation Z are saving, their attitudes towards saving and their own financial capacity, a research was conducted using a survey questionnaire on a suitable sample of 250 respondents, adult members of Generation Z born between 1995 and 2001. Examined variables relate to attitudes towards savings, their own financial capacity and tendency to save. It is concluded Generation Z has positive attitudes towards saving, believe they can make their own financial decision and have tendency to save. Most of Generation Z is saving and mostly by themselves, not in the bank. They are familiar with types of saving available on the market, but they do not use them on a larger scale. To raise the number of savings in banks and in general, and to increase awareness of saving between young adults of Generation Z it is necessary to enhance their knowledge about personal finances and saving strategies and to adjust saving offer according to their needs.

Keywords: Saving Behavior, Saving Habits, Generation Z, Young Adults

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Introduction

The generation is defined as groups of individuals with the same or similar traits (Berkup, 2014). So far, according to the period of time when they were born, five generations of people have been defined: Traditionalists, Baby Boomers, Generation X, Generation Y and, at the end, Generation Z, the centre of many modern research. They have specific attitudes and expectations as a consumers, employees and citizens (Gaidhani, Arora and Sharma, 2019). Presents people born after 1995 and is also called digital generation. They were born in the period of time when technological development was already in full swing and social networks are of great importance for communication and sharing information (Berkup, 2014). Accordingly, the best way to understand, communicate and make an impact on members of Generation Z are social networks (Center for Generational Kinetics, 2018).

Due to their efforts to understand and adapt to the rapidly changing environment, Generation Z represents the generation of the future. They have an educational plan and start their education at a younger age, hence they are exposed to a large amount of information ever since (Berkup, 2014). Moreover, they are aware of the importance of financial literacy and consider the implementation of financial education into the learning programmes crucial (Loveland, 2017). Furthermore, Generation

Z's members also have specific savings habits, a level of financial literacy and an attitude towards financial responsibility as well. To understand how members of Generation Z are saving, their attitudes towards saving and their own financial capacity, a research *Motives, Attitudes and Behavior of Generation Z in the Context of Savings* was conducted.

By the research conducted, attitudes towards saving, perceived financial capacity and tendency to save of Generation Z were investigated. Also, it was researched if they are familiar with the types of savings offered by financial institutions of the Republic of Croatia. Finally, it is analysed how the Generation Z are saving. Due to importance of saving for personal finances and standard of living for individual but also for the whole economy it is necessary to adopt savings habits at an earlier age. Accordingly, it is crucial to research how members of Generation Z are saving, the reasons of their saving and are they capable of saving and prone to saving. The oldest members of this generation are just finishing their education, entering the labour market and earning their own income. To improve the saving structure of a young people, increase their awareness of savings and introduce them savings products, it is necessary to explore their savings habits.

Members of Generation Z understand the importance of saving and they keep in mind the effect of purchase on the saving (TransUnion, 2017). While making financial decisions and, consequently, saving decisions, they mostly gather information through the conversation with their parents (UPCEA, 2019). Previous research has also concluded that members of Generation Z have specific savings goals and save for their further education, but also to secure financial stability in retirement (Center for Generational Kinetics, 2017).

However, most of the research were conducted in the United States and there are no enough relevant researches conducted about Generation Z in Europe and, consequently, in the Republic of Croatia as a member of the European Union. Also, the savings goals of Generation Z have not been sufficiently examined, but only a few of specific goals of saving have been identified. On the other hand, although previous research found that members of Generation Z are saving, their way of saving and familiarity with types of savings, as crucial factors of saving offer modelling, have not been adequately inquired into.

Therefore, the aim of the paper is to analyse the attitudes towards saving, tendency to saving and saving habits of Generation Z's young adults, on the market of the Republic of Croatia, as a member of the European Union. Also, the goal is to examine in details savings goals of Generation Z and whether its members understand importance of saving for retirement. Also, it is necessary to investigate how members of Generation Z save and whether they have knowledge of types of savings offered on the market of Republic of Croatia. By this insight the savings offer will be formed by financial institutions in the most efficient way consequently increasing the number of savings and raising awareness of saving in general.

Theoretical basis

Private savings is the main domestic source for founding of capital investments, the primary initiator of long term economic growth. It is also important for the financial stability of the household. The importance of saving is in ensuring a certain standard of living in the future, realization of the financial goals and creating of a fund for emergency and crisis (Barbić and Lučić, 2018). Due to importance of saving for the economy and personal finances, it necessary to examine Generation Z attitudes towards saving and whether they can understand importance of saving in the context of personal finances and, consequently, present and future consumption.

Generation Z's attitude and behavior is significantly affected by their financial literacy. They are aware of the necessity to avoid debt (Center for Generational Kinetics, 2017.) which has great impact on developing of positive attitudes in the context of savings. Furthermore, adopting of this mindset at an earlier age is also evident in earlier understanding of the importance of saving. When spending, members of Generation Z are considering the amount of money saved before they made purchase (TransUnion, 2017.).

Members of Generation Z, according to Chaston (2012), have optimistic views on their future financial situation (Vojvodic, 2018) and they are confident about their future financial stability (Nielsen, 2015).

They are also optimistic about their careers and believe that studying at universities and colleges is crucial for its development. Members of Generation Z start working at an earlier age, which enables them to acquire work habits earlier as well (Center for Generational Kinetics, 2017). Optimism and self-confidence in the context of making financial decisions and their own careers, as a result, leads to optimistic attitudes towards their own saving performance.

To explore the tendency for saving of Generation Z, it is extremely important to consider the influence of social factors on formation of their spending and savings decisions. The attitudes of parents and friends, as environmental factors, influence the financial decisions of Generation Z (Lincoln Financial Group, 2016). The parents present the most important social factor for Generation Z. Through conversation with parents, Generation Z gains insight into the possibilities and importance of saving, different ways of saving and eliminates any concerns about saving (UPCEA, 2019). Environmental factors such as friends or peers also influence on their saving decision through conversation, advice, but also through their own example (Lincoln Financial Group, 2016).

Members of Generation Z are characterized as experienced consumers and a rapidly maturing generation. Factors and conditions in the market, such as globalization, digitization, social networking, improving quality of life and government incentives, create motivation for Generation Z in the context of retirement savings (Reutova and Gorlovskaya, 2019). According to previous research, Generation Z members are already considering retirement and it motivates them for saving. They are aware of necessity of saving for retirement and need to be prepared in case state pension programs will not be in function. It is extremely important for Generation Z to start saving as early as possible, so they have sufficient time to raise funds until retirement (Center for Generational Kinetics, 2017). Considering, most of the research has been conducted on the United States market, it is important to investigate how Generation Z of the Republic of Croatia perceive the importance of saving for retirement.

According to previous research most of members of Generation Z are saving. Specifically, 83% of respondents were saving at the moment of research conducting and 52% of them were saving for specific goal. Furthermore, 35% did not have a specific goal of saving. For Generation Z saving presents the method of reaching goals that are determined (TransUnion, 2017) which is characterized as a positive saving habit. Although they strongly against borrowing, Generation Z still wants to own a house and a car, but also to provide their family financial stability. With high expectations, aspirations and distancing from borrowing, saving presents the way of achieving life goals (Synchrony Financial, 2018).

Members of Generation Z, are motivated for saving by a variety of life and financial goals. Therefore, to create the saving offer and to popularize the usage of savings among young adults of Generation Z, it is necessary to identify their savings goals, way of saving and to investigate what drives them towards saving.

Methodology and sample

Data used in a one-off descriptive research called *Motives, Attitudes, and Behavior of Generation Z in the context of saving* were collected between August and November 2019. The survey was conducted using a survey questionnaire on a suitable sample of 250 subjects represented by adult members of Generation Z born between 1995 and 2001. Of the total number of respondents, 69.2% were women and 30.8% were men. Also, more than half of the respondents, 52.4%, are resident in Zagreb, the capital of the Republic of Croatia. By age structure, most of the respondents were born in 2000, or 23.2% of them were 19 years old at the time of the survey. Considering the current employment status of respondents, 83.6% are students and 15.6% are employed. In other words, the current structure of employment following the age of the respondents who were currently from 18 to 24 years old. Also, the age structure following an educational structure according to which the highest percentage of respondents, 64%, have graduated the high school, 19.2% are undergraduates, 14.8% graduates and 2% have graduated the elementary school.

The variables examined in the survey relate to savings attitudes, attitudes toward their own financial capacity, and tendency to save (Table 1). The stated variables represent concise sets of statements that were measured by 7-point Likert-type scale, where number 1 represented disagreement with the

statement completely and number 7 agreed with the statement completely (1 - Strongly disagree, 7 - Strongly agree).

Table 1: Variables used in the study

Variables	MEAN	ST DEV
Generation Z attitudes towards saving		
Day-to-day action	4,28	1,25
Saving lifestyle	4,55	0,96
Generation Z attitudes towards their own financial capacity		
Subjective norms in the context of financial ability	5,51	1,06
Behavioural norms in the context of financial ability	4,62	1,40
Index of responsible financial behavior	5,25	1,04
Generation Z propensity to save		
Descriptive norms in the context of saving related to parents	5,45	1,41
Descriptive norms in the context of saving related to friends	4,37	1,33
Prescriptive norms in the context of saving related to parents	5,65	1,27
Prescriptive norms in the context of saving related to friends	4,54	1,45
Behavioural intentions in the context of saving	5,45	1,54
Self-efficacy in the context of saving	5,62	1,30
Controllability in the context of saving	4,87	0,84

Source: Author's own figure

Attitudes toward saving were examined using sets of statements relating to day-to-day activities in the context of saving and saving as a lifestyle (Dholakia et al., 2016). Also, a semantic differential, a scale consisting of a series of seven-step agreement scales on the far ends of which are adjectives of the opposite meaning (Marušić, 1992), was used. This way, the importance of saving and attitudes towards saving formed by the members of Generation Z has been examined (Ajzen, 2002).

Generation Z's perceptions about financial capacity were examined using attitudes (Barbić, Lučić & Chen, 2019; Ajzen, 2002, 2006). This set of statements is divided into statements regarding subjective and behavioural norms in the context of financial capacity and statements relating to the index of responsible financial behavior.

Generation Z's tendency to save has been studied by a set of statements relating to descriptive and prescriptive norms regarding the parents and friends of the respondents. Descriptive norms represent an individual's perception of the ordinary behavior of people in their environment in a given situation, while prescriptive norms refer to an individual's perception of behavior that people in their environment will approve or disapprove (Cialdini, Kallgren, & Reno, 1990). Statements for measuring tendency to save are also relate to the behavioural intentions, self-efficacy, and controllability of respondents in the context of saving (Ajzen, 2006).

By the conducted research the goals and the way of saving of Generation Z were also researched. It was examined whether the members have specific or unspecified savings goals and if they have specific goals, are they long-term or short-term. Also, it was examined whether the respondents regularly save, what percentage of monthly income they save and where they save.

Results

Generation Z members' savings attitudes were examined using two sets of statements. The first set refers to the day-to-day activities of respondents related to saving, while the second set refers to saving as a lifestyle (Dholakia et al., 2016) (Table 2).

Table 2: Generation Z attitudes towards saving

Generation Z attitudes towards saving	MEAN	MOD	ST DEV	ST ERR
Day-to-day action				
I keep a careful watch over my spending on a daily basis.	4,72	5	1,49	0,09
I do not spend money thoughtlessly, I would rather save it for a rainy day.	4,34	5	1,51	0,10
Putting money into personal savings is a habit for me.	4,21	5	1,89	0,12
I actively consider the steps I need to take to achieve my personal savings goals.	4,62	6	1,73	0,11
I like to discuss the topic of saving money with my family and friends.	3,50	4	1,84	0,12
Saving lifestyle				
I usually save money without having a specific goal in mind.	3,74	4	1,89	0,12
The goal of saving money is always at the back of my mind.	4,33	3	1,81	0,11
Saving money on a regular basis should be an important part of one's life.	5,37	6	1,43	0,09
Saving money is like a lifestyle, you have to keep at it.	4,76	5	1,55	0,10

Source: Author's own figure

Regarding statement related to day-to-day savings activities, 58.4% of respondents rate the statement they carefully control their spending on a daily basis with high degrees of agreement, while 56% of respondents chose high levels of agreement with the claim they actively consider the steps they must take to achieve saving goal. The statement saving on a daily basis should be an important part of everyone's life, 52.4% of respondents rated with a high degree of agreement, 6 or 7. Another important statement refers to saving as a way of life which is rated by 57.6% of respondents with a high degree of agreement, indicating that the majority of respondents agree with the stated statement (Table 2).

Furthermore, using semantic differential (Ajzen, 2002) for analysing attitudes considering two opposite adjectives, 69.6% of respondents strongly agree saving money is useful, 64.4% confirm saving is positive, and 68% strongly agree that saving money is good.

The set of claims relating to financial capacity (Barbić, Lučić, and Chen, 2019; Ajzen, 2006) is divided into statements regarding subjective and behavioural norms in the context of financial capacity, and statements regarding to the index of responsible financial behavior (Table 3)

Table 3: Generation Z attitudes towards their own financial capacity

Generation Z attitudes towards their own financial capacity	MEAN	MOD	ST DEV	ST ERR
Subjective norms in the context of financial ability				
I consider myself qualified to manage my financial situation and financial decision-making.	5,14	7	1,69	0,11
I think it is extremely important to create a financial plan for the future.	5,72	7	1,22	0,08
I think it is extremely important to adhere to personal financial budget.	5,68	7	1,21	0,08
Behavioural norms in the context of financial ability				
I feel free to make my own financial decisions.	5,47	7	1,51	0,10
My financial situation is entirely within my control.	4,36	5	1,97	0,12
I have the necessary resources and means to achieve financial success.	4,03	4	1,68	0,11
Index of responsible financial behavior				
I live in accordance with my financial possibilities.	5,44	7	1,38	0,09
I pay my monthly bills before on their due date.	5,66	7	1,47	0,09
I try to anticipate and plan future financial income and expenses.	5,24	5	1,47	0,09
In everyday purchases of consumer goods, I am informed to make rational decisions that are in line with my financial possibilities.	5,28	6	1,45	0,09
I try to be informed and educated in the field of successful management of personal finances.	4,31	5	1,71	0,11
When buying an item, the first think I think about is whether I can afford it.	5,60	7	1,52	0,10

Source: Author's own figure

Furthermore, 70% of respondents with high degrees of agreement, from 5 to 7, rated themselves as being qualified to manage their own financial situation and make their own financial decisions. Moreover, 76.8% of respondents rated with a high degree of agreement the statement they were free to make their own financial decisions. Also, it is observed how respondents care about their future finances (Table 3).

To investigate Generation Z attitudes towards saving, statements related to the descriptive and prescriptive norms in the context of saving regarding parents and friends of the respondents and statements related to behavioural intentions, self-efficacy, and controllability in the context of saving were used (Table 4).

Table 4: Generation Z tendency to save

Generation Z propensity to save	MEAN	MOD	ST DEV	ST ERR
Descriptive norms in the context of saving related to parents				
My parents are saving money	5,32	7	1,74	0,11
My parents talk about saving.	5,06	7	1,76	0,11
My parents think saving is a good idea.	5,96	7	1,32	0,08
Descriptive norms in the context of saving related to friends				
My friends are saving money	4,28	5	1,44	0,09
My friends talk about saving.	3,81	4	1,79	0,11
My friends think saving is a good idea.	5,02	5	1,50	0,10
Prescriptive norms in the context of saving related to parents				
My parents would support my intention of saving money.	6,37	7	1,05	0,07
My parents think I should start saving money.	5,37	7	1,64	0,10
My parents would like me to start saving money.	5,20	7	1,75	0,11
Prescriptive norms in the context of saving related to friends				
My friends would support my intention of saving money.	5,38	7	1,55	0,10
My friends think I should start saving money.	4,23	4	1,72	0,11
My friends would like me to start saving money.	4,00	4	1,79	0,11
Behavioural intentions in the context of saving				
I plan to start saving money in the next 3 months.	5,25	7	1,76	0,11
I will try to save some money in the next 3 months.	5,65	7	1,52	0,10
Self-efficacy in the context of saving				
I am confident that I will be able to save some money in the next 3 months.	5,60	7	1,60	0,10
I am confident that I will be able to overcome obstacles that may make it difficult for me to save.	5,34	7	1,47	0,09
I believe I have the ability to save money.	5,92	7	1,29	0,08
Controllability in the context of saving				
Whether or not I will be able to save money in the next year depends only on me.	5,80	7	1,39	0,09
I can decide by myself how to spend or save money.	6,06	7	1,15	0,07
Saving money is not under my control.	2,76	1	1,88	0,12

Source: Author's own figure

The parents of the respondents save and talk more about saving than their friends. Furthermore 35.2% of respondents confirmed they strongly agree with the statement their parents are saving, while a significantly smaller percentage of respondents strongly agree with the statement that their friends are saving. Moreover, twice as many respondents, 47.2%, strongly agree with the statement that their parents think saving is a good idea while, on the other hand, only 20.8% of respondents strongly agree with the statement that their friends think that saving is a good idea (Table 4).

There is a similar trend in prescriptive norms in the context of saving. Twice as many respondents, 66.8%, strongly agree with the statement that their parents would support them in the intention of saving. Due to the results stated, that respondents have or expect more support from their parents than from their friends in the context of saving (Table 4).

Attitudes related to behavioural intentions, self-efficacy, and controllability in the context of saving were also rated with high degrees of agreement. Therefore, 67.6% of respondents rate the statement they have a plan to start saving in the next 3 months with high degree of agreement. Also, 41.2% of respondents completely agree they will try to save some money in the next 3 months. Additionally, 42% of respondents are strongly convinced they will be able to save some money in the next 3 months. Likewise, 72% of respondents rate with a high degree of agreement the statement they would be able

to overcome obstacles that may occurred during saving and 85.2% chose a high degree of agreement for the statement they believed they had the ability to save money. Finally, 43.6% of respondents strongly believe their savings will depend only on themselves, while 48.4% strongly believe they can decide how to save or spend their money. Also, 59.2% rated the statement their own savings is not under their control with a high degree of disagreement. Therefore, the respondents consider the saving is completely under their control (Table 4).

Of the total number of respondents, 71.2% confirmed they are currently saving, while the remaining 28.8% confirmed they are not saving. For analysing the significance of differences between the attitudes of Generation Z members who are saving and those who are not, a t-test for large independent samples was conducted. In the analysis were included twelve dependent variables represent previously examined statements and one independent variable, whether the respondent was saving at the time of the survey or not.

Table 5: T-test results

Dependent variables	Independent variable	MEAN	ST DE V	p value
Day-to-day action	Saves	4.65	1.07	0.0000000000007
	Do not save	3.35	1.19	
Saving lifestyle	Saves	4.74	0.92	0.0000001417985
	Do not save	4.06	0.87	
Subjective norms in the context of financial ability	Saves	5.71	0.96	0.0000253031181
	Do not save	5.03	1.15	
Behavioural norms in the context of financial ability	Saves	4.81	1.31	0.0015293442438
	Do not save	4.15	1.50	
Index of responsible financial behavior	Saves	5.48	0.88	0.0000025255817
	Do not save	4.70	1.19	
Descriptive norms in the context of saving related to parents	Saves	5.60	1.32	0.0105322286645
	Do not save	5.06	1.55	
Descriptive norms in the context of saving related to friends	Saves	4.53	1.30	0.0043166180877
	Do not save	3.99	1.35	
Prescriptive norms in the context of saving related to parents	Saves	5.70	1.19	0.3596868451981
	Do not save	5.52	1.46	
Prescriptive norms in the context of saving related to friends	Saves	4.56	1.46	0.7043688711076
	Do not save	4.48	1.43	
Behavioural intentions in the context of saving	Saves	5.80	1.34	0.0000002227832
	Do not save	4.59	1.65	
Self-efficacy in the context of saving	Saves	6.01	1.01	0.0000000000771
	Do not save	4.66	1.43	
Controllability in the context of saving	Saves	4.95	0.83	0.0176215868949
	Do not save	4.69	0.76	

Source: Author's own figure

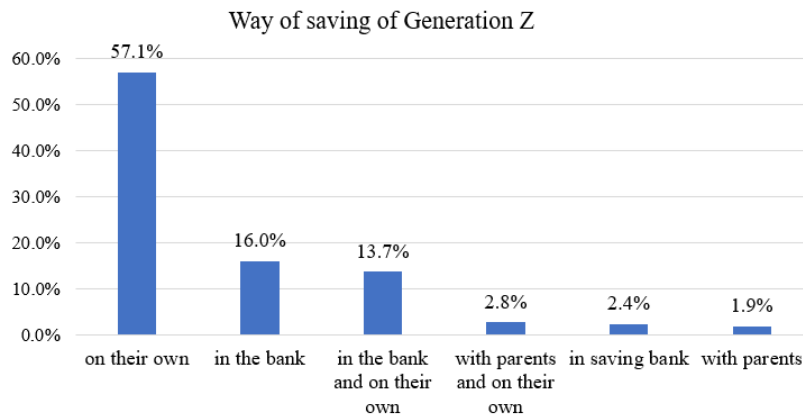
To examine the significance of the differences, a theoretical significance level, α , of 5% was considered. According to t-test, there is a significant difference between the attitudes towards saving, financial capacity, behavioural intentions, self-efficacy and controllability in the context of saving. Also, there is a significant difference between attitudes towards descriptive norms related to parents and friends in the context of saving, while there is no significant difference between attitudes towards prescriptive norms related to parents and friends (Table 5).

According to the survey, most respondents are currently saving and 45%, save up to 20% of their monthly earnings, while 35.2% save between 20% and 40%. By researching saving goals, 63.5% of respondents confirmed they save so in the future they would have more money for their needs. In other words, they do not have a specific savings goal. Furthermore, 62.1% of respondents save money so they can buy something specific in the near future, for example, to go on a short trip, buy clothes, shoes

or a mobile phone, and 57.3% of respondents save money for contingencies. Finally, 53.6% of respondents save money so they can buy something specific in the distant future, such as car, apartment or house. Besides, 49% of them save for travel as long-term goal, 42.3% for education, while 35.6% save for house or car. Additionally, 19.1% saves for starting their own business and 9.8% for retirement.

On the other hand, 71.2% of those respondents who are not currently saving consider specific goals, such as purchase in the distant future as encouraging factor that could motivate for saving. Furthermore, 49.2% of the them stated purchase of an apartment or house as a long-term goal that would encourage them to save, while 46.8% stated a travel. Also, 45.2% cited purchase of a car, 37.6% education, 23.3% starting of their own businesses and 11.2% saving for retirement as a goal that will encourage them for saving.

Most of respondents confirmed they were saving on their own. In other words, Generation Z do not primarily save money in banks (Figure 1.).



Source: Author's own figure

Figure 1: Way of saving of Generation Z

Most of Generation Z is familiar with the types of saving available by the Croatian National Bank. But even though they are familiar with them, they do not make extensive use of them. The largest number of respondents, 67.1%, heard about the types of savings they had when talking to their family, 65.3% through the media, 41.4% at school or college and 23.9% when talking with friends.

Discussion

By the conducted research, it is concluded how members of Generation Z have positive attitudes towards savings. They believe saving is useful, good, positive and gives them pleasure. In addition to careful control of their spending, members of Generation Z actively consider steps they must take to achieve their saving goals. Thus, Generation Z monitors the impact of consuming on saving (TransUnion, 2017). The members of Generation Z perceive saving as a lifestyle and they are aware of the importance of its implementation in the daily activities. Hence, Generation Z's attitudes indicate their willingness to save and consequently increase savings of young adults of Generation Z.

Observing the attitudes towards Generation's Z own capacity to make financial decisions and their understanding of the importance of financial security in the future, it can be concluded that Generation Z considers themselves capable of making their own financial decisions and qualified to manage their own financial situation. They care about their financial future and understand the importance of creating of a financial plan. Stated results follows previous findings about Generation Z members who are confident in their financial future (Nielsen, 2015). Therefore, confidence in their own financial capacity leads to a belief in their own savings performance. So, investment in Generation Z financial literacy is crucial for matching of perceived and real financial capacity.

In the context of the saving tendency of Generation Z, it is observed that parents have bigger influence on members of Generation Z than their friends. So, parents are saving more and talking about saving in a larger scale. Also, members of Generation Z have or expect more support in the context of saving from parents than friends. These results are following previous conclusion by which the most important environmental factor for Generation Z are parents or family. Also, it is confirmed that members of Generation Z mostly discuss about savings with their parents (Center for Generational Kinetics, 2017; UPCEA, 2019). So, to encourage Generation Z to save it is necessary to educate and inform their parents about benefits of saving for their children.

Members of Generation Z plan and believe they are capable and efficient and they will be able to save a certain amount of money. By conducted research it is confirmed that members of Generation Z believe they save a sufficient amount of money every month and are effective in the context of savings (Nielsen, 2015). Therefore, it is necessary to present them the full potential of savings, so they could achieve their goals and maximize their benefits through the saving.

Most of Generation Z is currently saving. According to conducted t-test it can be concluded there is a significant difference between attitudes towards savings, their own financial capacity, attitudes regarding descriptive norms related to parents and friends, behavioural intentions, self-efficacy, and controllability of saving of respondents who are saving and who are not. On the other hand, there is no significant difference between attitudes about prescriptive norms. So, it can be concluded there is no significant difference between attitudes towards behavior in context of saving that parents or friends will whether approve or not.

Generation Z is equally saving for specific and unspecified savings goals. For members of Generation Z saving represent the way of reaching the goals and reflect on their future (TransUnion, 2017). When saving for their long-term goals, they are saving for travels, education, buying an apartment, home or car, starting their own business and retirement. It is not following previous studies according to which Generation Z is aware of the importance of saving for retirement and dedicate to saving for retirement as early as possible. In order to raise the awareness of necessity of saving for retirement among the young people in the Republic of Croatia, it is crucial to educate them to start saving as soon as possible. Otherwise, they could face a sharp decline in their living standard in old age.

Most of the members of Generation Z who are saving do not make savings in banks, but on their own. However, they are known to the types of savings offered to them by banks largely and they are most likely to be heard about them during conversation with their parents and through the media. Therefore, to increase the number of savings of Generation Z in banks, it is necessary for banks to communicate with Generation Z members and their parents, who would pass on information about particular types of savings, savings methods and savings opportunities to their children. Furthermore, financial institutions to communicate with members of Generation Z and present their savings products to them, they must use the most common type of communication for Generation Z, social networks. This way, banks are able to provide information about the types of savings to members of Generation Z, while, on the other hand, members of Generation Z can provide banks feedback on their own perceptions of each type of savings.

Furthermore, in order to bring Generation Z members closer to savings products and savings types, it is necessary to adjust savings products to their specific needs. In other words, since Generation Z make extensive use of mobile applications for money management (Business Insider Intelligence, 2019), it is extremely important for banks to upgrade their mobile applications constantly to present their savings products to Generation Z and facilitate their usage.

By advertising in media and informing in affiliates, banks can present the types of savings they offer and their benefits to the parents of Generation Z. If parents understand and perceive the importance of the advertised types of savings, they will, through their own example and through the conversation, show and inform the children about importance and benefits of types of savings, but also about importance of saving in general. Because parents strongly influence their children's behavior in the context of making financial decision and saving, they can directly influence on their knowledge of types of savings and increase their savings in general.

Limitation and Conclusion

Previously research on saving habits of Generation Z were mainly conducted on the USA market. On the other hand, in the Republic of Croatia, the same topic has not been satisfactorily covered which represent the limitation of the research. Furthermore, Generation Z living in the USA is more aware of importance of saving for retirement than the one living in the Republic of Croatia. Therefore, it is highly important to strengthen education and raise awareness of saving for retirement to avoid possible disruption of living standards once members of Generation Z will retire.

Generation Z has specific saving habits and behavior in the context of saving. They have positive attitudes towards saving and believe it should be an integral part of life. They perceive themselves capable of making their own financial decisions and they are described as determined, confident and optimistic in the context of their financial future. Also, members of Generation Z believe they can decide if they will save or spend their money. Furthermore, they are prone to saving and most of them are saving.

Members of Generation Z save for both, specific and unspecified savings goals. Among specific goals those who are more common, are related to purchase in the near future. On the other hand, members who are not saving, as goals that would encourage them to save are pointing out those goals related to purchase in the distant future. Besides impact of parents, friends and media on their saving goals, the impact of education is necessary as well.

The oldest members of Generation Z are in their early twenties, have just finished their education and entering the labour market. They are starting to earn their own income. Considering, they need to be focused on the importance of saving and what they can achieve with it. Therefore, education needs to strengthen the awareness of the importance of saving for retirement and other saving goals related to financial stability in the future.

Generation Z is mostly saving on their own, not in the bank. They are familiar with types of saving available on the market and collect the information about saving by talking to their parents and through the media. Although they are familiar with the types of saving, they do not use them on a larger scale. Therefore, to maximize usage of different types of saving, the key is presentation of saving types and communication between banks and members of Generation Z and their parents, as well as educating of Generation Z about savings in general. Banks need to advertise saving products through social media and continuously work on developing mobile money management applications through which these products are available to Generation Z.

To raise awareness of saving among Generation Z and to increase the number of savings in banks and in general, it is necessary to invest in curriculum of educational institutions. Therefore, it is necessary to educate Generation Z about personal finances and to explore their saving goals in detail. Also, it is crucial to detect which factors encourage them to save in order to shape savings offer by their preferences and in that way achieve benefits for the individual and the economy as a whole.

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