

How Does Financial Self-Efficacy Affect Financial Behavior and Financial Well-Being? Evidence from a Gender Perspective

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Abstract. *This study examines the influence of financial self-efficacy (FSE) on financial behavior and financial well-being, with a particular focus on gender differences. It investigates the extent to which individuals' confidence in their financial management skills influences behaviors such as budgeting and, in turn, their overall financial well-being. It emphasizes that individuals with higher FSE tend to make more informed financial decisions, which in turn result in greater financial security. The study also examines the differential impacts of FSE on men and women, revealing that women are more profoundly affected by their financial self-confidence in financial management and in attaining enhanced financial well-being than men. These findings indicate the need for gender-sensitive financial education programs to empower women, especially in long-term financial planning and investing. The study also suggests that improving FSE through targeted financial education programs can lead to better financial management for both men and women, while considering cultural and social factors.*

Keywords: *Financial behavior; Financial well-being; Gender; Self-efficacy.*

Abstrak. Studi ini meneliti pengaruh efikasi diri finansial (FSE) terhadap perilaku keuangan dan kesejahteraan finansial, dengan fokus khusus pada perbedaan gender. Studi ini menyelidiki sejauh mana kepercayaan individu dalam keterampilan manajemen keuangan mereka mempengaruhi perilaku mereka, termasuk penyusunan anggaran dan tabungan, dan, pada gilirannya, kesejahteraan keuangan mereka secara keseluruhan. Ditekankan bahwa individu dengan FSE yang lebih tinggi cenderung membuat keputusan keuangan yang lebih terinformasi, yang pada gilirannya menghasilkan keamanan finansial yang lebih besar. Studi ini juga menyelidiki dampak diferensial dari efikasi diri finansial pada pria dan wanita, mengungkapkan bahwa wanita lebih terdampak secara mendalam oleh kepercayaan diri finansial mereka dalam pengelolaan keuangan dan pencapaian kesejahteraan finansial yang lebih besar dibandingkan pria. Temuan ini menunjukkan perlunya program pendidikan keuangan yang peka gender yang ditujukan untuk memberdayakan perempuan, terutama dalam perencanaan keuangan jangka panjang dan investasi. Studi ini juga menyarankan bahwa meningkatkan efikasi diri

finansial melalui program pendidikan keuangan khusus dapat mengelola keuangan yang lebih baik, baik untuk pria maupun wanita, dengan mempertimbangkan faktor budaya dan sosial.

Kata kunci: Keyakinan diri; Perilaku keuangan; Kesejahteraan finansial; Gender.

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BACKGROUND

The improvement of individual financial well-being is the main goal in social and economic policies aimed at enhancing the quality of life. One of the most important things for reaching this level of well-being is being able to handle money well. Proper money management helps people plan for their future money needs, stay out of debt, and lower economic stress that can lower their quality of life (Shim et al., 2009). However, even though many people have access to financial information, a lot of them still have trouble managing their money. This problem is exacerbated by a lack of knowledge about effective money management and by social pressure, which leads to financial anxiety, particularly among young people and adults (Lusardi & Mitchell, 2014). People who are stressed about money often do bad things with their money, like overspending, undersaving, and failing to plan ahead for the future. These bad habits hurt both their financial health and their happiness (Finke & Huston, 2013).

A lot of research has demonstrated that various factors can contribute to financial well-being, which can help alleviate these issues. These include financial knowledge, financial self-efficacy, financial behavior, and social support (Lusardi et al., 2010). Sajid et al. (2024) emphasise that financial behavior acts as a mediating variable between financial literacy and financial well-being. Individuals with high financial literacy and efficacy tend to be more disciplined in saving and controlling expenses. Hernandez-Perez and Rambaud (2025) found that self-control and financial self-efficacy are two main psychological factors that determine financial well-being, as both help individuals overcome economic difficulties and enhance financial security. Additional research indicates that cognitive capacity and financial self-efficacy positively affect financial behavior, subsequently improving financial well-being (Dare et al., 2023). Moreover, financial managerial competencies in budgeting, revenue management, and spending evaluation have demonstrated greater significance than basic financial knowledge, as highlighted by (Phelps & Metzler, 2025).

Numerous studies investigate the relationship between financial self-efficacy, financial behavior, and financial well-being; however, most were conducted in industrialized countries with unique social, economic, and institutional contexts (Netemeyer et al., 2017; Strömbäck et al., 2017; Xiao & Porto, 2017). Research conducted in Indonesia, considering the socio-cultural factors that influence financial behavior, is still limited. Moreover, although financial self-efficacy has been proven to influence healthy financial behavior, there is still limited research exploring the differences in its impact between men and women. Extensive research reveals that men and women display differing financial behaviors, with women often demonstrating greater prudence and

conservatism in financial management, and males are more disposed to participate in risk-taking (Perry & Morris, 2005).

This study aims to fill the gap by examining gender differences in financial self-efficacy and their effects on financial behavior and well-being. In Indonesia, gender roles in managing finances are often shaped by social conventions that differentiate between men's and women's financial practices. Men are typically seen as the main breadwinners in many Indonesian communities, although women are more prominent as home financial managers (Lusardi et al., 2010). Social norms can affect men's and women's perceptions of their financial management capabilities, with women generally exhibiting lower confidence in making significant financial decisions, such as investments or retirement planning (Cupák et al., 2021). This research is crucial to determine if significant differences exist in the influence of financial self-efficacy on financial behavior and well-being between genders and how these findings can improve the inclusivity and gender sensitivity of financial education policies and programs. This study's findings are anticipated to enhance the current literature by proposing a gender-specific approach to developing more effective financial education programs in Indonesia, incorporating strategies that better address the financial needs of both men and women.

THEORETICAL REVIEW

Financial Wellness Theory

Well-being is generally defined as a state in which a person is healthy, happy, and free from worries (Zimmerman, 1995). In the context of finance, financial well-being describes the level of an individual's financial health, which is not only determined by income but also by the individual's ability to manage their finances. A person's financial well-being is achieved when they feel secure, satisfied, and free from economic pressures that disrupt their quality of life. Financial wellness, or *kesejahteraan finansial*, has a multidisciplinary aspect that involves various fields of study, particularly related to healthy financial management. Joo (2008) stated that the concept of financial wellness is more concrete and functional compared to the general concept of well-being, which is abstract in nature. Financial wellness encompasses psychological, economic, and social aspects that affect a person's life. Financial wellness not only encompasses the balance between income and expenses but also measures an individual's confidence in their ability to manage finances, known as financial self-efficacy. The following figure is the research model designed in this study.

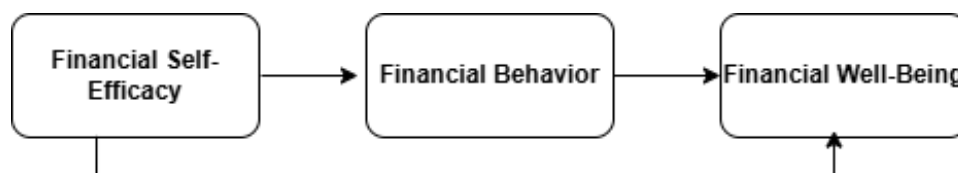


Figure 1. Research Model

Financial Self-Efficacy and Financial Behavior

Financial self-efficacy is the belief in one's ability to effectively handle personal finances. Individuals with elevated financial self-efficacy have greater confidence in their capacity to make sound financial decisions, including budgeting, saving, investing, and debt management. Research indicates that financial self-efficacy (FSE) is a more robust predictor of individuals' financial behavior than mere financial literacy (Farrell et al., 2016). FSE associates financial literacy with responsible financial conduct, assisting individuals in managing expenditures, planning for the future, and making prudent financial decisions (Dew & Xiao, 2011; Parrotta & Johnson, 1998). Additional research indicates that financial socialization experiences (FSE) significantly influence financial behavior and overall well-being. Individuals with elevated financial self-efficacy exhibit greater fiscal responsibility and possess a more positive perception of their financial situation (Qi et al., 2025). Thus, the proposed hypothesis is:

H1: There is a positive relationship between financial self-efficacy and financial well-being.

Financial Behavior and Financial Well-being

Individuals who can manage their finances well, such as budgeting, saving consistently, managing debt wisely, and investing strategically, tend to have higher financial well-being (Dew & Xiao, 2011). Financial behavior has proven to be the main predictor of financial well-being, even surpassing the influence of demographic factors and income levels (Netemeyer et al., 2017). Positive financial habits from a young age can enhance financial security and life satisfaction in the future (Shim et al., 2009). Additionally, Brüggen et al. (2017) emphasize that financial well-being is more influenced by the ability to manage financial resources than by the amount of income. In line with this, Strömbäck et al. (2017) highlight the importance of saving, financial planning, and having insurance to cope with unexpected expenses and enhance financial well-being. Thus, the proposed hypothesis:

H2: There is a positive relationship between financial behavior and financial well-being.

Financial Self-Efficacy and Financial Well-being

People who have a lot of financial self-efficacy are more sure in their ability to handle their money, make good financial choices, and deal with economic problems (Farrell et al., 2016; Mindra et al., 2017). Netemeyer et al. (2017) show that financial self-efficacy is an important psychological factor that affects financial well-being. This is because believing in your ability to manage money makes you more disciplined and able to handle financial problems. Dare et al. (2023) found that FSE encourages good financial behavior, which directly improves financial well-being. Meanwhile, (Hernandez-Perez & Rambaud (2025) argue that FSE provides individuals with financial stability and a sense of security in the face of economic challenges. Furthermore, the study found that self-efficacy and self-control have a considerable impact on total financial and psychological well-being. The proposed theory is:

H3: There is a positive relationship between financial self-efficacy and financial well-being.

H4: There is a positive relationship between financial self-efficacy and financial well-being through financial behavior.

Gender Differences in Financial Self-Efficacy and Financial Behavior

Although the financial wellness theory is generally accepted, social and cultural factors, especially gender differences, influence the level of financial self-efficacy and individual financial behavior. Fisher and Yao (2017) state that men and women have significant differences in financial decision-making, with women tending to be more conservative and men more risk-taking. Farrell et al. (2016) and Lown (2011) also showed that differences in FSE affect financial management patterns between the two. In Indonesia, social norms that view men as the primary breadwinners and women as household managers influence their perceptions of financial capability. Although women are often involved in household financial management, they frequently feel less confident in making major financial decisions, such as investments or retirement (Lusardi et al., 2010), while men tend to be more confident in these matters (Fisher & Yao, 2017). These social and cultural factors greatly influence FSE and the financial behavior of each gender. This study is to investigate the impact of gender disparities in financial self-efficacy on financial behavior and the resultant financial well-being of men and women. This study's results aim to inform the development of policies or financial education programs that address gender disparities while also enhancing financial literacy and promoting healthier financial behaviors among both men and women, ultimately improving their financial well-being. The proposed hypothesis is:

H5: There are differences in the influence of financial self-efficacy on financial behavior and financial well-being between men and women.

RESEARCH METHODS

Population, Sample, and Data Collection

The population in this study consists of productive-age individuals who have their own income and are involved in personal financial management, covering the age range from young adults to older adults. The selection of this age group is based on the fact that they already have experience in personal financial management, such as spending, saving, investing, and retirement planning. This study uses a quantitative approach with a structured questionnaire as the main data collection instrument. Respondents independently filled out the online questionnaire from July to August 2025. Following Hair et al. (2019), based on their recommendation on the number of respondents per variable, we successfully collected a total of 778 respondents. After conducting an elimination process on incomplete and inconsistent responses, it was found that 662 questionnaires met the criteria for further analysis. According to Nulty (2008), the recommended participation rate for written surveys is 97%, which is higher than the actual rate.

$$n = \frac{N}{1 + N \times e^2} = \frac{662}{1 + 662 \times (0.05)^2} = 250 \text{ -----[1]}$$

The sample size was calculated using the Slovin formula, which was chosen because it provides an accurate estimate with a small margin of error, particularly in large and diverse populations. Based on the calculations using this formula, the required sample size is 250 participants. Therefore, we can generalize the results of this study effectively. The number of samples for further analysis is as follows [1]. Thus, the sample size consists of 250 participants and meets the sample adequacy criteria according to

(Boomsma & Molenaar, 1987). Table 1 summarizes the demographic composition of the respondents.

Research Instrument

This study employs assessment instruments, including scales for assessing financial self-efficacy, financial behavior, and financial well-being, adapted from prior research. The Financial Self-Efficacy Scale (Lown, 2011) assesses individuals' confidence in financial management and has demonstrated worldwide validity and reliability. Several items were modified to maintain their relevance to the Indonesian setting. The Financial Management Behavior Scale (Dew & Xiao, 2011) assesses financial behavior, encompassing budget management. The Financial Well-Being Scale (CFPB, 2017) is employed to assess individuals' perceptions of security and contentment over their financial circumstances. All of these scales use a 7-point Likert scale (1= strongly disagree, 7= strongly agree), which has proven effective in measuring subjective perceptions across various cultural contexts. The adjustment of this instrument is carried out to be relevant to Indonesian habits and socio-economic conditions so that it is not only theoretically valid but also suitable for the local context.

RESULTS AND DISCUSSIONS

Table 1 presents the distribution of the respondents' demographic and socio-economic characteristics, which consist of several variables, namely gender, age group, education level, marital status, employment status, and monthly income. According to the distribution table of the respondents' characteristics, most of them are women (50.8%), and most of them are under 30 years old (70.4%). This pattern shows that the productive age group is the most common in this survey. The second and third largest groups are ages 30 to 39 (15.2%) and 40 to 49 (8.8%), respectively. Most of the people who answered (55.6%) have a high school diploma or something similar. Next, 24.4% have a bachelor's degree, and 16.4% have a diploma. The bulk of respondents (59.6%) are still single, while only 38.8% are married and 1.6% are divorced or widowed. In terms of employment, the majority of respondents work full-time (56.4%), with a small portion working part-time (32.4%) and others working as freelancers (11.2%).

In terms of monthly income, the majority of respondents have an income below Rp 3,000,000 (64.4%), indicating that most respondents fall into the low- to middle-income category. Only a small portion has higher incomes, such as Rp 3,000,000-Rp 6,000,000 (32.4%) and Rp 6,000,000-Rp 9,000,000 (11.2%). This demographic and socio-economic profile provides a significant overview of the characteristics of respondents in this study, which includes significant differences in age, employment status, and income. This variation is important to analyze further, as it can influence the results and recommendations produced from this research.

Table 1. Characteristics of respondents

Demographics	Frequency	Percentage (%)
<i>Gender</i>		
Female	127	50.8
Male	123	49.2
<i>Age</i>		
Below 30	176	70.4
30-39	38	15.2
40-49	22	8.8
50-59	12	4.8
60 and above	2	0.8
<i>Educational level</i>		
High School or equivalent	139	55.6
Bachelor's Degree	41	16.4
Diploma/Associate Degree	61	24.4
Master's Degree	7	2.8
Doctoral Degree	2	0.8
<i>Marital Status</i>		
Single	149	59.6
Married	97	38.8
Divorced/Widowed	4	1.6
<i>Employment status</i>		
Full-time work	141	56.4
Part-time work	81	32.4
Freelance / Self-employed	28	11.2
<i>Monthly Income</i>		
< Rp 3.000.000	161	64.4
Rp 3.000.000 - Rp 6.000.000	68	27.2
Rp 6.000.000 - Rp 9.000.000	15	6.0
Rp 9.000.000 - Rp 12.000.000	5	2.0
> Rp 12.000.000	1	0.4

Table 2 summarizes the results of convergent validity and reliability: the composite reliability (CR) value and Cronbach's alpha (CA) for all constructs. Based on the presented table, the measurement results of financial self-efficacy and financial well-being show good reliability and validity. Most items in both constructs have relatively high factor loading (FL) values, ranging from 0.611 to 0.843, indicating that each item contributes significantly to the intended construct. Item FSE5 with an FL of 0.818 shows a strong contribution, while item FW9 with an FL of 0.843 illustrates a close relationship between the inability to pay bills and financial well-being. The VIF values for all items are below 5, indicating that there are no significant multicollinearity issues among these items; thus, it can be concluded that each item measures the construct independently without significant overlap. This is consistent with findings in the research that state that a low VIF indicates a stable model (Hair et al., 2019).

The Construct Reliability (CR) results, ranging from 0.827 to 0.849, demonstrate the consistency of the measurement instruments in assessing the intended constructs, while the Average Variance Extracted (AVE) values for FSE (0.600) and FW (0.511) signify satisfactory convergent validity. While the Average Variance Extracted (AVE) for FW is marginally lower than that for FSE, both values remain below acceptable thresholds, signifying that these constructs possess sufficient validity in elucidating the variance attributed to their indicators (Fornell & Larcker, 1981). These results suggest that the acquired data can be utilized for subsequent analysis with sufficient reliability

and validity. All AVE values are above 0.50, affirming the convergent validity of the used scale (Cheung et al., 2024). Several factor loading indicators were eliminated because they showed that the latent construct did not adequately explain the variance of those indicators. In this case, the removal of indicators can enhance the model's reliability (Sarstedt et al., 2021).

Table 2. VIF, Construct Reliability and Validity

Constructs	Items	FL	VIF	CA	CR	AVE
FSE1	I find it difficult to stick to my spending plan when there are unexpected expenses.	0.775	2.335	0.835	0.846	0.600
FSE2	I feel challenged to progress towards achieving my financial goals.	0.816	2.516			
FSE3	If an unexpected expense occurs, I usually have to borrow money.	0.727	1.997			
FSE4	When facing financial problems, I find it difficult to identify solutions.	0.733	1.897			
FSE5	I lack confidence in my ability to manage finances.	0.818	2.392			
BUDGET1	I compare prices before purchasing a product or service.	0.656	1.354	0.735	0.827	0.545
BUDGET2	I pay all my bills (electricity, water, phone, etc.) on time.	0.716	1.357			
BUDGET3	I keep written or electronic records of my monthly expenses.	0.768	1.466			
BUDGET4	I strive to stay within my budget or spending plan.	0.805	1.629			
FW1	I can handle unexpected large expenses.	0.611	1.497	0.838	0.849	0.511
FW2	I am securing my financial future.	0.650	2.133			
FW3	Because of my financial situation, I feel like I will never have the things I want in life.	0.662	2.885			
FW4	I can enjoy life because of the way I manage my money.	0.695	1.937			
FW7	Giving gifts for birthdays, weddings, or other events will strain my finances this month.	0.748	2.277			
FW8	I have money left at the end of the month.	0.769	1.622			
FW9	I can't afford to pay the bills on time.	0.843	1.518			

Table 3 shows the results of the discriminant validity test through cross-loadings for the three constructs tested in this study, namely financial behavior measured by BUDGET, FSE, and FW. Discriminant validity is measured by comparing the cross-loading values for each item with other existing constructs (Chin, 1998). The Construct Reliability (CR) scores, which range from 0.827 to 0.849, show that the measurement tools are consistent in measuring the intended constructs. The Average Variance Extracted (AVE) values for FSE (0.600) and FW (0.511) show that the convergent validity is acceptable. The Average Variance Extracted (AVE) for FW is slightly lower than that for FSE; however, both values fall below acceptable levels, indicating that these constructs adequately explain the variance associated with their indicators (Fornell & Larcker, 1981). The results indicate that the collected data can be employed for further investigation with adequate reliability and validity. All AVE values exceed 0.50, confirming the convergent validity of the used scale (Sarstedt et al., 2021).

Table 3. Discriminant Validity-Cross Loadings

Constructs	BUDGET	FSE	FW
FSE1	0.417	0.775	0.701
FSE2	0.467	0.816	0.729
FSE3	0.308	0.727	0.501
FSE4	0.378	0.733	0.498
FSE5	0.414	0.818	0.613
BUDGET 1	0.656	0.347	0.332
BUDGET 2	0.716	0.352	0.426
BUDGET 3	0.768	0.44	0.524
BUDGET4	0.805	0.384	0.483
FW1	0.368	0.488	0.65
FW2	0.561	0.527	0.769
FW3	0.46	0.736	0.843
FW4	0.595	0.435	0.695
FW7	0.383	0.643	0.748
FW8	0.348	0.579	0.662
FW9	0.329	0.544	0.611

The studied items exhibit elevated cross-loading values on the BUDGET construct in comparison to the FSE and FW constructs. The cross-loading value of the item BUDGET4 on BUDGET is 0.805, which is greater than the values on FSE (0.384) and FW (0.483). This finding means that item BUDGET4 is more related to the BUDGET construct, which is all about managing a budget. Furthermore, item BUDGET3 has a cross-loading value of 0.768 on BUDGET and lower values on FSE (0.44) and FW (0.524). The FW construct has a cross-loading value of 0.769 on FW, which is greater than the values on FSE (0.527) and BUDGET (0.561). These results indicate that the items in the FW construct are more relevant to that construct. This evidence supports the idea that the FW construct is accurately measured and does not overlap with other constructs (Fornell & Larcker, 1981). In general, these results indicate that this model has strong discriminant validity, with constructs that are different from each other and don't overlap much.

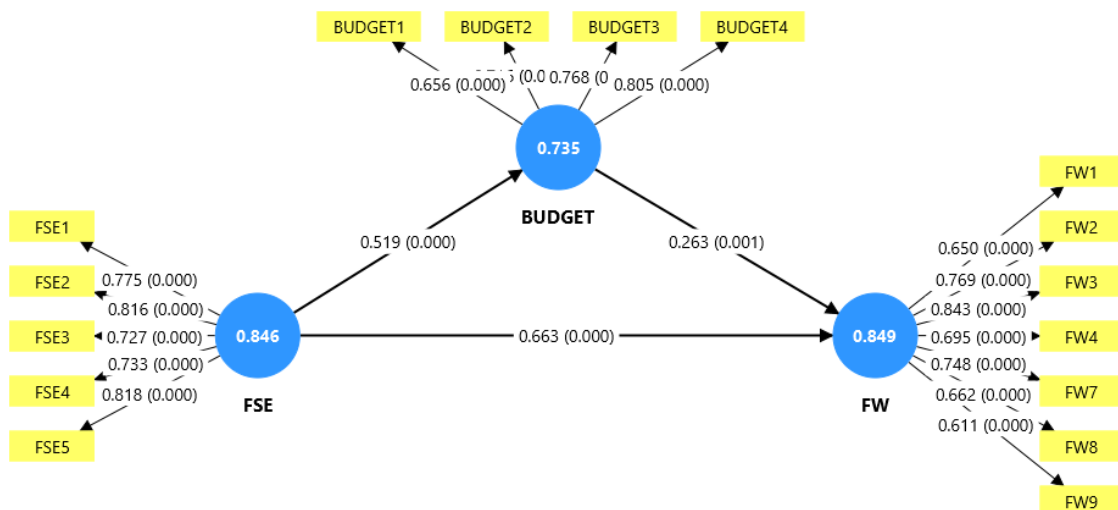


Figure 2. Graphical Output

Model Structural

After testing the measurement model (outer model) and getting results that match the standards for validity and reliability, the next stage is to evaluate the structural model (inner model). The following section presents the outcomes of the bootstrapping analysis.

Hypothesis Test Results

Table 4 summarizes the bootstrapping results of the hypothesized paths tested in the structural model using 5,000 subsamples according to the recommendation of (Henseler et al., 2015).

Table 4. Hypothesis Test Results

Path relationships	Original sample	t-statistics	P-values	Decisions
<i>Direct effect</i>				
FSE → BUDGET	0.519	10.957	0.000	Accepted
BUDGET → FW	0.263	3.209	0.001	Accepted
FSE → FW	0.799	28.760	0.000	Accepted
<i>Mediation</i>				
FSE → BUDGET → FW	0.136	3.022	0.003	Accepted

The results of the hypothesis test presented in the table above show that the relationship between Financial Self-Efficacy (FSE) and Budget is significant, with a T-statistic value of 10.957 and P-value of 0.000, as well as an original sample coefficient of 0.519, which means the FSE hypothesis regarding BUDGET is accepted. This result indicates that the higher a person's level of financial self-efficacy, the greater their ability to manage a budget. Financial self-efficacy refers to an individual's belief in their ability to make decisions and manage finances. Individuals with higher self-efficacy are more confident in planning and managing their budgets, which helps improve beneficial financial behaviors, such as more structured and responsible budget management (Lusardi & Mitchell, 2014). This result aligns with the Financial Wellness Theory, which posits that an individual's financial well-being greatly depends on their ability to manage finances effectively. Individuals with a high level of self-efficacy tend to be able to make better financial decisions, which ultimately supports their financial well-being, including budget management. Therefore, financial self-efficacy plays an important role in encouraging healthy financial behaviors, such as effective budget management, which contributes to overall financial well-being (Lusardi et al., 2010).

Furthermore, the results of this study indicate that financial behavior measured by budgeting ($b = 0.263$, $t = 3.209$, $p = 0.001$) has a positive and significant impact on financial well-being. These results align with findings that behaviors such as budgeting and habits of saving and investing strengthen financial self-control and enhance financial well-being by helping individuals avoid economic pressure and meet long-term needs (Atkinson & Messy, 2013). These results reinforce the assumption that healthy financial behavior through budgeting discipline is an important determinant in achieving overall financial well-being. The results of this study align with the financial wellness theory, which states that financial well-being is not only determined by the amount of income but also by daily financial behaviors, such as budgeting, saving habits, and expenditure control. The concept of financial wellness emphasizes that good financial behavior helps individuals control their finances, feel financially secure in the present, and be prepared

to face their long-term economic goals, which ultimately creates higher financial well-being by reducing financial stress and enhancing the ability to plan for the future.

This conclusion is in line with empirical research findings that show financial behavior significantly affects financial well-being. For instance, a study on Generation Z and financial well-being found that good financial habits had a positive effect on financial well-being (Renaldo et al., 2020; Suprpto et al., 2025). With the diverse characteristics of the respondents, the study also found that demographic factors such as education, employment status, and income level influence how well individuals manage their financial behaviors, which in turn contributes to their level of financial wellness. Higher levels of education and income are often associated with the ability to plan budgets and make better financial decisions, which ultimately have a positive impact on an individual's financial well-being (Anghel & Pochea, 2025).

Financial self-efficacy has a positive and significant influence on financial well-being. This conclusion is evident from the t-statistic value of 28.760 and a p-value of 0.000, along with an original sample coefficient of 0.799, meaning the hypothesis is accepted. The higher the individual's confidence in their ability to manage personal finances, the higher the level of financial well-being they experience. These findings are consistent with research results that show that self-confidence in managing financial aspects is important because it influences an individual's behavior and perception of their financial condition, which in turn enhances overall financial well-being (Suade et al., 2024). Respondents' age, education, and income can affect how much they feel this self-efficacy impacts their financial well-being. For example, individuals with higher levels of education or more stable incomes may have more resources to leverage their confidence in managing budgets, which in turn improves their financial well-being. This finding is in line with research conducted by (Lusardi & Mitchell, 2014), which found that individuals with good financial understanding and confidence in their ability to manage finances have higher levels of financial well-being. As financial self-efficacy (FSE) increases, respondents who are more confident in managing their finances can reduce financial stress and make better decisions about how to spend and save their money, which improves their overall quality of life (Lusardi & Mitchell, 2014).

The results of the mediation test show that financial behavior significantly mediates the influence of financial self-efficacy on financial well-being, as indicated by a t-statistic value of 3.022, a p-value of 0.003, and an original sample coefficient of 0.136; thus, the hypothesis is accepted. These findings indicate that the respondents' self-confidence in managing finances does not directly enhance financial well-being but rather operates through changes in financial behavior that are more proactive and disciplined, such as budgeting. Critically, the study emphasizes that self-efficacy acts as a motivational factor that drives individuals to take action, while financial behavior serves as the operational pathway that translates that belief into tangible welfare outcomes. Thus, self-confidence without the implementation of appropriate behavior is not enough to improve financial conditions. Although the mediating effect of budget in the relationship between FSE and FW appears smaller, it is still accepted in the model, indicating that budgeting plays a role as one of the important mechanisms linking self-confidence in managing finances with a sense of financial well-being. This conclusion is in line with the literature that shows that financial behaviors such as budgeting are the real behavioral pathways through which self-efficacy shapes financial well-being outcomes. In other words, not only is self-confidence important, but actual actions in budget management

serve as a mediator that strengthens the relationship between self-efficacy and financial well-being. These findings are consistent with (Obenza et al., 2024; Oquaye et al., 2020; Ramadhani et al., 2025), who assert that financial behavior is the main linking mechanism between financial self-efficacy and financial well-being. Table 5 below presents the results of the bootstrapping MGA to determine whether there are significant differences in the influence of financial self-efficacy on financial behavior and well-being between men and women.

Table 5. MGA Bootstrapping Results

	Original (male group)	Mean (male group)	STDEV (male group)	t-value (male group)	p-value (male group)	Decisions
FSE → BUDGET	0.503	0.521	0.062	8.167	0.000	Accepted
FSE → FW	0.787	0.795	0.043	18.226	0.000	Accepted
BUDGET → FW	0.261	0.261	0.119	2.201	0.028	Accepted
	Original (female group)	Mean (female group)	STDEV (female group)	t-value (female group)	p-value (female group)	Decisions
FSE → BUDGET	0.568	0.585	0.061	9.296	0.000	Accepted
FSE → FW	0.826	0.835	0.031	26.862	0.000	Accepted
BUDGET → FW	0.268	0.259	0.105	2.552	0.011	Accepted

Table 5 illustrates a significant disparity in the impact of financial self-efficacy on financial well-being and financial behavior (BUDGET) among genders. A t-value of 8.167 and a p-value of 0.000, which indicate a highly significant influence, are indicative of the impact of FSE on BUDGET in the male cohort. In the female group, the impact of FSE on BUDGET is significant, with a t-value of 9.296 and a p-value of 0.000. However, the influence is slightly larger (0.568) than that observed in the male group (0.503). This suggests that females are more affected by the degree of financial self-efficacy in budget management than males.

The findings indicate a robust and significant relationship between FSE on FW in both groups. For males, the t-value was 18.226 with a p-value of 0.000, and the effect of FSE on FW was 0.787; for females, the t-value was 26.862 with a p-value of 0.000, and the effect of FSE on FW was 0.826. While both factors are important, females exhibit a marginally stronger impact of FSE on their financial well-being. This suggests that females may have a more pronounced reaction to financial self-efficacy in enhancing their financial well-being. Ultimately, the disparity between the two groups regarding BUDGET and FW is minimal. The influence of BUDGET on FW for males is 0.261, accompanied by a t-value of 2.201 and a p-value of 0.028, indicating a significant correlation, though less substantial than the effect of FSE on FW. The influence of BUDGET on FW for women is considerably reduced (0.259); however, it remains statistically significant, as indicated by a t-value of 2.552 and a p-value of 0.011. This evidence indicates that although the relationship between budget management and financial well-being is significant in both groups, its effect is less pronounced than that of financial self-efficacy (FSE).

These findings suggest that all genders are affected by these factors; however, the extent of FSE's influence on BUDGET and FW differs among them. For example, women are normally more influenced by their financial self-efficacy in budget management, supporting research that shows females generally demonstrate increased prudence in

financial oversight and tend to construct and organize budgets with meticulousness. This pattern is likely due to the socio-cultural role that assigns females the responsibility of managing household finances, hence increasing their emphasis on daily financial supervision. Lusardi et al. (2010) assert that while females frequently engage in household financial management, they generally exhibit diminished confidence in executing substantial financial decisions, including investments and retirement planning. Thus, FSE, reflecting confidence in financial management, profoundly influences their ability to develop budgets. Moreover, women exhibit heightened sensitivity to the impact of FSE on their financial well-being. This evidence indicates that heightened financial self-efficacy in women can significantly enhance their financial stability and general well-being.

Farrell et al. (2016) demonstrate that women often experience confusion and uncertainty regarding complex financial decisions; however, increased financial self-efficacy (FSE) enables them to overcome these challenges and significantly improve their financial well-being. As a result of cultural and social norms, women are often expected to handle household finances, but they often lack the confidence to make important financial decisions like investing or saving for retirement. Such factors could explain why women report different outcomes in these areas. Therefore, empowering women financially may improve their financial security by increasing their self-assurance and capacity to make risky financial decisions. These results highlight the importance of considering gender disparities in the development of financial education programs. Financial empowerment and long-term financial management skills, including retirement planning and investing confidence, should be central tenets of women's educational programs. Financial management, including prudent risk-taking and efficient budgeting, may be the emphasis of programs aimed towards men. Consequently, understanding gender discrepancies in the influence of FSE on financial behavior and financial well-being can aid in formulating more inclusive financial education policies and programs, ultimately enhancing overall financial well-being in Indonesia.

The findings about gender disparities in financial self-efficacy align with the financial wellness theory, which asserts that an individual's financial well-being is significantly influenced by their capacity to handle funds proficiently and their confidence in making financial choices. This hypothesis clarifies the importance of self-efficacy as a critical determinant of financial well-being, given that individuals possessing elevated financial self-efficacy typically demonstrate more prudent financial practices and achieve enhanced financial stability (Hansen et al., 1977). Financial self-efficacy significantly impacts women's ability to manage their budgets, leading to better financial health. This suggests that females need more confidence to address complicated financial problems, even though they tend to be more careful with their money. This evidence corroborates the congruence of the research with the financial wellness theory, illustrating that the enhancement of financial self-efficacy (FSE), especially among women, can improve their financial well-being by strengthening financial management and reducing financial uncertainty, in line with findings that emphasize a more significant influence of FSE on women's financial well-being (Farrell et al., 2016).

Model Evaluation

The independent variables in the model clarify the variance percentage in the dependent variable, as measured by R-square. An R-square value of 0.75 indicates a

strong model, 0.50 represents a moderate model, and 0.25 defines a weak model (Hair et al., 2019).

Table 6. R-square

	R-square	R-square adjusted
BUDGET	0.269	0.266
FW	0.690	0.687

The R-squared value in Table 6 tells us how much of the change in the dependent variable can be explained by the independent variable FSE in this model. For the BUDGET variable, an R-squared value of 0.269 indicates that 26.9% of the variation in financial behavior (as an indicator of BUDGET) can be explained by FSE. The adjusted R-squared value of 0.266 shows that after adjusting for the number of predictors in the model, this proportion remains almost the same, indicating that the relationship between FSE and the "BUDGET" variable is moderate. Conversely, for the FW variable, a higher R-squared value of 0.690 indicates that 69% of the variation in financial well-being can be explained by FSE. The adjusted R-squared value of 0.687 shows that this relationship remains strong even after accounting for model complexity. This indicates that FSE is a more significant predictor of financial well-being than budgeting behavior. These findings support the assumption that financial well-being is more closely related to FSE than to budgeting behavior (Khwaja et al., 2019). According to (Hair et al., 2019), the f-square value helps measure the magnitude of the predictor's effect on the dependent construct in the structural model with standard interpretations of 0.02 meaning 'small', 0.15 meaning 'medium', and 0.35 meaning 'large'. The f-square results are shown below, based on Table 7.

Tabel 7. f-square

	BUDGET	FSE	FW
BUDGET			0.162
FSE	0.368		1.035
FW			

We can use the f-square values in Table 7 to determine the relationships between the model's variables. The f-squared value of 0.162 for the BUDGET variable shows that the independent variable FSE has a moderate effect on BUDGET. Cohen (2013) says that f-squared values between 0.02 and 0.15 are small, between 0.15 and 0.35 are moderate, and greater than 0.35 are large. The f-square value of 0.368 for the FSE variable shows a larger link between the FSE variable and FSE itself, which means that it has a bigger effect. The huge f-square value of 1.035 for FW, on the other hand, shows that FSE has a forceful effect on financial well-being. This result means that changes in the FSE variable will have a big effect on FW. This result shows that FSE has a bigger effect on financial well-being than it does on budget management.

The SRMR (Standardized Root Mean Square Residual) result tells you how close the covariance matrix that the model expects is to the covariance matrix that the data shows. According to Henseler et al. (2015), a good SRMR value is less than 0.10 and ideally below 0.08, which means the model has an adequate fit.

Table 8. SMSR

	Saturated model	Estimated model
SRMR	0.105	0.105

Based on Table 8, it is known that the SRMR value for the tested model is 0.105 for both the saturated model and the estimated model tested in this study, which can be categorised as a fairly good model, although there is still a slight discrepancy between the estimated model and the observed data. This indicates that although the model is acceptable, there may still be room for further improvement in the model fit.

CONCLUSIONS AND RECOMMENDATIONS

The findings of this study demonstrate that financial self-efficacy (FSE) significantly influences individual financial well-being and behavior. The research findings indicate that persons exhibiting elevated levels of financial self-efficacy (FSE) generally possess enhanced self-confidence in managing their finances, potentially resulting in improved financial behaviors, including more organized and disciplined budgeting practices. This positive financial behavior, therefore makes people better off financially. Additionally, a review of gender differences reveals that women have a more significant influence on their financial well-being and budget management due to their superior financial self-efficacy (FSE) relative to men. Social and cultural factors that delineate the roles of men and women in financial management also influence these outcomes, with women generally exhibiting diminished confidence in making substantial financial decisions, although being more prudent in everyday financial management.

Based on these results, it is suggested that financial education programs in Indonesia be developed with attention to gender disparities, emphasizing a more inclusive approach to financial empowerment. Financial education programs for women should specifically aim to boost their confidence in managing their money over the long term, such as preparing for retirement and making investments. This can improve their overall financial health. On the other hand, programs for males should focus on teaching them how to handle their money in a way that includes taking smart risks and making viable budgets. Furthermore, policies that prioritize the improvement of financial literacy, such as training grounded in practical experience and effective budget management, are essential for enhancing overall financial well-being, particularly within the Indonesian social and cultural framework.

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