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Exploring the Impact of Using Financial Technology Application on Financial Welfare (Case Study in Medan City, East Medan District)

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ABSTRACT. This study aims to examine the factors that affect Financial Welfare in the context of technology usage to enhance people's Financial Welfare. A case study was conducted in the Medan Timur District of Medan City. The analytical method used is descriptive statistical analysis and Structural Equation Modeling. The population and sample in this study were 245 Millennial Generation people in the East Medan District of Medan City. The sampling technique used was purposive sampling. The results of this study indicate that Financial Training has a negative and not significant effect on Financial Welfare in the Millennial Generation in Medan City, Financial Stress has a positive and significant effect on Financial Welfare in the Millennial Generation in Medan City, Financial Training has a positive and significant effect on Use of Financial Technology in the Millennial Generation in Medan City, Financial Stress has a positive and significant effect on Use of Financial Technology in the Millennial Generation in Medan City, Use of Financial Technology has a positive and significant effect on Financial Welfare in the Millennial Generation in Medan City, Use of Financial Technology can mediate the relationship between Financial Training and Financial Welfare, Use of Financial Technology unable to mediate the effect of Financial Stress on Financial Welfare.

1. Introduction

Most people are currently facing a major threat to their Financial Welfare and economy. The consumer economy entices them to spend money, the Internet offers an easy way to shop, and the credit card system gives them a readily available and transparent means of borrowing money. Most young adults in college have and frequently use credit cards to purchase a variety of goods and services and even to pay tuition. However, there are clear differences in how and

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how well people handle personal finance in general and credit cards in particular during their college careers; while some emerge from college with strong credit ratings, successful money management skills, and even a measure of personal wealth, others are mired in credit card debt, overdue bills, and inadequate ability to handle their financial obligations. [1]. Many factors affect the Financial Well Being (Financial Welfare) around the community, including the Use of Financial Technology [2], Financial Training [3], Financial Stress [4].

At this time, individuals must be able to manage their finances carefully, because this financial management will result in decisions about the use or allocation of the funds they have. In Indonesia itself, financial management has been very focused on improving, supported by the development of *financial technology* which continues to penetrate all circles at this time. This cannot be separated from the increasing population, as well as the increasingly rapid development of financial markets. This encourages people to master technology as a means of facilitating the management of public finances. One of the affected communities is the people of Medan City.

According to [5] said Bank Indonesia's North Sumatra Representative Office noted that at least 70 percent of digital wallet users were in Medan City. According to him, currently his party is still holding discussions so that these *fintech business actors* can report their companies regarding their assets and transactions. The reason, he said, is that the existence of *fintech companies* must also be monitored because of their potential to disrupt existing banking services. The application of technology in financial services really helps people in making transactions, so that people who cannot access financial services can take advantage of financial technology.

2. Literature Review and Hyphothesis

The presence of *financial technology* greatly assists the public in accessing financial products and makes it easier to carry out financial transactions with a touch of technology in hand. Wherever and whenever people can make transactions without having to come directly to a *financial company* or queue up with various procedures like banking in general. *Fintech* in Bank Indonesia regulation Number 19/12/PBI/2017 is the use of financial system technology that produces new products, services, technology and/or business models and can have an impact on monetary stability, financial system stability, efficiency, smoothness, security and reliability payment system. In companies that have financial technology, which includes payment systems, market support, investment management and risk management, loans, financing and capital providers, and other financial services, of course, this will increasingly develop among people, especially the people of Medan City, to seek and get *Financial Training* so that they have the right to *use it. of Financial Technology* which is good for avoiding *financial stress* and becoming victims of crimes that arise from criminals who use *fintech* amidst the strengthening rate of digitalization in Indonesia and to avoid illegal *fintech.*

Reporting from Kompas daily news (2020), problems with using digital applications often occur, one of which is when problems often occur during the data matching stage. Data originating from prospective customers is often not found or does not match the data at the Dukcapil Directorate General. One of the reasons is because the photos provided by customers are blurry. Even if the data does not match, the registration by the prospective customer will fail. This is often complained about by fintech companies that are members of Aftech. Therefore, Steve stressed, this problem must be addressed immediately to encourage the development of the country's fintech industry. According to him, this issue is input for the fintech industry to handle it together.

With the existence of a qualified *fintech platform,* and supported by the existence of a non-cash society, the people of Medan City can push themselves to get all transaction activities easily [6]. *Fintech,* in this case, advances people's potential in managing their finances such as online purchases, paying utility bills, and so on, for this reason, in increasing knowledge in using digital applications, good training is needed in order to be able to manage their finances properly.

According to [7] *Financial Training* is a process of increasing one's knowledge, skills and confidence in order to be able to manage their finances well. Someone who receives good *Financial Training* will make good financial decisions. *Financial Training* is very closely related to financial management, because with *Financial Training* one can distinguish between needs and wants and one is wiser in financial management.

With the many facilities provided, it is possible that access to information can be obtained very easily. Measuring *Financial Training* is very important to see how knowledgeable a person is. The Financial Services Authority (OJK) held socialization regarding *Financial Training* in Medan. Based on the results of OJK research, increasing *Financial Training* is very important both for financial institutions such as OJK and for the growth of the Indonesian economy. Nationally, only 29.66 percent of Indonesia's population understands the rights, obligations, costs, risks and benefits of financial products and services, so it is expected that the general public will not only know and understand financial service institutions, financial products and services, but also be able to change community behavior in financial management so as to improve people's welfare, especially those related to *financial technology* (*fintech*).

Based on the above phenomena, *Financial Training* can affect acceptance and use of financial technology even though there are differences in the effect of financial knowledge by type on financial decisions, which is supported by research by [8] which states that those who have *Financial Training* tend to view users of new platforms for financial activities as more profitable than those who do not have *Financial Training.*

The use of *fintech* can also be affected by *financial stress,* stress has a broad scope, people who use *fintech* also have the responsibility to manage their own money and start paying all their own bills, this can also be a source of stress which is then called *financial stress. Financial stress* is an event that suppresses the personal financial side that requires funds for its completion. People who have a high level of Financial Welfare indicate that they are more optimistic about their future and avoid *financial stress.* The increase in people's income from various financial sources is not in accordance with the rate of increase in basic needs and daily needs, the impact is feared to be greater opportunities for people to experience *financial stress.*

According to [9] that there are 3 other factors that can cause community *financial stress* : the first, namely, increasing debt owned buying something without having money is not an impossible thing at this time, with the existence of *fintech facilities* all one's wishes for an item or service can be realized. But the problem lies in paying bills, if *fintech users* cannot make purchases wisely, in the future it will actually increase their debt. Ownership of debt, whether originating from *fintech* or not, is one of the factors that causes a person to experience *financial stress.* According to data from the American Psychological Association's (APA) “Annual Stress in America Report” states that almost 21% of respondents feel that paying off debt is a major contributor to *financial stress.* Second, namely, low or no savings: paying off debt is indeed an important thing, but what is no less important is saving. Most people only allocate their income to pay off debt, the rest is for consumption but forget about savings, even though when someone's savings continue to decrease each month it is proven to cause a person to be more vulnerable to experiencing *financial stress.* The third is lifestyle: in order to keep up with current *trends,* people often spend large amounts of money, which will then lead to financial worries at the end of the month.

Having high debt to *fintech* and poor financial management are the most crucial problems related to public finances. *Fintech* can have both positive and negative impacts on society. Several studies have found that the use of fintech can increase people's sense of control over money and increase individual self-esteem in their social environment, while still playing a role in meeting living expenses when financial difficulties or emergencies occur. According to Heckman (2014) also said that most people have expenses that are greater than their purchasing power, they fulfill these expenses by using *fintech loans.* This significantly causes the tendency for people to experience greater *financial stress compared to people who make purchases without using fintech loans.*

According to [8]the causes of *financial stress* are divided into three, namely *financial anxiety, financial situation,* and *financial confidence.* This of course has different conditions when experienced by someone. Thus, it is necessary to know the three dimensions that are most dominant in the financial stress that occurs in the Millennial Generation community of Medan City, East Medan District. Previous studies related to the effect of *financial stress* on the use of *financial technology,* only research by [8]which states that *financial stress* has a positive and significant effect on the *use of financial technology,* so further research is still needed regarding this variable.

Other factors that influence *Financial Welfare* is *Use of Financial Technology.* Basic understanding of financial concepts and procedures and their use to solve financial problems. Financial problems are not only low income, financial problems can also arise if there is an error in financial management. This makes the reason *Use of Financial Technology* is needed in order to be able to manage and make better financial decisions so as to avoid financial problems.

2.1 Coping Resource Theory

Coping strategies are often classified into two broad categories: problem-focused strategies and emotion-focused strategies. Problem-focused strategies use behavioral activities, such as action and planning, whereas emotion-focused strategies involve expressing emotions and changing expectations. Studies have found that use of problem-solving strategies is associated with positive outcomes, such as better health and reduced negative affect [10]; [11], while use of emotion-focused strategies, particularly use of avoidance strategies, is associated with negative outcomes, such as poorer health and increased negative affect [12]. However, some emotion-focused strategies, such as positive acceptance and reframing, have been associated with increased well-being [13]. In general, coping strategies that use positive action, acceptance, and reframing in response to stress are found to be adaptive, whereas coping strategies that use avoidance and emotional expression in response to stress are found to be maladaptive.

2.2 Financial Welfare

According to [14] Financial Welfare can be defined as a community effort to maintain the current desired standard of living and avoid financial difficulties. Financial Welfare refers to a comprehensive subjective evaluation of one's Financial Welfare. Financial efficiencies, or lack thereof, can no doubt influence an individual's perception of having control and the means to maintain the lifestyle he or she desires. Therefore, someone who has such abilities may have a more positive perception of their Financial Welfare. Moreover, having a positive perception of Financial Welfare can convince a person of its financial efficacy. Although we agree that these two concepts can be related, they denote different things.

2.3 Dimensions and Indicators of Financial Welfare

According to [15] Financial Well Being is measured objectively position (Debt) and subjective position (Satisfaction, Sense of extreme constraints, and Parsimony) were significantly related to overall life success. For example, the objective state of a person with debt that is owned daily, this of course makes it difficult for a person if it is not paid, subjective circumstances with financial status are related to all aspects of life outcomes (overall life satisfaction, academic performance, physical health, psychological health, and etc.). Extreme coping behaviors also correlate with all aspects of life outcomes but in a negative way. Interpreting these two results, we can surmise that the more satisfied young adults are with their financial status, the more satisfied they are with their lives in general, the more likely they are to perform better academically and to be healthier, both physically and psychologically. On the other hand, the more people adopt extreme coping behaviors in response to their financial difficulties, the more dissatisfied they are with their lives in general, the less likely they are to do well academically and the less willing they are to be healthy, both physically and psychologically.

2.4 Use of Financial Technology

According to [16] *Financial Technology* is a company that primarily uses technology to generate revenue through providing financial services to customers either directly or through partnerships with traditional financial institutions. According to AFTECH (2021) *Fintech* stands for *financial technology* or financial technology and can be interpreted as innovation in technology-based financial services. *Fintech* makes it easy for consumers to use/utilize various digital financial services, such as: payments, loans, investments, and insurance. By using *fintech,* consumers can make payment transactions without having to meet face to face, obtain loans without having to visit a bank branch, choose and know the financial products that best suit our needs, invest easily and obtain financial planning advice.

2.5 Financial Stress

Financial stress is an unpleasant feeling that makes a person unable to meet financial demands, make ends meet, and have sufficient funds to meet needs [17]. Those feelings usually include the emotions of fear, anxiety, and dread, but may also include anger and frustration. Conventional theory holds that people's responses to stressful experiences are classified into two broad categories: emotion-focused or problem-focused strategies [18].

Some stressful experiences may evoke emotion-focused strategies, while others may evoke problem-focused strategies. When it comes to financial stress, there is evidence that people who have experienced financial stress are more likely to engage in problem-focused strategies. For example, consumers with financial stressors, such as having high-cost debt, problems with financial management, or poor credit card behavior, are more likely to use problem-focused strategies [19].

2.6 Financial Training

According to [20] *Financial Training* is any form of training provided in various settings such as high schools, colleges and workplaces. According to [7] *Financial Training* is believed to increase financial knowledge, motivate desired financial behavior, and increase Financial Welfare among consumers.

2.7 The Effect of Financial Training on the Use of Financial Technology

According to [8] Financial Training is used to launch or leverage financial knowledge effects for effective proactive problem-solving strategies. If training is carried out properly, such as utilizing what is learned, and considering training itself important, more and more knowledge will be obtained, so that this reduces errors from the impact of using financial technology.

H_1: *Financial Training* has a positive and significant effect on the *Use of Financial Technology.*

2.8 The Effect of Financial Stress on the Use of Financial Technology

According to [21] High stress that is not managed properly has the potential to trigger mental health problems. *The American Psychological Association* (2015) found that stress due to financial problems is one of the main causes of unhealthy behaviors such as smoking, weight gain, gambling, excessive debt, alcohol and drug abuse. According to [8] that individuals with greater financial pressure are more likely to engage in using financial technology, such as using online loans because of easier terms and easy disbursement of funds.

H_2: *financial stress* has a positive and significant effect on the *Use of Financial Technology.*

2.9 The Effect of Financial Training on Financial Welfare

According to [7] a person decides to pursue Financial Training based on their own judgment. According to [8] Financial Training is used to launch or leverage financial knowledge effects for effective proactive problem-solving strategies. According to [15] students participating in the study who had taken personal finance and economics classes during high school and/or college thought they had a better understanding of financial matters. Therefore, we conclude that Financial Training can be important; however, we also note that relying solely on formal training to increase knowledge may have only a small impact on financial behavior and Financial Welfare.

H_3: *Financial Training* has a positive and significant effect on *Financial Welfare.*

2.10 The Effect of Financial Stress on Financial Welfare

According to [18] *Coping Resource Theory* suggests that people's responses to stressful experiences fall into two broad categories: emotion-focused and problem-focused strategies. Some stressful experiences may evoke emotion-focused strategies, while others may evoke problem-focused strategies. According to [17] confirms that stress involves impressions of fear, distress and fear, but perhaps also anger and dissatisfaction. Financial stress related to the main financial inability to meet individual financial needs. Financial stress also comes from insufficient funds due to personal, family and financial situation shocks [22]; [23]. An increase in financial stress, such as an increase in debt or financial shortages, will naturally intensify the state of financial difficulties, which lowers the level of Financial Welfare. According to [24] adding that financial stress creates the danger of despair and negatively impacts individual health and psychological well-being.

H_4: Financial Stress has a negative and significant effect on Financial Welfare.

2.11 The Effect of Use of Financial Technology on Financial Welfare

According to the AFTECH organization (2021) *Fintech* stands for *financial technology* or financial technology and can be interpreted as technology-based financial service innovation. *Fintech* makes it easy for consumers to use/utilize various digital financial services, such as: payments, loans, investments, and insurance. Changes in the mindset of consumers, where the current millennial generation prefers access that is personal and makes it easier to fulfill financial needs. According to **[2]** the presence of technology-based financial services (FinTech) can maintain financial system stability as a basis for sustainable development and open access to finance that can improve the welfare of the community.

H_5: Use of Fintech positive and significant effect on Financial Welfare.

2.12 The Effect of Financial Training on Financial Welfare through the Use of Financial Technology

According to [8]public Financial Training can also influence the acceptance and use of financial technology although there are differences in the effect of financial knowledge by type on financial decisions. Based on the *Planned Behavior Theory,* training carried out by the community will increase their knowledge to do something, including the use of financial technology. With good Financial Training in the form of financial management procedures using technology, this will improve people's welfare because of the ease of making transactions using technology from digital platforms.

The research results of [8]show that the *Use of Financial Technology is* able to mediate the influence of *Financial Training* on *Financial Welfare.*

2.13 The Effect of Financial Stress on Financial Welfare through the Use of Financial Technology

According to [18]conventional theory states that people's responses to stressful experiences are classified into two broad categories: emotion-focused or problem-focused strategies. Some stressful experiences may evoke emotion-focused strategies, while others may evoke problem-focused strategies. When it comes to financial stress, there is evidence that people who have experienced financial stress are more likely to engage in problem-focused strategies, thereby engaging knowledge to solve problems. According to [25]found that a higher level of financial knowledge has a strong and positive effect on individual awareness of the use of financial technology. This is based on Coping Resource Theory therefore, financial knowledge tends to act as a potential mediator of the relationship between financial pressures on technology use.

The research results of [8]show that Financial Stress has a significant effect on Financial Welfare through the Use of Financial Technology.

3. Research Methodology

3.1 Data and Samples

The data used in this study were collected through primary data distribution to 245 individuals in the millennial generation community of East Medan sub-district in the form of a questionnaire. Retrieval technique sample used use purposive sampling with criteria generation millennial already have work and have digital application. Data analysis technique used using the second order SEM-PLS model with disjoint two stage approach.

3.2 Measurement Variable

Variable dependencies used is Financial Welfare use modified measurements in study [15] with use scale likert i.e. 1 = absolutely not agree, 2 = no agree, 3 = less agree, 4 = agree, and 5 = strongly agreed, the intervening variable was used in study this is use of financial technology with use modified measurements [8] with use scale likert i.e. 1 = no ever, 2 = sometimes, and 3 = often. Measurements used modified from [8]. Variable independent that is Financial Training use modified measurements from [8] using nominal data with 1 = yes, 2 = no, and financial stress use modified measurements from [8] use scale likert with 1 = absolutely not agree, 2 = no agree, 3 = less agree, 4 = agree, and 5 = strongly agree.

4. Results

Measurement results between dimensions with approach disjoint two stage approach, where for Step beginning focus form score latent variables on variables dimensions used [26] that is financial anxiety, financial situation, and financial confidence could seen in Figure 1 and Table 1

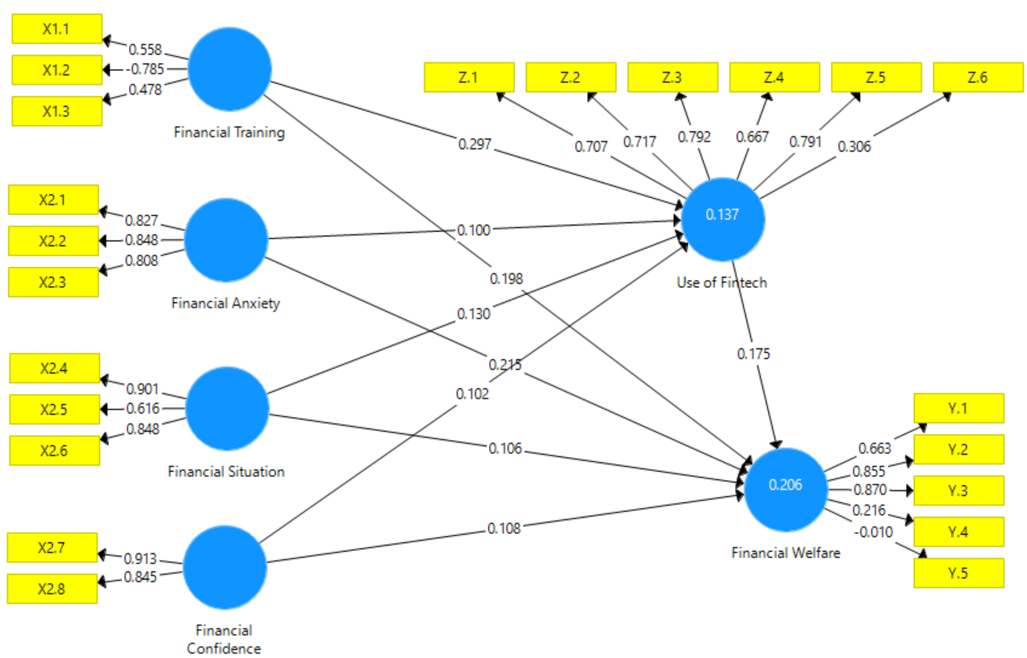

Figure 1. Measurement results between dimensions with *loading factor*

Where in Figure 1 all construct items are at level dimensions have mark loading factor larger 0.6, so that on the financial stress dimension, namely financial anxiety, financial situation, and financial confidence no there are items removed.

Table 1. Inter model measurement dimensions

	Outer loading	Composite Reliability	AVE
X1.1	0.558		
X1.2	-0.785		
X1.3	0.478		
FinTrain		0.033	0.385
X2.1	0.827		
X2.2	0848		
X2.3	0.808		
FinAnx		0.867	0.685
X2.4	0.901		
X2.5	0.616		
X2.6	0.848		
FinSitu		0.837	0.637
X2.7	0.913		
X2.8	0.845		
FinConf		0.872	0.773
Y. 1	0.663		
Y.2	0.855		
Y.3	0.870		
Y.4	0.216		
Y.5	-0.010		
Y		0.690	0.395
Z. 1	0.707		
Z. 2	0.717		
Z. 3	0.792		
Z. 4	0.667		
Z. 5	0.791		
Z. 6	0.306		
Z		0.832	0.468

Based on table 1 on variables level dimensions with disjoint two stage approach only focus on variables dimensions that is financial anxiety, financial situation, and financial confidence for look convergent validity and internal consistency reliability. Measurements used that is outer loading, where all items already fulfill standard 0.5, then on composite reliability whole dimensions at the structural level already exceeding 0.7, and on the overall AVE value variable dimensions already exceeds 0.5. At stage next look discriminant validity with those shown in table 2.

Table 2. Discriminant Validity

	1	2	3	4	5	6
Fornell -Larcker Criterion						
Financial Anxiety	0.828					
Financial Confidence	-0.008	0.879				
Financial Training	0.635	-0.081	0.798			
Financial Situation	-0.049	0.015	-0.007	0.621		
Financial Welfare	0.301	0.117	0.265	0.240	0.628	
Use of Financial Technology	0.167	0.095	0.184	0.292	0.299	0.684
Heterotrait-Monotrait Ratio (HTMT)						
Financial Anxiety						
Financial Confidence	0.147					
Financial Training	0.830	0.202				
Financial Situation	0.368	0.232	0.341			
Financial Welfare	0.339	0.218	0.312	0.451		
Use of Financial Technology	0.231	0.157	0.224	0.726	0.369	

In table 2. the discriminant validity test at the dimensional level, in the fornel and lacker test where all items have an AVE square root value that is greater than the construct item, whereas in the HTMT test, where all items have an HTMT value < 0.9, so that at the testing stage the dimension level meets the standard, and latent variable scores can be taken. Furthermore, at the stage of the full structural model, it can be seen in Figure 2.

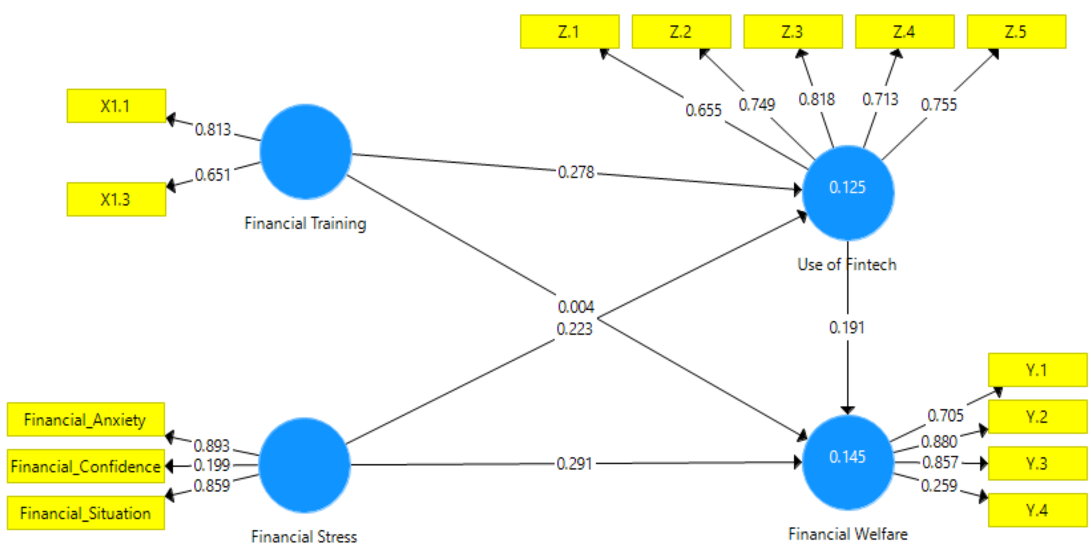

Figure 2. Full Structural Model

In Figure 2 the measurement of the construct items of each variable at the structural model level there are some that have been deleted, such as X1.2 (Financial Training), Z.1 (use of fintech), Z.6 (use of fintech), and Y.5 (Financial Welfare).

Table 3. Inter model measurement dimensions

	Outer loading	Composite Reliability	AVE
X1.1	0.813		
X1.3	0.651		
Fin Train		0.690	0.538
Fin Stress		0.726	0.532
Y. 1	0.705		
Y.2	0.880		
Y.3	0.857		
Y.4	0.259		
Fin Welf		0.794	0.523
Z.1	0.655		
Z. 2	0.749		
Z. 3	0.818		
Z. 4	0.713		
Z. 5	0.755		
Use of Fin		0.860	0.606

Based on table 3. in the outer loading test on the Financial Welfare variable (Y.4) there are items that are <0.5, but these items should not be deleted because the impact of composite reliability is > 0.6 and the AVE value is > 0.5. At the next stage, look for discriminant validity with those shown in table 2.

Table 4. Discriminant Validity

	1	2	3	4
Fornell -Larcker Criterion				
Financial Stress	0.724			
Financial Training	-0.018	0.736		
Financial Welfare	0.332	0.051	0.720	
Use of Fintech	0.219	0.274	0.255	0.740
Heterotrait-Monotrait Ratio (HTMT)				
Financial Stress				
Financial Training	0.291			
Financial Welfare	0.491	0.201		
Use of Fintech	0.345	0.769	0.292	

In table 4. the discriminant validity test in the full structural model, in the fornel and lacker test where all items have a value of the AVE square root that is greater than the construct item, whereas in the HTMT test, where all items have an HTMT value < 0.9, so that with Thus, at the testing stage, the dimension level meets the standard, and the latent variable score can be taken. Furthermore, in testing the quality of the model which can be seen in table 5

Table 5. Model Quality

	R Square	Q Square	SRMR	NFI
Financial Welfare	0.144	0.049	0.086	0.603
Use of Financial Technology	0.144	0.068		

Based on table 5 testing the quality of the model, the overall quality test of the model is empirical data that fits the estimated model.

Table 6. Interdimensional Significance Test

	Coef.	Tstat	Prob
Financial Anxiety <- Financial Stress	0.570	8.411	0.000
Financial Confidence <- Financial Stress	0.193	1.098	0.272
Financial Situation <- Financial Stress	0.524	7.610	0.000

Based on Table 6. the significance test between dimensions to find out from the financial stress variable, the most dominant dimension forming financial stress is financial anxiety, while the least influential is financial confidence. Furthermore, testing the direct and indirect effects can be seen in table 7.

Table 7. Direct Effect

	Coef.	Tstat	P Values	Conclusion
Fin Train -> Fin Well-	-0.024	0.248	0.804	Not significant
Fin Train -> Use of fintech	0.305	3.969	0.000	Significant
Fin Stress -> Fin Well	0.280	3.145	0.002	Significant
Financial Stress -> Use of Financial Technology	0.242	2.935	0.003	Significant
Use of Financial Technology -> Financial Welfare	0.203	1.998	0.046	Significant

Based on table 7, there is a Financial Training variable on Financial Welfare which has no effect because it has a p value of 0.804 > 0.05. Then proceed with the indirect effect which can be seen in table 8.

Table 8. Indirect Effect

	Coef.	Tstat	Prob	Conclusion
Financial Training -> Use of Financial Technology -> Financial Welfare	0.062	1.700	0.089	Significant
Financial Stress -> Use of Financial Technology -> Financial Welfare	0.049	1.538	0.124	Not significant

Based on table 8. Use of financial technology is only able to mediate Financial Training on Financial Welfare.

5. Discussion

5.1 The Effect of Financial Training on Financial Welfare

According to [7] a person decides to pursue Financial Training based on their own judgment. According to [8] Financial Training is used to launch or leverage financial knowledge effects for effective proactive problem-solving strategies. According to [15]someone participating in the study who had taken personal finance and economics classes during high school and/or college thought they had a better understanding of financial matters. Therefore, it can be concluded that Financial Training can be important; however, we also note that relying solely on formal training to increase knowledge may have only a small impact on financial behavior and Financial Welfare. However, the results of this study show that Financial Training has no effect on the Financial Welfare of the millennial generation of the people of East Medan. This proves that the higher a person's financial training, the less they are able to improve their financial welfare, such as income, spending behavior, locus of control, and financial literacy [27]; [28]; [3]. Thus, Financial Training has no influence on the financial welfare of the millennial generation of the East Medan sub-district.

The results of this study are not in line with the research of [15]states that *Financial Training* has a positive and significant effect on *Financial Welfare.*

5.2 The Effect of Financial Training (X_2) on the Use of Financial Technology

Life cycle saving theory, someone decides to take Financial Training based on their considerations [7]. Financial Training is used to launch or leverage financial knowledge effects for effective proactive problem-solving strategies [8]. If training is carried out properly, such as utilizing what is learned, and considering training itself important, more and more knowledge will be obtained, so that this reduces errors from the impact of using financial technology. Based on the *planned behavior theory,* someone who has a high level of training will produce understanding and ease in using financial technology. The results of this study also show the condition of the Millennial Generation community in East Medan District, where their ability to master Financial Training is quite good, because they are able to apply the Financial Training they have by investing, so that the use of technology they do is higher, because current fintech products already connected to the application, thus their financial use of technology is getting higher.

The results of this study are in line with [8] states that Financial Training has a positive and significant effect on the Use of Financial Technology.

5.3 The Effect of Financial Stress (X_2) on Financial Welfare

Coping Resource Theory suggests that people's responses to stressful experiences fall into two broad categories: emotion-focused and problem-focused strategies. Some stressful experiences may evoke emotion-focused strategies, while others may evoke problem-focused strategies [18]. When it comes to financial stress, there is evidence that people who have experienced financial stress are more likely to engage in problem-focused strategies, thereby engaging knowledge to solve problems. This is in line with what is experienced by the Millennial Generation community in East Medan District, where their current condition is generally not experiencing financial difficulties. This can be proven from the average number of respondents' answers, so that their financial stress has a positive effect on Financial Welfare. But even so, there is the most dominant factor experienced by the Millennial Generation community in East Medan District, namely financial anxiety, where the Millennial Generation in East Medan District are afraid of not having pension savings, and are worried about the remaining balance of their financial accounts, so this is a factor of anxiety that they experience.

The results of this study are not in line with [3]showing that Financial Stress has a negative and significant effect on Financial Welfare.

5.4 The Effect of Financial Stress (X_2) on the Use of Financial Technology

High and poorly managed stress has the potential to trigger mental health problems. The American Psychological Association (2015) found that stress due to financial problems is one of the main causes of unhealthy behaviors such as smoking, weight gain, gambling, excessive debt, alcohol and drug abuse [21]. Individuals with greater financial pressure are more likely to engage in using financial technology, such as using online loans because of easier terms and easy disbursement of funds [8]. But even so, there is the most dominant factor experienced by the Millennial Generation community in East Medan District, namely financial anxiety, where the Millennial Generation in East Medan District are afraid of not having pension savings, and are worried about the remaining balance of their financial accounts, so this is a factor of anxiety that they experience.

The results of this study are in line with the research of states that financial stress has a positive and significant effect on the Use of Financial Technology [8].

5.5 The Effect of Financial Training (X_1) on Financial Welfare Through the Use of Financial Technology

Public Financial Training can also influence the acceptance and use of financial technology although there are differences in the effect of financial knowledge by type on financial decisions [8]. Based on the Planned Behavior Theory, training carried out by the community will increase their knowledge to do something, including the use of financial technology. With good Financial Training in the form of financial management procedures by utilizing technology, this will improve people's welfare because of the ease of making transactions using technology from digital platforms.

5.6 The Effect of Financial Stress (X_2) on Financial Welfare Through the Use of Financial Technology

Conventional theory states that people's responses to stressful experiences are classified into two broad categories: emotion-focused or problem-focused strategies. Some stressful experiences may evoke emotion-focused strategies, while others may evoke problem-focused strategies [18]. When it comes to financial stress, there is evidence that people who have experienced financial stress are more likely to engage in problem-focused strategies, thereby engaging knowledge to solve problems. According to [25]found that a higher level of financial knowledge has a strong and positive effect on individual awareness of the use of financial technology. This is based on Coping Resource Theory therefore, financial knowledge tends to act as a potential mediator of the relationship between financial pressures on technology use.

The research results of [8]show that Financial Stress has a significant effect on Financial Welfare through the Use of Financial Technology.

5.7 The Effect of Use of Financial Technology (Z) on Financial Welfare

According to AFTECH (2021) Fintech stands for financial technology or financial technology and can be interpreted as innovation in technology-based financial services. Fintech makes it easy for consumers to use/utilize various digital financial services, such as: payments, loans, investments, and insurance. Changes in the mindset of consumers, where the current millennial generation prefers access that is personal and makes it easier to fulfill financial needs. The presence of technology-based financial services (FinTech) can maintain financial system stability as a foundation for sustainable development and open access to finance that can improve financial welfare among the community [2].

6. Conclusion

Based on the results of this study, it can be concluded that financial training has a limited impact on the financial welfare of the millennial generation in East Medan. While financial training can improve financial knowledge, it does not directly influence their financial welfare significantly. This finding contradicts previous studies that suggest financial training positively affects financial welfare. However, financial training does have a positive effect on the use of financial technology, which, in turn, improves financial welfare. Additionally, while financial stress experienced by the millennial generation in East Medan does not negatively affect their financial welfare, it does encourage them to make greater use of financial technology. Overall, the use of financial technology has a positive impact on financial welfare, as it provides easier and faster access to essential financial services.

Conflicts of Interest: The authors declare that there are no conflicts of interest regarding the publication of this paper.

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