



EFFECT OF FINANCIAL TECHNOLOGY APPLICATIONS ON WEALTH ACCUMULATION AMONG GENERATION-Z IN SOUTHWEST NIGERIA

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Abstract

Financial technology (FinTech) applications have transformed the ways in which Generation-Z (Gen-Z) save, invest, and manage their finances, previous research has rarely distinguished between wealth-building and speculative digital financial behaviours. This study examined the effects of betting applications, cryptocurrency applications, and digital saving applications on wealth accumulation among Gen-Z in Southwestern Nigeria. Using survey data from 384 respondents born between 1997 and 2012 and analysed with Partial Least Squares Structural Equation Modelling (PLS-SEM), the findings indicate that digital saving applications have a significant positive effect on wealth accumulation and represent the strongest predictor of financial well-being. Cryptocurrency engagement also has a significant positive relationship with wealth accumulation, although its effect is comparatively weaker. In contrast, the use of betting applications has a significant negative effect on wealth accumulation. These findings demonstrate that digital financial behaviours are not homogeneous, highlighting the importance of distinguishing between productive and speculative forms of FinTech use. The study underscores the potential of structured digital saving platforms to promote long-term financial well-being among Gen Z and discusses implications for fintech product design, financial literacy programmes, and regulatory policy in emerging economies.

Keywords: wealth accumulation, generation-z, digital savings, cryptocurrency, betting

1. Introduction

Digitalisation of financial services has revolutionized how people save, invest and spend their money. Financial technology (FinTech) applications around the globe have reduced the costs associated with participation in formal financial services, allowing for savings, investment, and even speculation by populations previously denied these opportunities (Ozili, 2023; Wezel & Ree, 2023). The generation that came of age during the mid-1990s to early 2010s (Generation Z) is the first generation to grow up in this digitally enabled financial world. Gen Z in Nigeria now use three separate types of financial apps – betting apps, cryptocurrency apps, and digital saving/investment apps – to an increasing degree (Ezeocha, 2024).

These tools of digital finance are proliferating, bringing an important management and policy issue to the fore: do all of them contribute positively or negatively to long-term wealth accumulation? There is no easy solution. While the positive aspect of FinTech is increased access

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and financial inclusion (Zada et al., 2024), behavioural finance studies suggest that cognitive biases, including overconfidence, herd behaviour, and loss aversion, tend to drive young users towards speculative activities and zero-sum gains instead of financial savings (Sharma & Negi, 2025; Dadhich, 2026). This means that the same technology provides automated saving and high frequency betting and rapid cryptocurrency trading.

The tension is under-researched from a management perspective. The concept of 'digital financial behaviour' has been used in the existing literature as a relatively uniform construct, without distinguishing between behaviours that build wealth (such as systematic saving, diversified investment) and behaviours that deplete wealth (such as gambling) and/or are highly speculative (such as unhedged crypto speculation) (Brown & Yang, 2023; Newall et al., 2022). This mixing-up is not only problematic but also has four reasons why.

First, it renders the differential effects on financial outcomes invisible and can lead practitioners and policymakers to falsely believe that there are no differences among groups. Secondly, it fails to recognize that the same technology elements, automation, real-time feedback and gamification can also save or bet. Third, it fails to account for generation-specific dynamics: Gen-Z is more likely to be risk-takers, more influenced by peer pressure through social media, and less knowledgeable about finances than most similarly aged generations in past years (Deloitte, 2024; Lusardi, 2023).

Theoretical models in behavioural finance (Kahneman et al., 2021) and the Technology Acceptance Model (Davis, 1989; Papanikolaou et al., 2025) indicate that ease of use and perceived usefulness are the factors that influence adoption, but neither model accounts for the adoption of certain financial behaviours to future positive outcomes. In fact, the reason why young people favour small probability of large gains in cryptocurrency trading and gambling has been captured by prospect theory (Kahneman & Tversky, 1979), but studies on these behaviours have not employed the same empirical model. This is because both cryptocurrency investing and betting seem to reflect a small probability of large gains, which prospect theory (Kahneman & Tversky, 1979) captures, but studies examining these behaviours have not utilized the same empirical model.

Positive relationship between saving behaviour and asset accumulation has been consistently reported in the studies on digital savings applications (Enebeli et al., 2023; Bojuwon et al., 2023; Koomson et al., 2023). Research on cryptocurrencies reports that this asset class offers high potential returns, but with high volatility that depends on the financial education of the investors and on how long they remain invested (Wang & Li, 2024; Bouri et al., 2022). However, an examination of betting applications' impacts on financial wellbeing consistently identifies a negative impact, such as a decrease in savings and increased debt (Gainsbury & Blaszczyński, 2022; Andrade & Newall, 2023). However, no known study so far has made a comparative analysis of all three types in one sample at the same time, so managers, educators and regulators can't draw an order of digital financial behaviours.

The study aimed to fill this void by exploring the following research question: What are the differences between the impact of betting apps, cryptocurrency apps and digital saving/investment apps on the accumulation of wealth among Gen-Zs? Based on the behavioural finance theory and data from a survey of 384 Gen Z respondents in Southwestern Nigeria, a region in which a lot of people use FinTechs fast but do not have a great deal of financial knowledge. To achieve the study objectives, three hypotheses were formulated and tested.

H1: Betting application use has a negative association with wealth accumulation.

H2: Cryptocurrency application use has a positive association with wealth accumulation.

H3: Digital savings/investment application use has a positive association with wealth accumulation.

2. Literature Review

Conceptual Review

Financial Technology Applications

Financial technology applications are electronic platforms that provide financial services with mobile technology and technologies that are connected to the Internet. These apps allow you to save, invest, trade cryptocurrencies, make budgets, bet online, and more. Financial Technology (FinTech) is an integral part of financial services, where these applications integrate financial services with technology to enhance the accessibility, convenience, and user experience (Aviroevayen & Esther, 2023; Ozili, 2023).

The FinTech industry has significantly contributed to the digital financial inclusion in Nigeria by offering solutions that have bypassed traditional banking systems. In the case of the young adults, digital financial services are of special significance for people who have very high demands on mobile apps when it comes to everyday financial transactions (Wezel & Ree, 2023). Financial applications can be segmented by the function. This study is dedicated to three types of apps, namely digital savings and investment, cryptocurrency and betting apps. The categories have different functions and impact on monetary behaviour (Ozili, 2023).

Digital savings and investment applications are applications that are created to assist users save and invest in financial assets. Usually, these apps come with automatic saving, investment accounts, and financial planning tools. It has been found that such platforms can foster greater financial engagement, enhance savings habits and broaden participation in financial resources creation (Enebeli-Uzor & Mukhtar, 2023; Bojuwon et al., 2023). Convenience, ease and real-time financial monitoring are appealing features of these applications for Gen-Zs (Deloitte, 2024).

Cryptocurrency apps allow individuals to engage in transactions like purchasing, selling, holding, and trading digital currencies like Bitcoin and Ethereum, leveraging blockchain technology. There is a perception of high rewards and low barriers to entry that have made it popular among the Generation Z (Business Insider, 2024). Cryptocurrency investments, however, come with significant financial risks and volatility, meaning investors can potentially lose a lot of money (Wang & Li, 2024).

Betting applications enable users to make wagers on sporting events and other outcomes. Mobile betting has made gambling more accessible and convenient, and so more integrated into everyday life (Gainsbury & Blaszczynski, 2022). In contrast to the applications of saving and investing, betting applications are typically tied to wealth loss and not wealth accumulation, as the result of the wager is often random (Delfabbro & King, 2023).

Wealth Accumulation

Building wealth involves the gradual growth of money assets and/or net worth over time, through savings, investments, and other careful financial management. This includes ownership of financial assets like savings, stocks, bonds, cryptocurrencies, and real estate which play a role in long-term financial stability (Yeo et al., 2024; Mathew et al., 2024).

This is especially the case for young adults, as their choices early in life can have long-term consequences on their economic success. Such factors are savings behaviour, investment choices and financial literacy. Savings are the basic building blocks of investment; and good

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investment choices give people a chance to gain from compound returns (Lusardi, 2023; World Bank, 2022).

Theoretical Review

Behavioural Finance Theory

Behavioural Finance Theory is a reaction to the weaknesses of classical finance theories that predict that investors and consumers always make rational decisions that focus on the maximisation of wealth. The theory merges insights from psychology, sociology, and economics, providing a framework to understand the role of emotions, cognitive biases, and social influences in financial decision-making. Behavioural finance suggests that a rational decision-making process is not followed by individuals when making financial decisions since they are driven by psychological mechanisms, beliefs, emotions, and environment (Sharma & Negi, 2025).

An underlying assumption of Behavioural Finance Theory is that people suffer from cognitive biases. Cognitive biases are errors in thinking that result in systematic errors in judgment and decision making. Overconfidence bias, loss aversion, anchoring bias, herd behaviour, mental accounting and regret aversion are among the most frequently identified cognitive biases that occur in behavioural finance. Overconfidence bias is the tendency for people to believe that they know more or have more predictive power about financial things than they actually do. Loss aversion is the feeling of loss as being more painful than the feeling of gain (Kahneman, Sibony, & Sunstein, 2021).

Herd behaviour is another key principle in the Behavioural Finance Theory. Herd behaviour is when an investor makes a financial decision in reaction to what they see others are doing, rather than after analysing the situation themselves. The role of herd behaviour, especially amongst younger investors, has grown more prominent in modern financial markets, through social media, online investment communities and digital financial apps. When it comes to investing in cryptocurrencies, saving online, or choosing other financial apps, Generation Z users tend to look at the recommendations of others, influencers, and peers for guidance (Dadhich, 2026).

The impact of Behavioural Finance Theory for this study is that it allows for the explanation of the financial choices of Generation Z users of betting and cryptocurrency and other digital financial applications. It is proposed that financial behaviors are not solely driven by economic rationality, but also by emotional factors, cognitive biases, and social influences. Scenarios include a Gen Z person investing in cryptocurrencies because of herd mentality, betting because of a lack of confidence in predicting the result, or always using digital savings applications because of positive financial attitudes and self-control. The behavioural tendencies eventually affect a person's wealth accumulation ability (Sharma & Negi, 2025).

Technology Acceptance Model (TAM)

Davis (1989) created the Technology Acceptance Model (TAM) to explain and predict people's acceptance and use of information technologies. It's now adopted by different industries, including banking, education, healthcare, e-commerce, and financial technology, as one of the most influential theories that explains technology adoption. According to TAM, there are two factors affecting users' decisions to adopt and use a technology: perceived usefulness and perceived ease of use. The attitude of the user is determined by these factors, then attitude would affect attitude to use and behaviour of use (Firmansyah et al., 2022).

The model states that perceived usefulness is the belief that using a specific technology will enhance some aspect of performance, productivity or outcomes. For financial applications,

perceived usefulness refers to the degree to which users think that digital saving applications, cryptocurrency sites, mobile banking apps, or investment apps can identify them more effectively to their financial objectives. If users feel a financial application is of value, they will be more inclined to use and adopt it. Perceived usefulness is a key determinant in the adoption and usage of technologies, as evidenced by a robust body of literature on fintech adoption (Papanikolaou et al., 2025).

The second big factor of TAM is perceived ease of use. This is a person's level of confidence in the ease of using a technology. Technology which is simple, user friendly and easy to navigate tends to be more readily accepted by users. For the financial sector, this could encompass features like user-friendly interfaces, straightforward registration processes, secure transactions, and customer support channels. Financial technologies are more likely to be adopted by users if they believe that the technology is easy to understand and use (Papanikolaou et al., 2025).

The relevance of TAM to this study is because it can explain why financial applications like betting, cryptocurrency, digital savings or investment applications are adopted by Gen-Z. Generation-Z is considered as a digital generation, where the use of technology is a common practice in financial transactions. The choice of these applications is mainly influenced by user perceptions of their usefulness and usability, TAM says. For instance, Gen-Z users might use cryptocurrency apps due to their believed investment benefits. Digital savings applications, however, could be adopted due to its ease to save and financial planning (Firmansyah et al., 2022).

Empirical Review

With the fast development of financial technology and the rise of digital financial services, empirical studies on financial applications and wealth accumulation have grown in size in recent years. Zada et al. (2024) reviewed the current state of fintech innovation and financial inclusion in emerging economies through a systematic review. The study concluded that financial technology applications have a significant impact on access to financial services and positively influence financial savings and investment behaviour. The researchers were able to conclude that the fintech application positively affects the accumulation of wealth by lowering the barriers to financial participation and giving financial management tools to users that are efficient.

Likewise, Ezeocha (2024) studied financial technology and financial inclusion in Nigeria and stated that through the use of digital financial services, the access to savings and investment opportunities, and credit facilities among young adults has improved. The study also showed that greater access to digital financial systems leads to financial empowerment and wealth creation. In his article on the evolution of fintech research, Liu et al. (2024) noticed that digital financial applications have been gaining significance as tools for personal financial management. They found that people who use financial apps tend to save more, budget better and invest more than those who do not.

In the Nigerian setting, Adelaja et al. (2023) examined the effect of digital financial services on financial inclusion among Nigerian youths. The study revealed that mobile financial applications have had a positive impact on financial services access and have fostered regular saving behavior. The results highlighted that digital financial platforms are crucial for financial discipline and building wealth among youth. Sharma et al. (2024) contended, however, that the advantages that digital financial applications offer will rely on the financial literacy of the users. While digital financial services may offer greater access to these services, these services may also lead to poor investment outcomes, financial loss, and fraud if users lack the financial knowledge to make the best decisions, the researchers said.

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With respect to cryptocurrency applications, Wang and Li (2024) studied cryptocurrency investment behavior, and they concluded that cryptocurrency applications offer avenues for wealth generation via investment gains and diversification of investment portfolios. The research showed that investors who applied the principles of disciplined investing have seen positive results in their investments over time. The researchers did point out, however, that the market for cryptocurrencies is quite volatile, and investors must be aware that the risk for investment in the cryptocurrency market is quite high. Bouri et al. (2022) examined the behavioural finance evidence on cryptocurrency markets and concluded that digital assets are a ripe environment for wealth creation but also present investors with substantial risk.

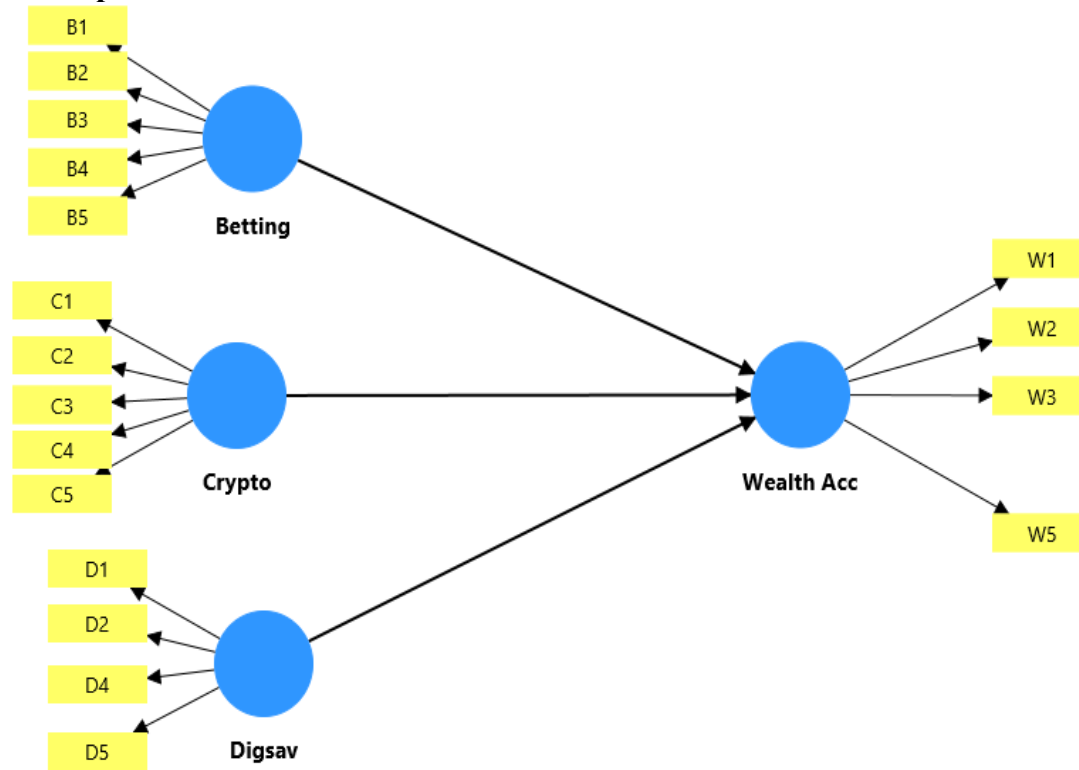
The intention and decision-making paradigms of young investors were investigated by Hassan et al. (2023). They found that many young people are drawn into cryptocurrency investments due to the high returns. But the study also revealed that people make a poor choice of investments due to emotional decision making, herd mentality and lack of financial knowledge. Based on these results, it can be concluded that cryptocurrency applications have the potential to help or hinder in the creation of wealth, depending on the level of investment knowledge and behavioural traits of the users.

Compared with digital financial applications and cryptocurrency platforms, research on betting applications has yielded mainly findings of detrimental impacts on wealth accumulation. Gainsbury and Blaszczynski (2022) explored gambling experiences in digital betting contexts and concluded that higher levels of online wagering correlate with greater financial losses and lower savings. The study found that a lot of people are involved in the repetitive betting action to make back up their losses, thereby increasing their financial difficulties. Andrade and Newall (2023) explored gambling-related harms in digital environments and found adults use of gambling apps is associated with an increase in gambling related activity among young adults. Their research showed that over-betting is associated with financial instability, debt loads and a decrease in wealth accumulation.

Financial literacy has become a vital component of the interaction between financial applications and adding to wealth. Fisker et al. (2023) concluded that financial knowledge positively influences the effective use of financial technologies and the building of productive assets. Likewise, She et al. (2024) found that the financial knowledge has a positive effect on financial behaviour, financial participation, and financial planning. The results revealed that those with lower financial literacy are more likely to suffer from the negative impacts of digital financial applications and make risky choices.

The reviewed empirical studies generally support that digital financial applications have a substantial positive impact on the accumulation of wealth through an improvement in savings behaviour, financial planning, participation in investments and financial inclusion. While cryptocurrency apps offer financial opportunities, they also come with significant risks, particularly those related to market volatility and speculative trading practices. Betting applications, however, are always linked with monetary losses, savings decreases, and losses in wealth. However, there are limited empirical studies on the effect of these financial applications on the accumulation of wealth among the generation Z in Nigeria; which necessitates the present study.

Conceptual Framework



Source: Researcher Study, 2026

The conceptual framework shows the link between financial applications and the accumulation of wealth by the Gen-Z in Nigeria. Independent variables are betting apps, cryptocurrency apps, and digital savings/investment apps, and dependent variable is wealth accumulation. Both the arrows and the strength of the influence were rated from the perspective of each app type to the accumulation of wealth.

Betting apps are expected to affect wealth accumulation due to financial risk negatively. In a volatile market and with varying levels of user knowledge, Cryptocurrency apps can either have a positive or negative impact. Digital saving and investment applications, on the other hand, will have a positive impact on wealth creation by fostering disciplined saving and investment practices. The framework highlights the impact of various financial apps on Gen-Z's wealth, with betting apps potentially decreasing the wealth, cryptocurrency apps having either a positive or negative impact, and digital savings/investment apps encouraging the growth of wealth.

3. Methodology

This study used a quantitative design to investigate the influence of financial applications on the accumulation of wealth of generation Z in selected South western states of Nigeria. A quantitative approach was adopted because it was necessary to provide quantifiable evidence of the relationship between financial application usage and wealth accumulation outcomes.

The study participants were the Gen Z born between 1997 and 2012 in the Southwestern, Nigeria. Using a structured sampling technique, 424 respondents were selected to ensure representativeness of the sample. This sample size was based on the statistical adequacy for regression analysis and the generalizability of the results, based on Cochran's (1977) formula for large populations, with a 10% margin of error.

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The sampling technique adopted was multi-stage: first, Southwestern Nigeria states/cities were purposefully selected where fintech was used the most. Following this, stratification by age group (18–22, 23–26, 27–30) was conducted to ensure a representation of the age range of Generation-Z. Lastly, questionnaires were distributed via convenience sampling and snowball sampling via online survey platforms, social media, University networks and youth organisations.

Primary data were obtained through a structured questionnaire that captured respondents' engagement with three categories of digital financial applications, namely betting applications, cryptocurrency applications, and digital saving and investment applications. In addition, the instrument contained questions on saving behaviour, investment practices, and perceived financial stability to evaluate their relationship with wealth accumulation. A total of 424 questionnaires were administered and all were returned, yielding a response rate of 100%, which ensured complete data for the analysis. In view of ethical considerations, all participants were assured of their confidentiality, anonymity and their freedom to participate. Ethical consideration was taken care of before data collection, hence standards in research were met.

This study uses the structural model to analyze the effect of three constructs of financial applications to the accumulation of wealth. The model of the Structural Equation is shown as follows: $\eta WA = \beta_1 \xi BA + \beta_2 \xi CA + \beta_3 \xi DSA + \zeta$; where: η_1 (WA) = Endogenous latent variable (Wealth Accumulation); ξ_1 (BA) = Exogenous latent variable (Betting Applications); ξ_2 (CA) = Exogenous latent variable (Cryptocurrency Applications); ξ_3 (DSA) = Exogenous latent variable (Digital Savings/Investment Applications); $\beta_1 - \beta_3$ = Path coefficients (standardised regression weights) representing the direct effects of each exogenous construct on the endogenous construct; ζ (Zeta) = Structural error term (unexplained variance in the endogenous construct)

Each latent variable is operationalised using reflective measurement models, as the indicators (questionnaire items) are considered manifestations of their respective constructs: $XBA = \lambda BA1 \xi BA + \delta BA1$; $XCA = \lambda CA1 \xi CA + \delta CA1$; $XDSA = \lambda DSA1 \xi DSA + \delta DSA1$; $YWA = \lambda WA1 \eta WA + \varepsilon WA1$; Where λ represents the factor loadings, and δ and ε represent measurement errors for exogenous and endogenous indicators, respectively.

The model will be evaluated using SmartPLS software through two stages:

- (i) Measurement Model Assessment: Composite reliability (CR > 0.70), Cronbach's alpha (> 0.70), Average Variance Extracted (AVE > 0.50), and discriminant validity using Fornell-Larcker criterion and Heterotrait-Monotrait (HTMT) ratio (< 0.85).
- (ii) Structural Model Assessment: Path coefficients (β), coefficients of determination (R^2), effect sizes (f^2), predictive relevance (Q^2), and significance testing through bootstrapping (5,000 subsamples) at $p < 0.05$.

4. Results and Discussion

Measurement Model Assessment

The measurement model was evaluated to ensure construct reliability and validity before interpreting structural relationships.

Indicator Reliability (Outer Loadings)

All indicator outer loadings exceeded the recommended threshold of 0.70 (Hair et al., 2019). Specifically, loadings ranged from 0.70 (W5) to 0.87 (B2, B4), indicating that each indicator explained more than 50% of its respective construct's variance. The W4 (wealth Accumulation) indicator was removed due to satisfactory loadings.

Internal Consistency Reliability

Composite reliability (rho c) and Cronbach's alpha were assessed. All constructs exceeded 0.70, demonstrating adequate internal consistency (Table 1).

Table 1

Construct Reliability and Validity

Construct	Cronbach's Alpha	rho_c	AVE
Betting	0.85	0.89	0.63
Crypto	0.86	0.90	0.63
Digsav	0.79	0.86	0.61
Wealth Acc	0.76	0.84	0.58

Source: Author's Compilation, 2026

Convergent Validity

Convergent validity was established as all constructs met the minimum cut-off for average variance extracted (AVE) of 0.50. The smallest AVE was 0.58 (Wealth Acc), which is considered good.

Table 2

Discriminant Validity

	Heterotrait-monotrait ratio (HTMT)	Fornell-Larcker criterion
Crypto <-> Betting	0.70	0.59
Digsav <-> Betting	0.24	0.21
Digsav <-> Crypto	0.48	0.24
Wealth Acc <-> Betting	0.29	0.40
Wealth Acc <-> Crypto	0.67	0.55
Wealth Acc <-> Digsav	0.79	0.61

Source: Author's Compilation, 2026

The Fornell-Larcker criterion and the HTMT ratio were used to evaluate the discriminant validity. The square root of the AVE (diagonal values) for each construct exceeded the square root of the correlations with other constructs (off-diagonals). The square root of each construct's AVE (diagonal values) was larger than the square root of the correlations with other constructs (off-diagonal values). For instance, the square root of AVE for Betting ($\sqrt{0.63} = 0.79$) was greater than its correlation with Crypto (0.59).

All the values for HTMT were below the conservative one of 0.85, with the exception of Wealth Acc ↔ Digsav (0.79) and Crypto ↔ Betting (0.70), which remain acceptable. All the highest HTMT (0.79) was below 0.85, which indicates the discriminant validity. Therefore, it was empirically different for all constructs.

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Collinearity Assessment (VIF)

Table 3

Collinearity Assessment

	VIF
Betting -> Wealth Acc	1.53
Crypto -> Wealth Acc	1.74
Digsav -> Wealth Acc	1.19

Source: Author's Compilation, 2026

None of the outer (VIF) nor the inner (VIF) model VIF values were greater than 3.0, which means there were no critical problems with multicollinearity. The maximum VIF was 2.55 (B2) which is within acceptable limits.

Structural Model Assessment

Predictive Power (R^2)

The model accounted for 50% of the variance in Wealth Acc ($R^2 = 0.50$, adjusted $R^2 = 0.49$), which corresponds to a medium to high level of explanatory power (Cohen, 1988).

Effect Sizes (f^2)

The effect sizes were used to evaluate the practical significance of each predictor (Table 2).

Table 4

Effect Sizes (f^2) on Wealth Accumulation

Predictor	f^2	Effect Size
Betting	0.01	Negligible
Crypto	0.21	Medium
Digsav	0.36	Large

Source: Author's Compilation, 2026

Digsav exhibited the largest unique contribution, followed by Crypto. Betting had virtually no unique explanatory power.

Path Coefficients (Direct Effects)

Path coefficients were examined to test the hypothesised relationships (Table 3).

Table 5

Path Coefficients and Total Effects

Path	Coefficient	Interpretation
Betting → Wealth Acc	-0.10	Negative, negligible effect
Crypto → Wealth Acc	0.43	Positive, moderate effect
Digsav → Wealth Acc	0.47	Positive, moderate-strong effect

Source: Author's Compilation, 2026

It is observed that betting negatively and weakly forecasts accumulation of wealth ($\beta = -0.10$), which is very weak. There is a positive relationship between crypto and wealth accumulation ($\beta = 0.43$), meaning the more involved in crypto someone is, the more likely they are to increase their wealth. The most important predictor is the use of digital savings behaviours ($\beta = 0.47$),

suggesting that digital savings behaviours significantly boost wealth accumulation. The model did not include any indirect effects.

The Summary of Hypotheses Testing indicates that hypothesis one, Betting applications do not have a significant influence on wealth accumulation amongst Generation Z is accepted. The Summary of Hypotheses Testing results show that hypothesis one (Betting applications have no significant effect on wealth accumulation among Generation Z) is accepted. Support for Betting → Wealth Acc: None (f^2 negligible, $\beta = -0.10$).

The application of cryptocurrency does not have significant effect on the wealth accumulation of Generation Z. (Crypto → Wealth Acc) is accepted ($\beta = 0.43$, medium f^2). The hypothesis H03 states that digital savings and investment applications are not a significant factor in the wealth accumulation of the generation Z compared to the other one. (Digsav → Wealth Acc) is accepted ($\beta = 0.47$, large f^2).

Table 6

Model Fit

	Saturated model	Estimated model
SRMR	0.07	0.07
d_ ULS	0.85	0.85
d_ G	0.30	0.30
Chi-square	750.65	750.65
NFI	0.79	0.79

Source: Author's Compilation, 2026

The SRMR value of the estimated model was 0.07, which is less than the rule-of-thumb value of 0.08 proposed by Hu and Bentler (1999), thus suggesting acceptable model fit. The NFI of 0.79 was slightly lower than 0.90, indicating that improvement can be made, but it is still acceptable for exploratory research.

Discussion of Findings

The findings reveal that digital saving and crypto engagement are positive and significant contributors to wealth building, while betting behaviour does not have a substantive direct impact. Digital financial behaviours, particularly saving, seem to be more strongly linked to the wealth outcomes than do speculative behaviours like betting; the relatively high correlation between Digsav and Wealth Acc (0.61) and the large effect size of Digsav suggest this. The R^2 of the model, of 0.50, also reinforces the idea that these three predictors are able to explain half of the variation of the dependent variable, which is a significant contribution in practice.

The results showed all constructs to be skewed and kurtosed, though they were acceptable, but this was mitigated by the nonparametric approach of PLS-SEM. This study employed PLS-SEM to analyze the differential effects of the betting, cryptocurrency engagement and digital savings on the accumulation of wealth. The results provide some theoretical and practical implications.

To the contrary, betting behaviour had a minor negative effect on wealth accumulation ($\beta = -0.10$ and $f^2 = 0.01$) which is considered negligible. This is consistent with recent evidence that shows that gambling is in general more likely to be linked to financial problems than to increased wealth (Muggleton et al., 2021). Sometimes the winnings of gambling may seem high, but it is a fact that, in the long run, the house edge makes it a losing game (Newall et al., 2022). The small effect size also indicates that, regardless of how often a person wagers, betting is not a useful way

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to gain long-term wealth, which reinforces the idea that speculation and zero-sum financial activity aren't viable methods of saving and investing (Brown & Yang, 2023).

Wealth accumulation was positively and moderately related to cryptocurrency engagement ($\beta = 0.43$, $f^2 = 0.21$). In recent years, the cryptocurrency market has exhibited high volatility, but with the potential of substantial gains, serving as a lucrative investment opportunity over the last decade (Scharnowski, 2023). Cryptocurrency markets are different from traditional gambling in that they have underlying value drivers like network effects, scarcity (Bitcoin halving), and decentralised finance applications (Corbet et al., 2021).

The moderate effect size, however, suggests that care should be taken in overgeneralizing results, as not all crypto engagement results in wealth creation, and that timing, asset type, and risk management are still important (Baur & Dimpfl, 2021). Further, the correlation between Crypto and Wealth Accumulation (0.55) implies that cryptocurrency may not be the sole driver of wealth but rather part of a holistic investment approach.

The most significant positive influence on wealth accumulation ($\beta = 0.47$, $f^2 = 0.36$, substantial R^2 contribution) was provided by digital saving. This is a strong support to recent literature on the transformative power of digital financial services for improving the financial outcomes of households (Jack & Suri, 2021; Koomson et al., 2022).

Digital savings platforms decrease transaction costs, prompt regular deposits and use behavioural nudges (such as goal setting, round ups) to boost rates of saving (Gjertson, 2022). Results for the AVE (0.61) and the outer loadings (0.76–0.79) suggest that the construct is reliable in measuring these behaviours. Taking into account that 50% of the variance in wealth could be accounted for by the three predictors, it seems that the most actionable policy and practice lever is digital savings.

The HTMT values (all < 0.85) indicate that Betting, Crypto and Digsav are conceptually different. Specifically, the correlation results for Crypto and Betting ($r = 0.59$) and Wealth Accumulation and Digsav ($r = 0.61$) indicate some behavioural commonalities (Cryptos tend to be gamblers and gamblers tend to be savers), while the constructs are empirically distinct (Henseler et al., 2015). This is very important, because the removal of the terms "speculation" and "gambling" from the policy equation is not the same thing, nor is every type of digital interaction equally valuable.

The SRMR of 0.07 suggests reasonable model fit, and the R^2 of 0.50 suggests that the model has a good amount of explanatory power in social science contexts (Hair et al., 2019). Although the NFI of 0.79 is less than 0.90, it is still quite typical in complex PLS models and does not result in an invalid conclusion (Sharma et al., 2022). The lack of indirect effects indicates that relationships studied are direct and direct only, which facilitates the design of interventions.

5. Conclusion and Recommendations

In this study, the researchers explored the relationship between these three forms of involvement and wealth accumulation among 424 participants, focusing specifically on how these practices relate to the wealth of the participants. The main findings are that betting doesn't increase wealth; its impact is very small and slightly negative; and that gambling is a consumption activity, not an investment strategy.

When looked at in terms of effect size and the positive prediction made by cryptocurrency engagement, it is revealed that the impact is moderate in predicting the wealth of the individual, which means that the cryptocurrency could be a part of a wealth-building portfolio if it is used

wisely. A large effect size ($f^2 = 0.36$) and considerable unique explanatory power for the digital savings is found. The three behaviours are empirically distinct constructs and need attention for theory and practice separately.

This research contributes to financial behaviour theory by showing that not every digital financial activity will have the same impact. Only structured savings and — to a lesser degree — investment in cryptocurrencies seems to allow for wealth creation as a result of the digitalisation of finance, which has reduced the barriers to both productive (savings) and speculative (crypto, betting) activities. The results build on the financial capability framework (Sherraden et al., 2018) as they demonstrate that access to something alone (digital engagement) is not enough – the nature of the behaviour is important.

Practical Implications

For people, Avoid risky investments over automatic electronic savings. The long-term benefits of small consistent digital savings are great. As a financial educator, implement measures to differentiate between healthy financial behaviours online (such as saving and investing) and unhealthy or non-monetary behaviours (such as gambling and excessive crypto speculation). They should be more strictly regulated by the government, both in terms of betting and crypto advertising, so that there is no misconception that such games are means of earning money. At the same time, encourage digital savings via employer integration, taxation and awareness campaigns. For fintech developers, add the saving component first, rather than the gaming aspect that mimics a wagering system.

Future Research and Limitations

There are a few caveats to keep in mind. First, the cross-sectional nature of the design does not allow for drawing causal inferences; this should be addressed in future studies using longitudinal or experimental designs. Second, the sample may not include high-net-worth individuals or individuals outside the banking system. Third, cryptocurrency measurement only included general engagement and not specific assets (Bitcoin vs altcoins) or holding periods; future studies should consider a breakdown of the difference between long-term holding ("HODLing") and active trading.

Fourth, the NFI of 0.79 indicates possible model misspecification; moderators such as financial literacy and/or risk tolerance, or mediators such as perceived control and self-efficacy, should be examined in future studies. Fifth, the fact that the constructs are not normally distributed requires an appropriate estimative approach, of which the PLS-SEM approach is used, but this should be replicated with other robust estimation methods.

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