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Bridging The Adoption Gap: An Extended TPB Analysis of Rent-To-Own Scheme Acceptance Among Young Homebuyers in Indonesia

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Abstract
Housing affordability has become a major challenge for Generation Z and Millennials in Indonesia, as reflected in the growing preference for renting rather than owning homes. This study examined the factors influencing the adoption of the Rent-to-Own (RTO) housing scheme by extending the Theory of Planned Behavior (TPB) framework with four additional constructs: Perceived Affordability, Government and Institutional Support, Perceived Risk of RTO, and Perceived Usefulness of RTO. A mixed-method approach was employed, combining a quantitative survey analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with qualitative interviews involving property and finance experts. The findings revealed that Perceived Affordability, Government and Institutional Support, and Perceived Usefulness significantly and positively influenced Attitude Toward RTO, Perceived Behavioral Control, and Subjective Norms, while Perceived Risk had no significant effect on Attitude Toward RTO or Perceived Behavioral Control. Subjective Norms emerged as the strongest predictor of Behavioral Intention, followed by Perceived Behavioral Control and Attitude Toward RTO. The qualitative findings indicated that limited financial literacy, consumptive lifestyles, unclear regulatory frameworks, and insufficient institutional support remained key barriers to RTO adoption among young adults. Based on these findings, this study proposed three strategic solutions: establishing a comprehensive regulatory framework, developing financial education and literacy programs using the Value-Focused Thinking (VFT) approach, and implementing the Financial Education for Savings (FES) model to strengthen long-term financial planning. This study contributes to the extension of the TPB framework within the housing finance context and provides practical recommendations for policymakers, financial institutions, and property developers to enhance the adoption of RTO schemes in Indonesia.

INTRODUCTION

Homeownership has long been considered one of the most important life goals and a symbol of financial stability. However, in Indonesia, achieving homeownership has become increasingly challenging due to rapidly increasing property prices, inflation, and stagnant income growth. The most common housing financing option is a mortgage (Kredit Pemilikan Rumah or KPR), which allows individuals to purchase homes through long-term installment payments after providing an initial down payment. Although mortgages provide access to homeownership, they also present several challenges, including repayment periods of up to 20 years, substantial down payment requirements, fluctuating interest rates, complex application procedures, the risk of foreclosure due to payment default, and potential loan rejection caused by insufficient income or poor credit history. These challenges have encouraged many Indonesians, particularly Generation Z and Millennials, to reconsider conventional homeownership pathways and seek alternative housing solutions that provide greater financial flexibility (Hamzah, 2021).

The housing affordability crisis in Indonesia has reached a critical level. According to the Ministry of Public Works and Housing (Kementerian Pekerjaan Umum dan Perumahan

Rakyat or PUPR), approximately 81 million Millennials in Indonesia do not yet own homes, with more than 63% of respondents identifying financial limitations as the primary barrier to homeownership (Alexander, 2023). Indonesia is among the countries with the highest housing affordability challenges, with a housing price-to-income ratio reaching 48.35% (Handopo, 2021; Mohammad Mujaheed Hassan, 2021). The average property price in Indonesia is approximately US$1,111.92 per square meter, while the average annual income is only US$2,299.67, meaning that purchasing a 100-square-meter house may require approximately 563 months, or nearly 47 years, of income. The housing backlog, defined as the gap between housing availability and demand, reached 10.51 million households in 2023, with West Java, DKI Jakarta, and North Sumatra each recording more than one million households experiencing housing deficits. This severe affordability gap has been intensified by property prices increasing faster than wage growth, creating a widening disparity between household income and housing costs.

Economic uncertainty has further reduced younger generations' willingness to commit to long-term housing financing (Dolot, 2018; Matel, 2022). According to the Indonesia Millennial and Gen Z Report (Hutauruk, 2025), unstable employment conditions, inflation, and continuously rising property prices have weakened young adults' purchasing power. A survey conducted by Inventure (2025) showed that 65% of middle-class Generation Z and Millennial respondents were pessimistic about their ability to purchase a home within the next three years. The main reasons included increasing housing prices (80%), insufficient income (45%), and unstable employment conditions (34%). Additionally, 22% of respondents reported difficulties obtaining mortgages, while 13% had existing debts from online lending platforms or buy now, pay later (BNPL) services. Consequently, renting has become an increasingly attractive option among Generation Z and Millennials (Napiórkowska-Baryła, 2024; Muhamad, 2025), with 36% of Generation Z respondents preferring rental housing because they were not financially prepared to purchase property. Other reasons included lower costs, strategic locations, and greater residential mobility (Rizky, 2024).

These financial challenges have encouraged younger consumers to explore alternative pathways to homeownership, particularly the Rent-to-Own (RTO) scheme (Sekardini, 2020). Unlike conventional mortgages, the RTO scheme allows individuals to rent a property while gradually accumulating ownership rights and retaining the option to purchase the property in the future (Jaggia, 2018). The RTO scheme was introduced by PT Bank Tabungan Negara (Persero) Tbk (BTN) in October 2022 as an innovative housing financing solution targeting low-income households and informal workers who often face difficulties accessing traditional financial services. Through this scheme, individuals rent a selected property for an agreed period, after which they may purchase the property through mortgage financing or cash payment. This mechanism provides greater flexibility and addresses financing barriers faced by individuals who are unable to immediately access conventional housing finance. According to an Inventure survey (2025), 38% of Generation Z and Millennials considered RTO as a preferred pathway to homeownership because it reduces initial financial pressure and provides greater flexibility. Conventional renting remained the second most preferred option (34%), while mortgage financing became less attractive (14%) due to concerns regarding rising interest rates and lengthy repayment periods.

Despite its potential, actual adoption of the Rent-to-Own scheme remains limited. The BTN Rent-to-Own Program achieved only 0.3% of its target adoption rate, with three non-subsidized customers recorded as of 2025. The substantial gap between consumer preference and actual participation indicates that awareness alone is insufficient to encourage adoption (Thaler, 2000). Research by Ummah et al. (2025), which benchmarked Indonesia's RTO ecosystem against Malaysia's more established RTO system, found that Indonesia faces several challenges, including limited public awareness, weak regulatory support, and insufficient stakeholder involvement. In contrast, Malaysia has benefited from stronger regulatory frameworks, better stakeholder coordination, and broader public education, contributing to greater RTO implementation success (Penny Goh Pei Nei, 2023). The study concluded that Indonesia's RTO ecosystem remains underdeveloped and requires improvements in regulation, policy frameworks, scheme structures, stakeholder participation, and market readiness. Many potential users continue to perceive barriers related to financial uncertainty, limited institutional support, regulatory ambiguity, insufficient consumer education, and uncertainty regarding long-term benefits.

Previous studies have examined various aspects of housing affordability and RTO adoption in Indonesia; however, significant research gaps remain. Dewi et al. (2025) investigated the penetration value of KPR RTO based on the financial capability of low-income communities, finding that limited income and complex administrative requirements constrained homeownership opportunities. The study proposed four value penetration strategies: Introduction, Pre-rent, Rent, and Retrieve. Indraina et al. (2025) examined Generation Z preferences in selecting their first home and aimed to optimize RTO strategies for Bank BTN and property developers. Shaikh and Ibrahim (2025) extended the TPB model by incorporating product image and perceived social security in the context of Islamic home financing acceptance in Malaysia, finding that attitude, perceived social security, and product image significantly influenced first-time homebuyers' intentions. Windi et al. (2025) found that housing prices significantly influenced purchase decisions, while income did not, indicating that consumers strongly emphasized affordability in housing decisions. Other studies examining Generation Z housing preferences in Surabaya identified five important factors influencing housing preferences: physical environment, psychological-social concerns, social status and stress, economic considerations, and cultural accommodation.

Despite these contributions, existing literature reveals a critical research gap. No previous study has comprehensively examined the determinants of RTO adoption among Generation Z and Millennials in Indonesia using an extended Theory of Planned Behavior (TPB) framework incorporating Perceived Affordability, Government and Institutional Support, Perceived Risk of RTO, and Perceived Usefulness of RTO as additional constructs. While Ummah et al. (2025) emphasized the importance of regulatory clarity, public awareness, and stakeholder collaboration, empirical studies examining how these factors influence attitude, subjective norms, and perceived behavioral control in RTO adoption remain limited. Furthermore, previous research has predominantly focused on supply-side issues, such as institutional challenges, rather than demand-side factors related to consumer behavior. The integration of mixed methods combining quantitative surveys and expert interviews also remains limited in existing RTO literature. This gap is particularly important because consumer preference for RTO schemes is relatively high, yet actual adoption remains minimal, suggesting the existence of psychological, social, financial, and institutional barriers that require further investigation.

The urgency of this research is reinforced by the widening gap between housing demand and supply, increasing preference for alternative homeownership schemes among young adults, and persistently low adoption rates despite program availability. With approximately 81 million young Indonesians still without homes and 65% expressing pessimism regarding homeownership within three years, understanding the determinants of RTO adoption is essential for addressing housing affordability challenges. The Indonesian government's continued housing policy support, including PMK 13/2025, which provides value-added tax (VAT/PPN) incentives for housing purchases, demonstrates the strategic importance of improving housing accessibility. However, without understanding consumer behavioral factors influencing adoption, such policy interventions may not achieve optimal effectiveness. Furthermore, continued urbanization and rising property prices in metropolitan areas increase the urgency of developing alternative homeownership pathways.

The novelty of this research lies in several contributions. First, this study extends the TPB framework by incorporating four additional constructs—Perceived Affordability, Government and Institutional Support, Perceived Risk of RTO, and Perceived Usefulness of RTO—specifically within the context of RTO adoption in Indonesia. This extension addresses the limitations of the traditional TPB model, which may not fully capture the complexity of housing finance decisions (Schmidt, 2020). Second, this study employs a mixed-method approach combining PLS-SEM analysis involving 300 respondents with in-depth interviews with experts, providing both statistical evidence and contextual understanding. Third, this research focuses specifically on Generation Z and Millennials in three major metropolitan areas—Jabodetabek, Bandung, and Surabaya—where housing affordability challenges are particularly significant. Fourth, the study proposes three strategic solutions based on empirical findings: strengthening regulatory frameworks, developing financial education programs using the Value-Focused Thinking (VFT) approach, and implementing the Financial Education for Savings (FES) model to support long-term financial planning.

The purpose of this study was to analyze the factors influencing the adoption of Rent-to-Own housing schemes among Generation Z and Millennials in Indonesia using an extended Theory of Planned Behavior framework. Specifically, this research aimed to: (1) examine the effects of Perceived Affordability, Government and Institutional Support, Perceived Risk of RTO, and Perceived Usefulness of RTO on Attitude Toward RTO, Perceived Behavioral Control, and Subjective Norms; (2) examine the effects of Attitude Toward RTO, Subjective Norms, and Perceived Behavioral Control on Behavioral Intention toward RTO adoption; and (3) identify barriers and drivers of RTO adoption through qualitative interviews with experts. This study contributes theoretically by extending the TPB model through additional constructs relevant to housing finance decision-making and providing empirical evidence for understanding RTO adoption behavior. Practically, the findings provide evidence-based recommendations for policymakers, financial institutions, and property developers to enhance RTO adoption through regulatory improvements, financial literacy programs, and structured long-term financial planning strategies.

METHOD

This study employed a mixed-methods approach using a sequential explanatory design, combining quantitative and qualitative methods to provide a comprehensive understanding of the factors influencing the adoption of the Rent-to-Own (RTO) housing scheme among Generation Z and Millennials in Indonesia. The quantitative phase involved the distribution of structured questionnaires to eligible respondents to examine relationships among variables based on the extended Theory of Planned Behavior (TPB) framework. The qualitative phase followed through in-depth interviews with experts in the property and financial sectors to explain, validate, and enrich the quantitative findings.

The study population consisted of Generation Z and Millennials who were potential adopters of the RTO scheme as an alternative pathway to homeownership, focusing on three major metropolitan areas: Jabodetabek, Bandung, and Surabaya. These regions were selected due to their high property prices and potential demand for alternative homeownership solutions. Purposive sampling was applied using the following criteria: respondents aged 18–40 years, not yet owning a home or currently living in rental housing or with family, and residing in one of the selected metropolitan areas. A sample of 300 respondents was determined based on Hair et al.'s (2014) recommendation for PLS-SEM analysis to ensure adequate statistical power for the proposed model. Primary data were collected through online questionnaires distributed via social media platforms from January to March 2026, while qualitative data were obtained through semi-structured interviews with two experts in property and housing finance. The research instrument consisted of a structured questionnaire measured using a 5-point Likert scale, developed based on TPB constructs and previous studies. An interview protocol was also prepared to explore expert perspectives regarding barriers and drivers influencing RTO adoption.

Before the main data collection process, a pilot test involving 30 respondents was conducted to evaluate the validity and reliability of the research instrument. Content validity was assessed through expert review, while construct validity was examined using Confirmatory Factor Analysis (CFA). Reliability was evaluated using Cronbach's Alpha and Composite Reliability values. Quantitative data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4.0. The analysis included measurement model evaluation through validity and reliability assessments, followed by structural model evaluation through path coefficients, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and hypothesis testing using bootstrapping with 5,000 subsamples. Qualitative data were analyzed using thematic analysis to identify key themes related to barriers and drivers of RTO adoption, supported by NVivo software for systematic coding. The quantitative and qualitative findings were subsequently integrated to formulate strategic, institutional, and policy recommendations aimed at increasing awareness, strengthening consumer confidence, and improving RTO adoption among Generation Z and Millennials in Indonesia.

RESULTS AND DISCUSSION
Qualitative Analysis
Informant Profile

Before entering the results and analysis stage, the researcher decided to include the profiles of the sources that had been obtained. As previously explained, this study uses a qualitative method by interviewing expert resource persons in the field of property and finance, the profile is as follows

Table 1. Profile of Expert Informants

Informant	Code	Expertise	Job Role	Experience	Interview Date
Property Expert	PE	Property	Director	15 Years	January 31 2026
Financial Expert	FE	Financial	Lecturer	21 Years	July 3 2026

Source: Primary interview data collected by the authors (2026).

Based on the previous explanation, data collection in the qualitative method was carried out by semi-structured interviews to dig deeper into the information needed for the research. Based on the research, Yulisma et al (2023) explained that their data collection used semi-structured interviews with interviews that referred to a series of open-ended questions. This method allows new questions to arise, because the answers from the resource persons during the session can be used to dig deeper information.

In addition, from the results of the interview, the researcher will analyze and interpret the answers from the resource persons through the answers that have been made in the transcript in the table below. Referring to the research journal from Hasniyati & Zafira (2021) which uses qualitative and thematic analysis methods, this research uses these methods with the aim of identifying, analyzing, and interpreting patterns of meaning (themes) in data, such as interview transcripts or other texts

Based on Malterud et al. (2016) explains that they propose the "information power" concept to guide adequate sample size for qualitative methods. The concepts indicates that the more information the sample holds, relevant for study, the lower amount of participants needed. They also suggest the size of a sample with sufficient information power its depands on the aim of study, sample specificity, use of established theory, quality of dialogue, and analysis strategy.

Based on Bogner and Menz (2009) in Döringer (2021) explains that the exploratory expert interview is frequently used to gain knowledge and orientation in unknown or hardly known fields, that helps to structure complex field and to generate first hypotheses. In this context, the interviewees can either be part of the field on interest or serve as an external source of knowledge by providing contextual knowledge about the target group.

Based on some of the explanations above, this study uses an exploratory expert interview approach to understand the complexity of the property landscape and financial literacy in the context of rent-to-own schemes before being used as a strategy. In this study, two resource persons were selected, namely experts in the field of Property and the field of Finance. Referring to the concept of "information power," the two speakers have expertise in their fields and are experienced, the resource persons in the property sector have been in their fields for 15 years, and the finance resource persons have been in their fields for 21 years. So the two speakers have information power that can support the purpose of this research.

Then the answers from the two experts will be used as a transcript made in the form of a table as follows:

Table 2. Summary of Semi-Structured Interview Results

Variable	Indicator	Ringkasan Hasil Wawancara
Attitude toward RTO	Desire for Homeownership	Milenial memiliki keinginan memiliki rumah lebih tinggi dibanding Gen Z. Developer diharapkan menyediakan skema RTO yang lebih mudah dan melibatkan pihak lain.
	Aversion to Renting	Generasi muda masih memilih menyewa karena keterbatasan ekonomi. RTO dipandang sebagai jembatan menuju kepemilikan rumah dengan dukungan pemerintah atau lembaga keuangan.
Subjective Norms	Comparison with Others	Milenial lebih terpengaruh oleh lingkungan dibanding Gen Z. RTO perlu diposisikan sebagai keputusan finansial yang cerdas.
	Familial Expectation	Harapan orang tua untuk memiliki rumah masih memengaruhi keputusan Gen Z. Edukasi dan kampanye pemerintah diperlukan untuk meningkatkan kepercayaan terhadap RTO.
	Milestones	Pernikahan menjadi pemicu utama keputusan membeli rumah atau menggunakan skema RTO.
	Modelling	Gen Z lebih meniru gaya hidup dan cara memperoleh penghasilan dibanding keputusan memiliki rumah.
	No Influence	Individu yang mandiri secara finansial cenderung mengambil keputusan sendiri. Mereka membutuhkan skema RTO yang transparan dan fleksibel.
	Partner Influence	Pasangan memiliki pengaruh besar dalam keputusan menggunakan skema RTO, terutama istri.
	Peer Attitudes	Ketidakjelasan regulasi dan biaya menjadi penyebab utama keraguan terhadap RTO.
	Societal Norms	Milenial masih menganggap rumah sebagai simbol kesuksesan, sedangkan Gen Z memiliki definisi sukses yang lebih luas.
	Values of Upbringing	Pendidikan keluarga tentang investasi memengaruhi minat terhadap RTO, meskipun penerimaan Gen Z belum tentu sama.
Perceived Behavioral Control	Affordability	Hambatan utama bukan harga, tetapi keterbatasan penyedia RTO. Skema ini dinilai lebih terjangkau dan menguntungkan karena harga dapat dikunci sejak awal.
	Confidence	Gen Z dan Milenial masih ragu akibat kondisi ekonomi. Developer dinilai sulit memberikan jaminan tambahan karena berisiko terhadap bisnis mereka.
	Navigation	Tahap kontrak dan perubahan status dari penyewa menjadi pemilik merupakan proses yang paling membingungkan. Belum tersedia layanan pendukung yang memadai.
Behavioral Intention	Tangible Intention	Konsumen cenderung membandingkan simulasi biaya sebelum mengambil keputusan. Belum ada strategi khusus dari developer untuk mendorong keputusan tersebut.
Actual Behavior	Current Renting Status	Sebagian besar Gen Z dan Milenial masih menyewa. Mereka yang telah memiliki rumah umumnya sudah mapan secara finansial atau memperoleh bantuan keluarga.
	Future Renting Choice	Tanpa skema RTO, generasi muda cenderung tetap menyewa. Edukasi dan dukungan pemerintah menjadi faktor utama yang dapat mendorong peralihan

	ke RTO.

Source: Interview Result from Property Expert (2026)

The interview findings indicate that Millennials have a stronger desire to own a home than Generation Z. While Millennials generally view homeownership as an important life achievement, Generation Z tends to prioritize assets that generate immediate income and support their preferred lifestyle. Continuous renting is largely influenced by consumer-oriented spending habits, limited financial literacy, and insufficient long-term financial planning. Social factors also shape housing decisions. Comparisons with peers, family expectations, role models, and partners influence financial behavior, although Generation Z does not always regard homeownership as a symbol of success. Marriage is considered the main milestone that encourages younger people to begin planning for homeownership, while individuals with mentors and stronger financial knowledge tend to make more independent decisions.

The experts also emphasized that the successful implementation of the rent-to-own (RTO) scheme requires strong government and institutional support. Financial institutions, developers, and government agencies should collaborate to provide clear regulations, consumer protection, and educational campaigns to increase public confidence in the scheme. Interviewees highlighted that many young people remain hesitant to adopt RTO because of uncertainty regarding contract terms, the transition from tenant to homeowner, and the limited availability of RTO providers. They also recommended developing supporting services and digital platforms to simplify the process and improve transparency. Without these improvements, many young adults are expected to continue renting rather than pursuing homeownership.

From a financial perspective, the experts observed that Generation Z generally has the ability to earn a reasonable income but often struggles with financial management due to high discretionary spending and a preference for investments with quick returns. The main barriers to homeownership include weak saving habits, inadequate financial planning, and limited understanding of concepts such as down payments and long-term commitments. Only around 10–20% of young people are estimated to have a concrete homeownership plan within the next three to five years, while approximately 30% may have long-term intentions. Marriage and parenthood were identified as the strongest triggers for improving financial discipline, encouraging gradual savings, the establishment of emergency funds, and better budgeting practices. Overall, improving financial literacy, expanding professional networks, and promoting consistent saving behavior are considered essential to increase homeownership readiness among Generation Z and Millennials.

Quantitative Analysis

Respondent Profile

Based on the diagram of the status of residential ownership above, of the 300 respondents who filled in, it shows that most of the respondents do not have their own houses. Respondents who still live with parents or siblings have a percentage of 40.3%, then 37% already own their own house, and 22.7% live in rented houses. The majority of respondents in this study are segments or groups that do not have their own houses, namely still living with parents or siblings and still renting, so they still have a focus on potential segments that can be directed to use the rent-to-own scheme as home ownership. Based on these results, respondents who do not have a house are a potential segment, and this is in line with data from BPS (2023) which states that more than 81 million young people in Indonesia do not own a house.

Based on the diagram above, the majority of respondents in this study were in the age of group 18-25 years, which was 57,3% of the total respondents. Then the second most respondents were aged 26-40 years, which wa 38% of the total respondens. Then followed by the third most respondents, namely those over 40 years old, and the last one less than 18 years old. According to the research from IDN Times, only 24% of their respondents who fail into the millennial category save up to buy a house. According to millennials, buying a home is an important step towards financial maturity and creating strong relationship in a community. Meanwhile, based on the Gen Z, owning a house is one of the investment instruments, but saving to buy a house is a top priority for Gen Z aged 21-26 who are a productive group. Residential ownership is considered the key a stable future amid economic uncertainty (KFMAP, 2024).

Based on the diagram above, it can be seen that the majority of thos whi filled out this research questionnaires were female, which was 66,7% of the total respondens. Then the male respondents were 33,3% of the total responden.

Baased on the result of a survey from Sun Life Indonesia, the role of women in household financial management is increasingly dominant. As many as 62% of women are the main decision makers in family financies, even increasing to 92% for those who are the backbone of the family (OLENKA, 2026). Another survey from Allianz stated that 53% of women identified themselves as their household chief financial officers. Millennial women have a higher percentage of 63% compared Gen X and Baby Boomers. The data shows that women have a high involvement in long-term financial planning, including asset ownership (INVESTING.COM, 2026)

Based on the results of the diagram above, it can be seen that respondents with an income of 5-10 million per month are the most with a percentage of 41% of the total respondents. Then the second most is with monthly income, which is less than 5 million per month with a percentage of 29% of the total respondents. In addition, respondents with an income of 10-20 million per month are the third, and the last respondent with an income of more than 20 million per month.

Those condition is very relevant to the context of this study, because the findings above are the financial reality that faced by Gen Z and Millennials, namely the gap between their income level and property prices that are always increasing in big cities. Therefore, the rent-to-own scheme is very relevant because it can be an alternative to home ownership that is more accessible for the group of the respondents in this study, because the scheme offers flexibility without strict requirements. Based on the results of the diagram above, it can be seen that out of 300 respondents, the group of respondents who have no dependents at all is the most with a percentage of 42.7%. Then the respondents with the number of 2 dependents were the second most with a percentage of 20.3%, followed by the third place, namely respondents with 1 number of dependents of 16.3%, respondents with 3 dependents of 10%, and respondents with a total of 4 dependents of 8.3%. The last is the respoden with 5 and more than 5 number of dependents that must be borne financially.

Based on the results of research from Wijaya & Anastasia (2021), the factors that millennials consider regarding home ownership are family and external factors, finances and environment, physical conditions of the house, internal and taste. Meanwhile, the main obstacle from a financial point of view is the unavailability of financial support from the closest people, so they are hesitant to buy a house. The study also explains that it is very important for every individual to do financial planning as early as possible, especially those who have the goal of buying property. Based on the results of a survey of 300 respondents, the diagram above shows the latest education data which shows that the majority of respondents are highly educated, and the largest percentage is S1 graduates of 47%. Then high school graduates are the second most at 22.3% of the total respondents, the third most D3/D4 graduates at 21.3%, and the last is S2 graduates at 9.3% of the total respondents.

Based on the results of Mukhlis et al.'s (2023) research, it is explained that the majority of Indonesia's population consists of Gen Z and Millennials. Gen Z is known to be tech-savvy and active on social media, but tends to be consumerist and requires more financial literacy. The younger generation does understand the concept of financial management, but it does not guarantee that they will implement it. The financial literacy of the younger generation is relatively low, even though they are financially active.

In the context of homeownership, education can affect how well they can manage their finances and be able to understand home ownership schemes such as rent-to-own. Based on research from Muhammad & Wicaksari (2025), it is explained that higher education levels have a positive influence on the level of financial literacy and investment decisions of Generation Z.

Based on the results of the diagram above through a survey of 300 respondents, it can be seen that the employment status of the young generation is very diverse. The employment status that was most filled by respondents was Private Employees at 29.3% of the total respondents, then Self-Employed with a percentage of 17.7%, followed by SOE Employees at 17.3%, and Civil Servants at 14.3%. The last is the status of freelance work and still students with the same percentage, which is 10.7%.

Employment status is important to analyze because it greatly determines the ability to make a long-term financial commitment in home ownership in terms of income stability. The Indonesia Millenial and Gen Z Report 2025 explains that home ownership is the dream of the younger generation, but the biggest challenge is job uncertainty and property prices that are increasing (IDN Research Institute, 2024).

Based on the results of the survey above, out of 300 respondents, it turns out that the data shows that the majority of the respondents are not married. Based on research from Arifin & Tirta (2025), they quoted from BPS which explained that the marriage rate in Indonesia has decreased since 2024. Then based on research conducted by Salam (2025), it is explained that one of the reasons Generation Z postpones marriage is due to the instability of economic conditions, they are not financially prepared due to high wedding costs, household needs, and long-term financial plans such as buying a house.

The conditions that have been described above are social contexts and it is proven that the factor of marital status can affect the intention of the younger generation in home ownership. Rent-to-own schemes can be a relevant option for both segments if they have the right strategy in place.

Based on the results of a survey of 300 respondents, the domicile is fairly evenly distributed for the three major cities that are the focus of this research and in accordance with previous survey data. The majority of respondents who filled out this survey were in Bandung and its surroundings, which was 33.7% of the total respondents, then Surabaya and its surroundings with a percentage of 30.7%, and Jabodetabek at 28%, followed by other cities. This domicile option is listed because it is based on a survey that states that the property prices of the three cities are high and represent the urban population in Indonesia and contribute to property transactions.

Respondents who live in big cities have great financial pressure in owning a home due to the steady increase in property prices, which will affect the perception of housing affordability, including rent-to-own schemes. Based on research by Nugroho (2022) in Santoso & Widari (2025), it is explained that residential property prices in the city of Surabaya are in the highest average category with medium residential types compared to 5 major cities in Indonesia such as Bandung, Semarang, Yogyakarta, and Denpasar. Based on research from LPEM FEB UI (2019), the average house price in Indonesia reaches 20 times the annual salary, even in big cities such as Medan, Surabaya, and Batam, house prices can reach 23 times the annual salary. This makes it difficult for many people to buy a house.

Measurement Model Assessment

Table 3. HTMT Discriminant Validity Results

Variabel	ATRTO	BI	GIS	PA	PBC	PRRTO	PURTO	SN
Attitude Toward RTO (ATRTO)	–							
Behavioral Intention (BI)	0.772	–						
Government & Institutional Support (GIS)	0.777	0.628	–					
Perceived Affordability (PA)	0.732	0.774	0.674	–				
Perceived Behavioral Control (PBC)	0.880	0.664	0.692	0.685	–			
Perceived Risk of RTO (PRRTO)	0.211	0.235	0.269	0.414	0.260	–		
Perceived Usefulness of RTO (PURTO)	0.868	0.839	0.877	0.825	0.760	0.362	–	
Subjective Norm (SN)	0.888	0.891	0.625	0.735	0.666	0.208	0.806	–

Source: SmartPLS Data Processing Results 2026

After testing the convergent validity, then a test was carried out for discriminant validity taken from HTMT in the smartPLS software. The purpose of testing discriminant validity is to validate that each construct exhibits a stronger relationship with its own indicators than with other construct indicators. Based on Henseler in Hamid et al (2017) explain that, Henseler proposed the superior performance of this method by means of Monte Carlo simulation and found that HTMT is able to achieve higher specificity and sensitivity rates (97% to 99%) compared to the cross-loadings criterion (0.00%) and Fornell-Larcker (20.82%). If the value of the HTMT is higher that this threshold, one can conclude that there is a lack of discriminant validity. Some authors suggest a threshold of 0.85, but based on Gold et al (2001), he argued with it and proposed a value of 0.90.

Based on the results in the table above, it can be seen that all constructs have HTMT values below the threshold of 0.90, meaning that the discriminant validity value in each construct pair has been met, none of them exceed the threshold so that there is no need for improvement in the model. From the results of the HTMT, there are construct pairs that have high values, such as SN (Subjective Norms) and BI (Behavioral Intention) which have a value of 0.891, this happens because the two constructs are closely related theoretically, social pressure that has a correlation with behavioral intentions. Then the ATR (Attitude Toward RTO) and PBC (Perceived Behavioral Control) construct pairs had a value of 0.880, meaning that respondents who spread rent-to-own seema felt capable and able to use it.

Then in the pair of PRR (Perceived Risk) and SN (Subjective Norms) constructs with a value of 0.208 which is the furthest value from the threshold, meaning that the two constructs are completely different or have special characteristics compared to other constructs, almost all PRR constructs have low values. This happens because concerns about regulatory risks, provider credibility, and legal guarantees are very different from other constructs related to perception, affordability, and intentional behavior.

Table 4. Fornell–Larcker Discriminant Validity Results

Variabel	ATRTO	BI	GIS	PA	PBC	PRRTO	PURTO	SN
Attitude Toward RTO (ATRTO)	**0.760**							
Behavioral Intention (BI)	0.550	**0.845**						
Government & Institutional Support (GIS)	0.519	0.472	**0.794**					
Perceived Affordability (PA)	0.496	0.588	0.482	**0.741**				
Perceived Behavioral Control (PBC)	0.594	0.505	0.489	0.500	**0.795**			
Perceived Risk of RTO (PRRTO)	0.151	0.200	0.208	0.315	0.207	**0.848**		
Perceived Usefulness of RTO (PURTO)	0.554	0.596	0.585	0.555	0.526	0.262	**0.759**	
Subjective Norm (SN)	0.579	0.659	0.435	0.517	0.464	0.166	0.532	**0.778**

Source: SmartPLS Data Processing Results 2026

After testing HTMT, discriminant validity is also taken from the fornell-larcker criterion to reinforce the differences between each construct. Based on Hamid et al (2017) explain that, The fornell-larcker criterion method compares the square root of the average variance extracted (AVE) with the correlation of latent constructs. A latent construct must explain better the variance of its own indicator rather than the variance of other latent constructs. Therefore, the square root of each construtcs AVE should have a greater value than the correlations with other latent constructs (Hair et al., 2014).

Based on the results in the table above, it can be seen that the indicators in this study variable have been discriminatically valid through the AVE fornell-larcker criterion test, the latent construct can estimate the indicators in the block better than the indicators in other blocks. These findings are also consistent with the results in HTMT testing which showed no problems in the construct pair. So, the model used in this study is feasible to use.

There are interesting findings from the results in the table above, the PRR (Perceived Risk RTO) construct has a greater value of 0.848. This means that the construct has a completely different concept from other constructs. This finding is very consistent when viewed from the HTMT method, almost all PRR constructs have low values compared to all constructs.

At this stage, testing is carried out for the inner model using the VIF method. Based on Subhaktiyasa (2024) explain that on his research, the higher VIF value, the greater the level collinearity between predictor constructs. Based on Hair et al (2019) in Subhaktiyassa (2024), recommend a VIF value lower than 3 to indicate no multicollinearity, because a collinearity problem may exist when the VIF value is three or greater and below 5.

Based on the test results from the table above, it can be found that each item has a value of less than 3. It can be concluded that there is no problem of multicollinearity between indicators or no high correlation between latent variables. The results of the test with VIF showed that none of the items exceeded the standard value, so it can be concluded that the model is in accordance with the data that has been collected and that each indicator is very different or does not measure the same as the other indicators. Based on Kock (2015) explain that if all VIFs resulting from a full collinearity test are equal to or lower than 3.3, the model can be considered free of common method bias. From that explanation, it can be concluded that this research model that common methods can not be a serious problem.

Table 5. Path Coefficients and Hypothesis Testing Results

	Original Sample	Sample Mean	Standard Deviation	T-statistics	P-Values
ATR <-> BI	0.161	0.159	0.066	2.439	0.015
GIS <-> ATR	0.246	0.244	0.067	3.652	0.000
GIS <-> SN	0.435	0.438	0.049	8.951	0.000
PA <-> ATR	0.228	0.230	0.067	3.392	0.001
PA <-> PBC	0.296	0.297	0.063	4.671	0.000
PBC <-> BI	0.186	0.189	0.063	2.942	0.003
PRR <-> ATR	-0.049	-0.047	0.047	1.048	0.295
PRR <-> PBC	0.020	0.027	0.049	0.409	0.682
PUR <-> ATR	0.297	0.299	0.062	4.785	0.000
PUR <-> PBC	0.356	0.358	0.062	5.748	0.000
SN <-> BI	0.480	0.481	0.054	8.850	0.000

Source: Processed by the authors using the Bootstrapping procedure in SmartPLS 4.0 (2026).

After testing the model and it has been declared valid, then structural model testing is carried out to evaluate the relationship between constructs and test research hypotheses using smartpls software through calculations from bootstrapping. Based on research from Santy et al (2024), the results of their study explain that if the T-statistic value is greater than the T-table which is 1.96, and the p-value is less than 0.05, then the hypothesis will be accepted.

Based on the results in the table above, it can be seen that there are 9 hypotheses accepted and 2 hypotheses rejected. The rejection of H1 and H2 is noteworthy. Perceived Risk does not significantly influence attitude toward RTO (ATR) or Perceived Behavioral Control (PBC). This may indicate that, the RTO concept is so novel that respondents have not yet formed risk perceptions, respondents perceive RTO as inherently risky but this doesn't deter them if other factors (affordability, institutional support) are favorable.

From the findings above, there is the most significant SN (Subjective Norms) which is the strongest predictor of BI (Behavioral Intention). Then GIS (Government & Institutional Support) with SN (Subjective Norms), it shows that support from institutions and also the government for the use of rent-to-own schemes is the most dominant external factor that shapes social norms. For other hypothesis interpretations, we can see the following:

1. H1 = Based on the results in the table, Perceived Risk RTO (PRR) did not have a positive and significant effect on Attitude Toward RTO (ATR) because the path coefficient value was -.0.049 with a T-statistic value of 1.048. The value is less than 1.96, and the p-values are 0.295 or more than 0.05, meaning that hypothesis 1 is rejected.
2. H2 = Perceived Risk RTO (PRR) also did not have a positive and significant effect on Perceived Behavioral Control (PBC) because the path coefficient value was 0.020 with a T-statistical value of 0.409 or less than 1.96 and a p-value of 0.682 or more than 0.05. This means that hypothesis 2 is rejected.
3. H3 = Perceived Affordability (PA) had a positive and significant effect on Attitude Toward RTO (ATR) because the path coefficient value was 0.228 with a T-statistical 3.392 and p-value of 0.001 or greater than 1.96 and p-values of 0.001 or less than 0.05. This means that hypothesis 3 is accepted.
4. H4 = Perceived Affordability (PA) has a positive and significant effect on Perceived Behavioral Control (PBC) because the path coefficient value is 0.296 with a T-statistical value of 4.671 or greater than 1.96 and a p-values value of 0.000 or less than 0.05. This means that hypothesis 4 is accepted
5. H5 = Government & Institutional Support (GIS) has a significant positive effect on the Subjective Norm (SN) because the path coefficient value is 0.435 with a T-statistics value of 8.951 or more than 1.96 and a p-value of 0.000 or less than 0.05. This means that hypothesis 5 is accepted.
6. H6 = Government & Institutional Support (GIS) has a positive and significant effect on Attitude Toward RTO (ATR) because the path coefficient value is 0.246 with a T-statistics value of 3.652 or more than 1.96 and p-values of 0.000 or less than 0.05. This means that hypothesis 6 is accepted.
7. H7 = Perceived Usefulness (PU) had a positive and significant effect on Attitude Toward RTO (ATR) because the path coefficient value was 0.297 with T-statistics of 4.785 or more than 1.96 and p-values of 0.000 or less than 0.05 which means that hypothesis 7 is accepted.
8. H8 = Perceived Usefulness (PUR) has a positive and significant effect on Perceived Behavioral Control (PBC) because the path coefficient value is 0.356 with a T-statistics value of 5.748 or more than 1.96 and a p-value of 0.000 or less than 0.05, meaning that hypothesis 8 is accepted
9. H9 = Attitude Toward RTO (ATR) has a positive and significant effect on Behavioral Intention because the path coefficient value is 0.161 with a T-value of 2.439 or greater than 1.96 and a p-value of 0.015 or less than 0.05, meaning that hypothesis 9 is accepted.
10. H10 = Subjective Norms (SN) have a positive and significant effect on Behavioral Intention because the path coefficient value is 0.480 with a T-statistics value of 8.850 or more than 1.96 and a p-values value of 0.000 or less than 0.05, meaning that hypothesis 10 is accepted.

11. H11 = Perceived Behavioral Control (PBC) had a positive and significant effect on Behavioral Intention because the path coefficient value was 0.186 with a T-statistical value of 2.942 and a p-value of 0.003 or less than 0.05, meaning that hypothesis 11 was accepted.

Table 6. Effect Size (f²) Results

	ATR	BI	GIS	PA	PBC	PRR	PUR	SN
ATR		0.028						
BI								
GIS	0.062							0.233
PA	0.054				0.088			
PBC		0.043						
PRR	0.004				0.001			
PUR	0.081				0.131			
SN		0.295						

Source: Processed by the authors using SmartPLS 4.0 based on structural model analysis (2026).

Based on the theory from Cohen (1998) in the research of Binus (2021) explained that changes in the R-Square value can be used to see whether the influence of exogenous latent variables on endogenous latent variables has a substantive influence, this can be measured by the effect size f-square, and Cohen suggested that the effect size value of f-square is 0.02 meaning that the exogenous latent variable has a small influence, 0.15 moderate, and 0.35 large at the structural level.

Based on the results in the table above, it can be seen that there are two paths that have a value below 0.02, namely the path from PRR to ATR and PRR to PBC because indeed both hypotheses are rejected. It can be concluded that these findings do not contribute anything and show that rent-to-own schemes in Indonesia are still relatively new, the younger generation still needs a deep understanding of the risks of the scheme in order to influence their perception in evaluating attitudes and confidence.

In addition, there is a path with the largest value, namely from SN to BI, it has a value close to 0.35, which is 0.295, so that the path is included in the category of approaching large effect. This finding is consistent because Subjective Norms (SN) on path coefficients have a significant value on Behavioral Intention (BI), meaning that the influence of social norms on the intention to use rent-to-own schemes is not only from the sample size, but also has a strong meaning and influence for the younger generation in making financial decisions.

Then the path with a moderate effect size is from GIS to SN because it has a value of 0.233. The findings are also consistent because in the previous results, GIS to SN had a high T-statistics value or had a significant effect. Based on these results, if there is support and there is a clear regulation from the institution or the government regarding the rent-to-own scheme, it will affect the perception of the social norms of the younger generation towards the scheme.

Apart from the two results above, there is also an effect size that is included in the small category but still has meaning in survey-based research, the explanation below is as follows:

a. PUR to PBC (0.131) This means that it is between small and moderate. It can be concluded that Perceived Usefulness can make a significant contribution in increasing financial confidence to run a rent-to-own scheme.
b. PA to PBC (0.088) This means that it is included in the small category and it can be concluded that the perception of affordability contributes quite a bit to behavioral control.
c. PUR to ATR (0.081) It is included in the category of small effect and it can be concluded that the rent-to-own scheme has benefits that can affect positive perception from a financial point of view.

d. GIS to ATR (0.062) It is included in the category of small effect, meaning that support from institutions can affect the evaluation of rent-to-own schemes.
e. PA to ATR (0.054) Included in the Small category, it means that affordability can also contribute enough to the assessment of rent-to-own schemes.

Business Solution

In this section, we will explain the solutions made based on the findings in the previous sub-chapter. The solution provided comes from statistical results using PLS-SEM testing and is strengthened by the perspectives of the two speakers who are experts in the field of property and finance.

Regulatory and Institutional Support

Based on the results of the test through smartpls software, the GIS (Government and Institutional Support) variable has two coefficient paths with high values. First, GIS affects SN (Subjective Norms) with a high coefficient value of 0.435 with a T-statistical value of 8.951 and p-values of 0.000. This means that with financial institutions or governments that can support and make clear rules regarding rent-to-own schemes, Generation Z and Millennials will consider the scheme as a trustworthy, attractive, legal, and socially acceptable option. This can affect the intention for the younger generation to choose the rent-to-own scheme as home ownership, because the SN variable affects BI (Behavioral Intention) with high coefficient values and T-statistics.

Second, the GIS variable also affects the ATR (Attitude Toward RTO) variable with a coefficient value of 0.246, T-statistics 3.652, and p-values of 0.000. This means that with the certainty of regulations and financial institutions that support this rent-to-own scheme, it will make the younger generation judge that the scheme is reasonable and profitable in terms of finances.

Based on the qualitative results, resource persons from the property sector have answered that third parties must be involved, namely the government or financial institutions to support schemes and consumers. In addition, there is no provision or service that can facilitate the rent-to-own scheme. Then the resource person in the financial sector added that there is a need for financial education for the younger generation, it can cause high trust if the education comes from an institution that has high credibility.

Financial Education and Literacy Program

The second solution proposed by the researcher is that there should be a program on education and financial literacy from relevant stakeholders to increase Generation Z and Millennials' understanding of financial planning and the benefits of rent-to-own schemes, so that the younger generation can make good financial decisions in the context of determining home ownership schemes.

Based on the quantitative results, the PUR (Perceived Usefulness RTO) variable affects PBC (Perceived Behavioral Control) with a coefficient value of 0.356, T-statistics of 5.748, and p-values of 0.000. This means that Generation Z and Millennials really understand the benefits of rent-to-own schemes from a financial point of view such as gradual payments towards home ownership, ease of financial planning, and being another alternative for those who cannot yet meet the requirements of the mortgage scheme, the higher their level of confidence that they are able to carry out their obligations to commit in the long term if they choose the rent-to-own scheme. In addition, the PUR variable also affects ATR (Attitude Toward RTO) with a coefficient value of 0.297, T-statistics 4.785, and p-values of 0.000. This means that the understanding of Generation Z and Millennials about the benefits of rent-to-own schemes can influence them to judge that the scheme is more profitable and reasonable than having to continue renting without a ownership plan.

Then from the qualitative results, based on financial resources, the younger generation, especially Generation Z, still cannot understand the concept of saving and investing properly, they can generate money, but are invested with the hope of a quick return. In addition, the younger generation likes to spend a lot on things that are not important, instead of prioritizing owning a house. Based on resource persons in the property sector, the younger generation still likes to compare financing simulations and which scheme is most suitable according to them.

Based on these two results, it is highly expected for relevant stakeholders to create a program to form a good financial mindset to support the younger generation in making long-term financial decisions and prioritizing owning a house. Financial education and literacy programs will also increase their understanding of financial planning and start taking concrete actions. The program must also be created and adapted to their habits when it comes to information and is easy to digest. With this program, their level of confidence will increase and the benefits of the rent-to-own scheme will also be more visible.

In order to make the solution more visible, the researcher decided to use the framework suggested by Keeney (1992), namely Valued-Focused Thinking, the visuals and explanations can be seen as follows:

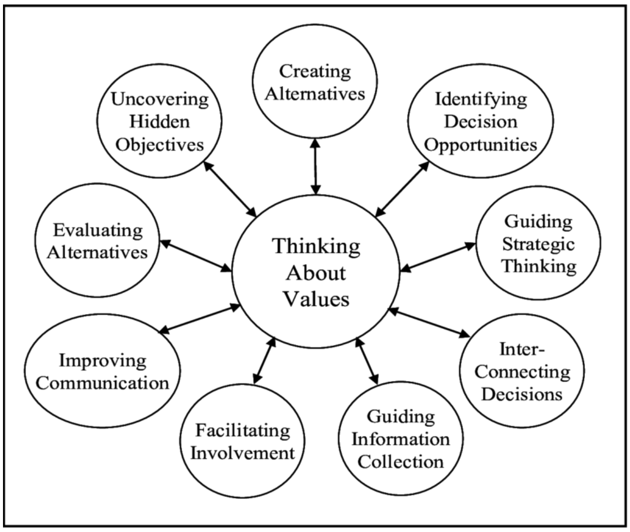

Figure 1. Respondent Demographic Profile

Source: Primary survey data collected and processed by the authors (2026).

Based on the theory of Ralph Keeney (1994) in the research of Gentil et al (2007) explained that VFT (Valued Focused Thinking) was developed by Keeney as an approach to making decisions. VFT emphasizes the value that is required to be the starting point before alternatives are formulated. Keeney explains "You cannot do operations research (OR) without values." Value is the main foundation for generating and evaluating alternative solutions. The decision-making developed through VFT, it will give rise to a hierarchy of values that can be used to evaluate and score each alternative with the aim of determining the best solution and the one that best suits the goals to be achieved.

Based on the image above, there are 10 elements of VFT that will be explained according to the context of this research, the explanation can be seen as follows:

1. Thinking about values, this is the main value, in the context of this research, the main value to be achieved is to increase understanding of the financial benefits of rent-to-own schemes and financial literacy of the younger generation.
2. Creating alternatives, this element encourages to create creative alternative solutions based on the value to be achieved. In the context of this research by creating a financing simulation based on a digital platform as a tool to make it easier for them to make calculations when using the rent-to-own scheme.
3. Identifying Decision Opportunities, This element helps identify when that important decision occurs. Based on the results of the interview, the younger generation began to

seriously do financial planning for home ownership when they were married and had children. This must be used properly when relevant stakeholders create an educational program.

4. Guiding Strategic Thinking, this is an element to direct decision-makers to be able to think strategically for long-term goals. Related stakeholders must be able to create educational programs that can change the mindset of the younger generation who were previously consumptive and prioritized non-essentials, to prioritize financial planning for long-term assets such as owning a house through a rent-to-own scheme.
5. Inter-connecting decisions, these are the elements that connect separate decisions into a single unit. The program made by related stakeholders must be able to explain that the decision to use the rent-to-own scheme is interrelated with financial planning and gradually, starting from saving, managing payments in stages to becoming a homeowner.
6. Guiding information collection, this element helps lead to gathering relevant and meaningful information. The educational program must explain in detail the cost comparison simulation regarding rent-to-own, mortgage, and ordinary long-term rental schemes, which is easy for the younger generation to understand.
7. Facilitating Involvement, this element aims to encourage all relevant parties to be actively involved. This program must be formed, especially from the government and financial institutions that can support developers in making schemes and can be used by the younger generation to increase insight and networking.
8. Improving communication, this element aims to help improve the way we communicate value to decision-makers. Financial education and literacy programs must be delivered in an easy-to-understand and interactive form, such as workshops, seminars, simulations, or whatever it is in the form of activities, so that the younger generation can try it directly.
9. Uncovering hidden objectives, The purpose of this element is to reveal hidden things that decision-makers are not aware of. The financial education and literacy program that will be created must be able to communicate that owning a house is a must, especially for the young generation who are married and have children, because they have entered the stage of managing their finances independently and meeting their housing needs independently, not necessarily about the rent-to-own scheme mechanism.
10. Evaluating alternatives, this element aims to systematically evaluate existing alternatives based on the values that have been set. The program to be created must improve the ability of the younger generation to evaluate such as comparing rent-to-own, mortgages, and ordinary rents adjusted to their financial condition.

Financial Planning Strategy

In this chapter, we will discuss solutions for Generation Z and Millennials in planning and gradually increasing their financial capacity towards home ownership through a rent-to-own scheme based on statistical results and observations from resource persons. This solution will use FES (Financial Education Savings) Model because it will design a strategy gradually so that the younger generation has a strong financial foundation first.

Based on the quantitative results, the PA (Perceived Affordability) variable affects the ATR (Attitude Toward RTO) variable because the coefficient value is 0.228, T-statistics 3.392, p-values 0.001. This means that the perception of affordability for RTO schemes from their financial condition, it has a positive influence on their assessment of these schemes. Then the PA variable also has an influence on PBC (Perceived Behavioral Control) because it produces a coefficient value of 0.296, T-statistics of 4.671, and p-values of 0.000. This means that the perception of affordability can affect the level of confidence of the younger generation to commit financially in the long term.

Based on the results of the financial sector, he identified that there is the biggest financial obstacle experienced by Generation Z and Millennials is that they still often spend large amounts on things that are not important, especially for Generation Z. In addition, this resource person also stated that there are aspects that are still not understood or difficult for the younger generation to face when it comes to home ownership, namely a large nominal down payment, and it can affect their intentions. From the problems conveyed by the speakers, he also provided a solution for the younger generation, namely having to learn to save so that they become addicts, such as setting aside how many percent when they get their first salary. So a financial planning strategy must start from changing daily financial habits first. Meanwhile, according to a property source, what is interesting about the rent-to-own scheme is that consumers can lock in the current price, pay gradually, and will not affect prices in the future.

The FES Model has the 6 elements proposed by Shockey & Seiling (2004) for financial behavior research, and was developed based on the design guidelines of the IDA (Individual Development Account) program of the Corporation for Enterprise Development (1999) and the "Making Your Money Work" curriculum (Owen et al., 1998). The model can be seen as follows:

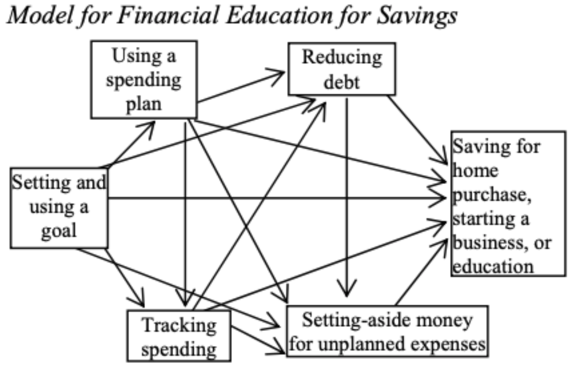

Figure 2. Value-Focused Thinking (VFT) Framework for Financial Education and Rent-to-Own Strategy

Source: Adapted from Keeney, R. L. (1992). *Value-Focused Thinking: A Path to Creative Decision Making*. Harvard University Press; adapted by the authors (2026).

Financial management is a complex behavior and decision that varies in importance and ease of application that is tailored to the needs, priorities, and abilities of individuals or families. Thus, this model is used to establish financial goals as a fundamental element by uniting all strategies, plans and expense recording to function as a tool that influences each other in the financial management process. Then debt reduction and emergency fund allocation have a role to protect and prevent disruption to the saving process, saving is the highest goal and leads to home purchases. Based on this, the strategy is formulated as follows:

1. Setting and using financial goals. At this stage, the younger generation must have a structured written document to determine targets such as the nominal monthly savings, the nominal amount of money for down payments, and set the time for how long. They can also use digital financial applications to record every progress
2. Using a spending plan. The younger generation can make 3 savings when they have received their first salary such as savings for mandatory needs, savings to buy a house, and savings for secondary needs.
3. Tracking spending. At this stage, the generation can create personal financial reports, even better if you use an automatic financial report application that can provide notifications, reminders, and categorize each transaction, so they can take good care of their finances.
4. Reducing debt. This stage is to prevent the younger generation from going into debt and not interfere with the saving process. At this stage, the younger generation can include a

warning sign on the application or record that they use to prevent debt from falling into the phenomenon of consumptive debt in the current digital era.

5. Setting aside money for unplanned expenses. This stage is to maintain a balance between an emergency fund and savings for home ownership. The younger generation can set the target of an emergency fund to be collected after receiving a salary in what month, if possible, there must be another separate account or a special investment application for an emergency fund only.
6. Saving money for home. At this stage, the younger generation can make projections either manually or using an automated application when a down payment or a simulated rent-to-own payment scheme can be realistically achieved. It would be even better if there was a program from relevant stakeholders regarding a system that connects rent-to-own schemes with the financial capacity of their digital savings or any application, so consumers don't look from scratch.

Implementation Plan & Justification

In this section, we will explain the details of the implementation based on the results of the business solution that have been explained in the previous chapter. The implementation plan uses a 5W+1H (What, Why, When, Where, Who, How) framework that must be identified and explored. This research does not mention one specific company, so the implementation that will be designed involves stakeholders such as the government, financial institutions, developers, scheme providers, and the younger generation as objects that receive benefits. The implementation plan can be seen as follows:

Implementation Plan

Table 7. 5W+1H Implementation Plan for Rent-to-Own Housing Strategy

Element	Explanation
What	Formal regulation by governments and financial institutions for rent-to-own schemes that include contract standards, consumer protection, guarantees for developers
Why	Statistical findings and insights from the resource persons about the absence of official provisions that are the standard for the current rent-to-own scheme
Where	Regulation-making must be applied to the whole of Indonesia, starting from the big cities
Who	Government from PUPR, OJK, Bank Indonesia, Developer
When	Start preparation for the first six months, trial for the next six months, evaluation and inauguration for one year
How	From the government, forming divisions for studies and drafting, collaborating with developers for trials, research on the impact on consumers, finalizing regulations.

Financial Education and Literacy Program

Element	Explanation
What	Financial education and literacy programs prepared with the VFT framework, such as digital financing simulation platforms, interactive workshops, and comparative education between rent-to-own, mortgage, and ordinary rent
Why	Statistical findings and insights from the resource persons are low urgency, education, and comparative behavior from the younger generation.
Where	National workshops, especially in big cities and digital platforms from stakeholders
Who	Government, Banks, Financial Institutions as informants who have high credibility
When	Workshop once every six months
How	Creating tools for simulation, collaborating with trusted institutions, creating workshops, always conducting evaluations, expanding programs.

Financial Planning Strategy

Element	Explanation
What	Structured financial planning compiled with the FES model, the younger generation can apply it through manual notes or applications.
Why	The findings from the results of statistics and insights from the speakers required the younger generation to strengthen the foundations of their financial planning first, after which they focused on prioritizing home ownership through rent-to-own schemes.
Where	The young generation throughout Indonesia.

Who	Generasi Z and Milenial
When	The first six months of goal setting, followed by spending plans, tracking spending, debt reduction, emergency funds and saving for rent-to-own. So it is done in stages
How	Set goals neatly and structured to be able to achieve the nominal savings, provide three savings, track with a manual or an easy-to-understand application, map out projections when home ownership can occur.

Source: Developed by the authors based on quantitative findings, qualitative interviews, and business solution analysis (2026).

Justification

This research does not focus on one specific company, each solution is made based on the results of statistics and insights from the selected sources. This research does not work with any company, and the implementation plan is based on the results of the analysis described earlier and is academic conceptual. It is hoped that further research can test these solutions together with relevant stakeholders to validate the implementation of these solutions in the field.

CONCLUSION

This study identified and empirically validated the key factors influencing the adoption of the Rent-to-Own (RTO) housing scheme among Generation Z and Millennials in Indonesia using an extended Theory of Planned Behavior (TPB) framework. The findings revealed that Perceived Affordability, Government and Institutional Support, and Perceived Usefulness significantly and positively influenced Attitude Toward RTO, Perceived Behavioral Control, and Subjective Norms, whereas Perceived Risk did not have a significant effect. This finding suggests that RTO remains a relatively new housing financing concept, and its associated risks may not yet be fully recognized by young consumers. Furthermore, Subjective Norms emerged as the strongest predictor of Behavioral Intention, followed by Perceived Behavioral Control and Attitude Toward RTO, highlighting the important role of social influence in shaping RTO adoption decisions. Based on the quantitative and qualitative findings, this study proposed three strategic interventions: establishing a clear regulatory framework for RTO schemes, developing financial education and literacy programs using the Value-Focused Thinking (VFT) framework, and implementing the Financial Education for Savings (FES) model to strengthen long-term financial planning among young adults. The study contributes theoretically by extending the TPB framework through four additional constructs and recommends stronger regulatory support, collaborative financial education initiatives, and digital financial planning tools to increase awareness and adoption of RTO schemes. Future research should examine changes in perceived risk as RTO becomes more widely implemented in Indonesia and evaluate the effectiveness of the proposed strategies through empirical implementation studies.

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