European Economic Letters
ISSN 2323-5233
Vol 15, Issue 3 (2025)
http://eelet.org.uk

Behavior Is The Bridge: Turning Financial Attitude Into Financial Well-Being

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Abstract

Purpose - This paper investigates the utility of financial behavior that mediates the relationship between financial attitude and individual financial well-being. In the current world of personal finance, the information market continues to expand, making long-term financial planning one of the essential tangible outcomes of the impact of individual financial decision making. The research paper, "Behaviour is the bridge: Turning financial attitude into financial well-being" intends to establish how an attitude in itself is relevant, translated into behaviour and eventually financial well-being.

Design/methodology/approach - The structural equation modelling (SEM) was performed using the Partial Least Squares (PLS) approach and the responses received via the structured questionnaire using five items Likert scale were collected from the respondents by using primary data.

Findings - The findings suggest that the effect of financial literacy on individuals' financial well-being depends on the financial behaviours of an individual. For instance, individuals who have greater knowledge of finance tend to have more positive financial behaviour, which in turn improves their well-being.

Originality/Value: In relation to a developing economy, this particular study is a contribution since it explores the relationship between wellbeing and financial attitude, highlighting the role of financial behaviour as a mediator. Contrary to the previous studies which generally examined the constructs separately, this study applies an integrated model using PLS-SEM to identify the latent variables underlying the constructs. By focusing on the urban population of Nepal, it sheds light on aspects that are lacking in the contemporary body of academic literature by offering context-specific insights. The results have implications for creating more effective financial literacy programs and behavioral interventions in other settings where people's income is likely to grow in absolute terms.

Keywords: Financial attitude, financial behavior, financial well-being, Urban and Partial least square.

European Economic Letters
ISSN 2323-5233
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Introduction

In the current financial environment, where people must make ever-more complex financial decisions, it is imperative to understand the behavioural and psychological underpinnings of financial well-being (Netemeyer et al., 2018; Brüggen et al., 2017; Riitsalu & Murakas, 2019). Knowing these pillars makes it easier to understand how emotional control, financial literacy, and cognitive biases affect investing, saving, and spending habits, which in turn affect an individual's overall financial well-being (Xiao & Porto, 2017; Fernandes, Lynch, & Netemeyer, 2014). Nowadays, financial well-being—which is characterised as a condition in which people feel safe about their present and future financial circumstances—is not only seen as a result of wealth or income (CFPB, 2015). Instead, the psychological aspects in terms of behavioural control, attitudes toward money and decision making have been the subject of research regarding financial performance (Lusardi & Mitchell, 2014). These observations motivate academics and professionals to study the emotional and cognitive frame of reference that affects personal finance apart from economic inputs.

Among the variables, there has been a lot of interest in financial attitude, that is, an individual's psychological tendency to perceive money-related issues in a positive or negative way (Hernandez-Perez & Rambaud, 2025). Presence of targets, planning, and managing money is a common culprit of a positive attitude (Das, 2025; Pulk & Post, 2025); However, empirical studies show that until attitudes are translated into consistent and helpful action, they are not reliable predictors of financial performance (Xiao & Porto, 2017). That is, productivity and profitability are not necessarily linked even if the person making the financial decisions has an optimistic financial outlook, without having the behavioral ability to act accordingly.

Financial behaviour has been presented as an important mediating factor between the results and mindset. Financial behavior includes such things as budgeting, saving, avoiding unnecessary debt, and using financial tools wisely. (Hean et al., 2025; Ouyang et al., 2025; Tzora, 2025). It serves as the tangible link between the convictions of the inside and the good being outside. Using the answers to these questions, we have found that those who translate their beliefs into action also report significantly higher levels of financial enjoyment and less stress by spending wisely, saving wisely and planning wisely (Serido et al., 2013). From this study we can conclude that financial behaviour is a vital tool to achieve financial well-being rather than being just an outcome of attitude.

Moreover, behavioural change is often lacking as is often the case with behavioural interventions intended to enhance financial knowledge or change attitudes - but without behavioral change, such interventions are unlikely to be effective. Pulkonen and Silkman 2020, Mancheyan, B.urchi & Mohony, 2021; Amana, 2025; Mohapatra et al., 2025; Pulk & Post, 2025. According to Fernandes, Lynch and Netemeyer (2014), financial education can raise information while without the behavioural transformation it does not necessarily lead to improvement in the financial outcomes. Hence, the literature on the mediating role of behaviour also augurs a more nuanced and clearly more powerful model for personal finance solutions, specifically in a context that is economically diverse and under-researched.

The main objective of this article is to determine the financial behaviour as a mediator between financial well-being and monetary attitude. Drawing from a blend of theories in consumer finance, behavioural economics and psychology, the book aims to show how logical minds can indeed lead to "happy wallets" - but only when the financial perspective is used in a disciplined manner. Policymakers, educators and financial planners interested in promoting financial autonomy and resilience among individuals are expected to find such findings highly useful, as they offer behaviourally based approaches to promoting financial autonomy and resilience.

Literature review and hypotheses development

Financial Attitude and Financial Well-Being

One of the most important predictors of personal financial outcomes is financial attitude which is described as a person's psychological inclination and evaluative disposition towards financial problems (Xiao & Porto, 2017). Long-term planning, emotional control over spending and long-term thinking are some characteristics of people with positive financial attitudes that result in greater financial happiness and confidence (Pankow, 2003; Netemeyer et al., 2018). According to studies, in addition these attitudes are significantly linked to the perception of control over one's financial life, which is an important aspect of financial well-being, the countries are also linked to knowledge about money and self-efficacy (CFPB, 2015). The significance of mindset in achieving financial stability was emphasized by Netemeyer et al. in (2018) who found that people's financial attitudes, even after controlling for income and education, are positively associated with financial well-being.

The direct correlation between attitude and well-being is nonetheless statistically significant and psychologically significant despite the fact that financial behaviour often performs as a mediating mechanism (Kaur et al., 2023; Serido et al., 2013). People with positive financial attitudes are more likely to engage in better financial habits such as goal-setting, saving, budgeting to reduce financial anxiety and increase life satisfaction (e.g., Shim et al, 2009; Atkinson & Messy, 2012). Furthermore, Fernandes et al. (2014) argue that when attitudinal treatments induce motivation and intrinsic financial responsibility, the effect could be more long-lasting than financial education alone. Thus, it may be hypothesized that people with favourable financial attitudes are more probable to have increased financial well-being, which is in line with the behavioural finance theory and backed by actual data. Therefore it can be hypothesized as:
(H1): *There is a significant positive relationship between financial attitude and financial well-being.*

Financial Attitude and Financial behavior

It is often accepted that a person's financial attitude - their mental and emotional approach to money - is a major psychological factor in affecting their financial behaviour and decision making (Xiao & Porto, 2017). Beliefs supporting budgeting, saving, deferment of gratification and responsible use of credit are common indicators of positive attitude toward finances (Pankow, 2003). These innate tendencies are important precursors of actual financial behaviours, being the driving force behind people's everyday money management actions. Atkinson and Messy (2012) agree that such beliefs have a significant influence on people's tendency to budget, plan ahead and make wise financial decisions. Stronger and healthier financial attitudes are supported by an

increased tendency for goal-focused and logical financial behaviours, according to empirical research conducted in different circumstances (Shim et al., 2009; Kaur et al., 2023).
Additionally according to behavioural finance theory, underlying attitudes can influence intentions and behaviours especially in the case of personal finance, where decisions are often emotionally-charged (Ajzen, 1991; Netemeyer et al., 2018). The notion that young adults and early earnings financial attitudes favour behaviour of young adults towards financial productivity is more likely to pursue proactive behaviours such as saving at all times, avoiding impulsive spending behaviours and seeking out financial guidance is corroborated by research by Serido et al. (2013) and Xiao et al. (2011). The Theory of Planned Behaviour which places a particular emphasis on the attitude as a very important pre-requisite for behavioural intention and action is in line with this (Ajzen, 1991). It is expected that people with more optimistic financial attitudes will be more responsible and disciplined in their financial behaviour as a result of this strong theoretical and empirical base. Thus, it can be hypothesized as follows:
(H2): *There is a significant positive relationship between financial attitude and financial behavior.*

Financial Behavior and Financial well-being

A direct and significant predictor of financial well-being, financial behaviour is the actual acts and practices people take to manage their money such as budgeting, saving, avoiding debt and financial planning (Xiao & Porto, 2017; Netemeyer et al., 2018). The behavioural application of this concepts yield quantifiable financial results despite the fact that the financial knowledge and attitude incorporate cognitive and emotive aspect of personal finances (Fernandes, Lynch & Netemeyer, 2014). According to the Consumer Financial Protection Bureau, people who regularly practise responsible financial practices are more likely to have greater control over their money, experience less anxiety and have better long-term stability - all essential ingredients for financial well-being (CFPB, 2015).
Constructive Financial behaviour and reported financial well-being is significantly positively correlated, as measured by empirical research done on a variety of groups. According to Kaur et al. (2023), for example, people who control their expenses and save money are more satisfied and feel less financial stress. In a similar vein, Shim et al. (2009) emphasised that psychological and financial well-being is a strong predictor of long-term behaviours, with early adult behavioural financial competence leading to some of the strongest long-term psychological and financial well-being. Based on behavioural finance theory, in line with the assets approach, people's behavioural actions eventually lead to making choices that enhance their financial health rather than their knowledge or feelings on money (Lusardi & Mitchell, 2014). This foundation supports the hypothesis that an increase in personal financial well-being is a direct result of an increase in financial behaviour.
(H3): *There is a significant positive relationship between financial behavior and financial well-being.*

Financial Behavior mediates the relationship between financial attitude and Personal Financial well-being

Personal financial well-being has been shown to be affected by financial attitude, or the cognitive and emotional orientation towards money; however, how much and what type of the link might

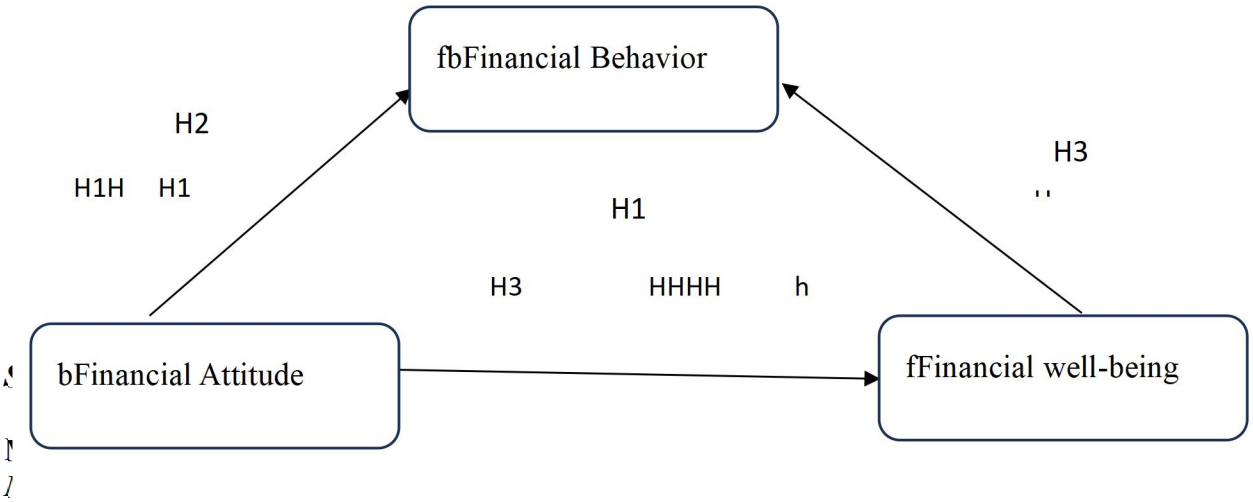
exist depend on the actual financial behaviours of individuals (Xiao & Porto, 2017; Netemeyer et al., 2018). Fernandes, Lynch, and Netemeyer (2014) state: "a positive financial attitude could signify that the person wants to be good at managing money but also such positive attitudes might not translate into better financial outcomes without the support of related behavioural practices being put in place like budgeting, saving and not spending on impulse." In this situation, financial behaviour shapes inasmuch as attitude affects financial well being as this is both a mediator and a moderator. The Theory of Planned Behaviour (Ajzen, 1991) states that in order for intended results to accrue even strongly held attitudes must be reinforced by supportive behavioural execution.

This interactive view is supported by some recent empirical studies. According to Kaur et al. (2023), financial attitudes alone only had a significant positive effect on financial well-being for people who also practiced financial behaviour that was consistent and sensible. In a similar vein, Shim et al. 2009 pointed out that, people following organized behaviours such as tracking spending and setting financial goals were most impacted by their early financial attitudes in terms of their future financial health. This means that financial behaviour, depending on its regularity and quality, would increase and decrease the influence of financial attitude on well-being. Accordingly, it is hypothesised that financial behaviour acts as a moderator in this relationship, so that when a disciplined financial attitude is present, the favourable impacts are increased, whereas when a disciplined financial attitude is absent any impacts.

(H4): *Financial behavior mediates the relationship between financial attitude and personal financial well-being, such that the relationship is stronger when financial behavior is positive and consistent.*

For presentation purposes, the research model guiding this work has been displayed in Figure 1.

Figure 1. Hypothesis model



For this study, a checklist was used as the primary data collection tool. Almost all the items in the self-administered questionnaire were closed. Fifteen Likert scale based items were used to collect data and to explore the issues that affect individual monetary well-being of people in Kathmandu.

Five of the variables taken from Joo and Grable (2004) were used to measure financial behavior, including the statement, "I have established emergency funds." The reliability of the construct was verified using Cronbach's alpha with a value of 0.897. Using 5 items from Lusardi, and Mitchell (2011) including the example, "I save money for the long term than to spend it now." Financial attitude, which consisted of five items, had an alpha of 0.742. Furthermore, five items, derived from Cohen et al. (2015), with a Cronbach's alpha value of 0.932 (in comparison to other studies by Srivannab et al. [2015] which included this statement, "I am becoming financially secure.") were used to evaluate financial wellbeing.

Sample and data collection

This study aimed to address the core question surpassing to what extent financial attitude impacts well-being through financial behaviour. For this, a standard questionnaire was distributed to various segments of the population in the towns of Kathmandu, and it included both men and women, employees, students of universities, etc. Participants have been selected on non-probability purpose sampling method. Following Godden's rule (2004), from an initial target sample of 4,460, 384 valid responses were finally reserved for analysis after eliminating incomplete or invalid responses in terms of relevant variables. The answers that the respondents gave to the survey questions were recorded on a five-point Likert scale. Of the valid responses there were 46.9 percent males and 53.1 percent females.

$$\underline{N= Z^2 \times P \times (1-P)}$$
$$M^2$$

Where:

SS= Sample Size for infinite population (more than 50,000) Z = Z value (e.g. 1.96 for 95% confidence level)

P = population proportion (expressed as decimal) (assumed to be 0.5 (50%) since this would provide the maximum sample size).

M = Margin of Error at 5% (0.05) Now,

$$N = \frac{1.962 \times 0.5\times \ 1-0.5)}{0.052}$$

N = 384.16 respondents

Respondents demographics are given in Table 1. The demographics of the respondents consist of different characteristics like Gender, Age, educational qualification, and monthly income, etc. The characteristics and personal details of respondents which are presented in this section is important in understanding the respondents. Out of the 384 respondents, 53.1% were males and females were 46.9, proving to be fairly equitable in the ratio in terms of gender.

Age distribution showed that maximum number of people (54.4%) were in the age group of 20-30, 37.2% were in 30-50 age group and only 8% were 51 years and above which indicates that majority of the respondents were early career professionals or were at early or middle stages of their career. Concerning marital status 57.3% were single and 42.7% were married. In terms of academic qualification, the largest proportion were bachelor's degree holders (42.2%) followed by masters degree holders at 27.6%, other degree holders at 1.3% while 28.9% were at school level of education (SEE). The respondents are quite well-educated early career professionals

from across Kathmandu, which adds strength to the perceptions and behaviors that are relevant to the study.

Table1. *Background information*

Items		Frequency	Percent
Gender	Male	204	53.1
	Female	180	46.9
Age	20- 30 years	209	54.4
	30-50 years	143	37.2
	Above 50 years	32	8.3
Education	SEE	111	28.9
	Bachelors	162	42.2
	Masters	106	27.6
	Others	5	1.3
Marital status	Single	220	57.3
	Married	164	42.7
	Divorce		
Occupation	Government	346	90.1
	Non- government	16	4.2
	Private business	5	1.3
	Others	17	4.4
Monthly income	Below 25,000	38	9.9
	25,000- 50,000	141	36.7
	Above 50,000	205	53

Source(s): *Author's own work*

In the same way, the other government employees represent the most (90.1%) of the respondents along with the least proportion of entrepreneurs (1.3%) followed by non.

The age split exhibited majority of the people who took part (54.4%) were between the ages of 20 - 30 years old, 37.2% were between the ages of 30 - 50 years old and only 8% were older than 51 years old. This means that the majority of the people who participated are young professionals just getting onto their jobs or way into them. 57.3% were single and 42.7% were married when they were taking part in the survey. The most common level of education was bachelor's degree (42.2%) followed by master's degree (27.6%), another degree (1.3%) or school level of education (SEE) (28.9%).

These demographic distributions indicate that the sample of the study was composed of well-educated and primarily young professionals from all across Kathmandu, which provide us with a good measure to understand views and behaviours related to the study. The majority of the occupations (90.1%) are of government jobs, followed by non-government jobs (4.2%) and other jobs (4.4%). The least of the occupations is the entrepreneurs (1.3%). Lastly, 53 percent of the people who answered had the greatest income each month then 36.7 percent of those who said

European Economic Letters
ISSN 2323-5233
Vol 15, Issue 3 (2025)
http://eelet.org.uk

their income was between $25,000 and $50,000. The ones who said their income was less than $25,000 were the 9.9% of the people who answered this question.

Results and analysis

The research design adopted in this work is hypothetico-deductive, and this makes the process of creating preliminary hypotheses easier and then translate these hypotheses into mathematical models (Holden & Lynch, 2004; Ponterotto, 2005). When dealing with social and economic issues that have a numerical form, this design is very successful (Broadbent & Unerman, 2011; Holden & Lynch, 2004). Accordingly, a Likert scale was used in the current study to gather quantitative information of the factors being studied.

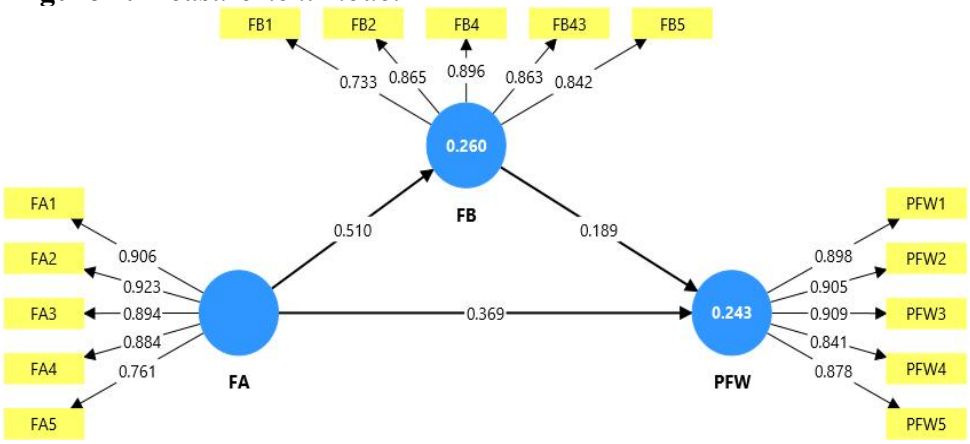
Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to analyse the data using the SmartPLS 4.1.1.4 software to test the hypotheses that were developed. The study first tested the measurement model to ensure the validity and reliability of the survey instrument following two step evaluation process suggested by Chin (1998). The structural model was then examined in order to assess the suggested theories.

Since PLS-SEM is not based on conventional parametric inference techniques, a bootstrapping based resampling strategy was employed to calculate the PLS-SEM parameters (Wold, 1982). This approach was taken because it enables in-sample prediction, which have been found by researchers such as Hair et al. (2014) to be quite beneficial for studies of this kind as well as relaxing the assumptions of multivariate normality (Chin et al., 2003).

Model of measurement model evaluation

As the literature suggests, we determined the suitability of the measurement model using reliability, convergent validity, and discriminant validity. We inversely used Cronbach's alpha, Composite Reliability (CR) and pa to determine if the data used was reliable. As seen in Table 2, all of the constructs had values above the recommended value or 0.7 for these metrics. This is in line with the criteria set by Henseler et al. (2016). In order to check the convergent nature of the results, Average Variance Extracted (AVE) was used. Hair et al. (2014) include in their list of convergent validity criteria outer loadings of items > 0.7 and average variance extracted (AVE) of constructs > 0.5. All item loadings in Table 2 are more than 0.7 and all values of construct AVE are above 0.5, indicating that the items are convergent.

Figure 2: *Measurement model*



European Economic Letters
ISSN 2323-5233
Vol 15, Issue 3 (2025)
http://eelet.org.uk

Table 2: *Factor loadings, Constructs validity and VIF*

Constructs	Items	FL	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	VIF
Financial attitude	FA3	0.913	0.868	0.887	0.919	0.793	3.361
	FA4	0.947					4.218
	FA5	0.805					1.807
Financial behavior	FB1	0.725	0.897	0.912	0.923	0.708	2.518
	FB2	0.862					3.06
	FB4	0.899					4.433
	FB43	0.863					2.976
	FB5	0.847					3.204
Personal financial well-being	PFW1	0.894	0.932	0.942	0.948	0.786	3.755
	PFW2	0.904					4.139
	PFW3	0.91					3.711
	PFW4	0.842					2.98
	PFW5	0.882					3.894

Source(s): *Authors' own work*

Table 2 presents findings of construct validity and reliability analysis of three latent variables of significance (personal financial well-being, financial behaviour and financial attitude), all of the items have high factor loadings (ranging from 0.725 to 0.947, above the 0.70 acceptable level), hence the indicators are reliable. The constructs have a high level of internal consistency with composite reliability (rho_A and rho_C) being above 0.88 and Cronbachs alpha being above 0.86. This makes them trustworthy. Average Variance Extracted (AVE) for all the constructs is between 0.708 and 0.793, which suggest that the constructs are good in converging, because they account for more than 70% of the variance within the indicators. The Variance Inflation Factor (VIF) is less than 5 for all items, suggesting that there was no multicollinearity. The results confirm the validity of all structural measurement models, and provides information about their statistical reliability.

Table 3: *Heterotrait-Monotrait Ratio (HTMT)*

Construct	FA	FB	PFW
FA			
FB	0.548		
PFW	0.491	0.404	

Source(s): *Authors' own work*

Table 3 reveals the results of the Heterotrait-Monotrait Ratio (HTMT) which was performed to verify the discriminant validity between the dimensions of financial attitude (FA), financial behaviour (FB) and personal financial well-being (PFW). HTMT is seen to be a more reliable and strong method to check for discriminant validity in structural equation modelling than more traditional methods such as the Fornell-Larcker criterion.

The highest HTMT value in the table (which is 0.548 between Financial Attitude and Financial Behaviour) falls well below the conservative level (0.85) which is suggested by Henseler, Ringle and Sarstedt (2015). This fact that one of the concept is empirically different from the other ones is further supported by the HTMT values between FA and PFW (0.491) and between FB and PFW (0.404). Strong discriminant validity, therefore, is supported by the results, which indicate that the three constructs are measuring different underlying theoretical ideas and could be used with confidence in additional structural model research.

Table 4: *Fornell & Larcker criterion*

Construct	FA	FB	PFW
FA	0.876		
FB	0.51	0.842	
PFW	0.465	0.377	0.887

Source(s): *Authors' own work*

To assess the degree of discriminant validity among the variables, Financial Attitude (FA), Financial Behaviour (FB) and Personal Financial Well-Being (PFW) with the Fornell and Larcker criterion is presented in Table 4. Fornell and Larcker (1981) state that discriminant validity is shown when the correlation values between constructs (off-diagonal values) are less than the square root of the AVE (shown diagonally). In this table, the square roots of the AVE for each build have been represented by the diagonal numbers FA [0.876], FB [0.842] and PFW [0.887]. The related off-diagonal correlations such as FA-FB (0.510), FA-PFW (0.465) and FB-PFW (0.377) are all lower than these.
This result supports the discriminant validity by strongly acknowledging that each construct is congruent to its own set of indicators such that the correlations are higher between indicators of each construct than between indicators of two distinct constructs. The measurement model is free from idea overlap and redundancy due to the relatively low inter-construct correlations showing that FA, FB, and PFW are empirically separate. The constructs of the model are therefore differentiated statistically and adequate for further structural equation modelling, according to the Fornell and Larcker criterion.

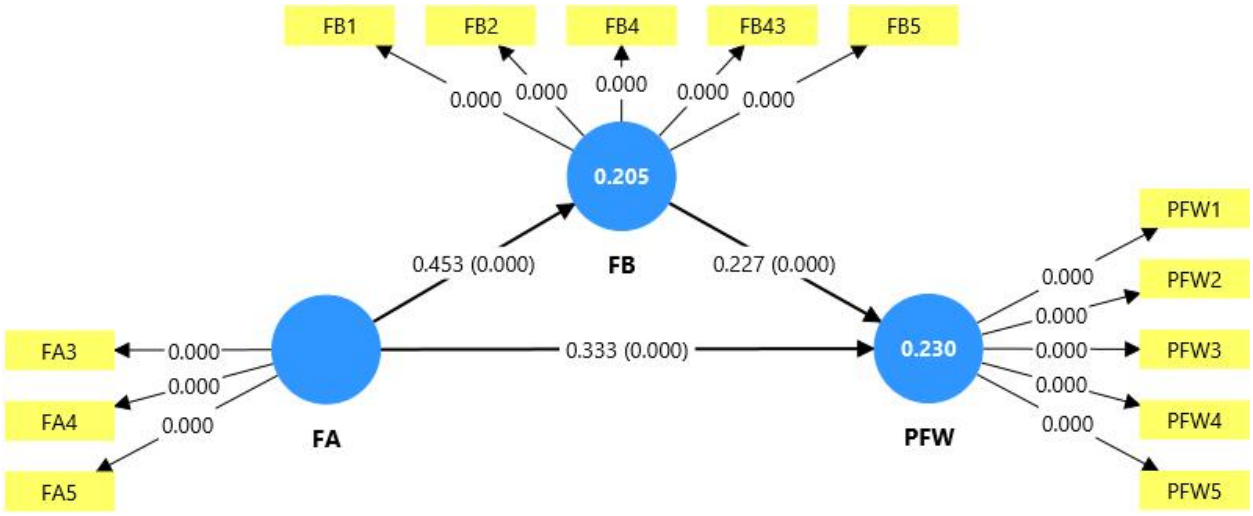
Structural model assessment

Once we had ensured that the measurement model was sufficiently good we proceeded to testing the structural model. We used SmartPLS 4.1.1.4 to test the structure model. We used the bootstrapping resampling method to determine how statistically significant the path coefficients

European Economic Letters
ISSN 2323-5233
Vol 15, Issue 3 (2025)
http://eelet.org.uk

were. This technique replaced sub-samples of the original sample of 384. Figure 2 and Table 5 and Table 6 provide the results of the structural model evaluation.

Figure 3: *Path Model*



Path Analysis of the structural model was performed in terms of direct and indirect relationship between Financial Attitude (FA), Financial Behaviour (FB) and Personal Financial Well-Being (PFW). The results are presented in Table 5. The FA to FB route coefficient is 0.453, the t-statistic is 6.281 and the p-value is 0.000 indicating that the relationship between the two variables is statistically significant and positive.

Table 5: *Path analysis*

Construct	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
FA -> FB	0.453	0.451	0.072	6.281	0
FA -> PFW	0.333	0.33	0.062	5.397	0
FB -> PFW	0.227	0.225	0.063	3.599	0
FA -> FB -> PFW	0.103	0.103	0.037	2.739	0.006

Source(s): *Authors' own work*

This implies that individuals are more prone to using wise financial practices in the event they have more favourable financial attitudes. The relationship between FA and PFW is also

significant (v = 0.333, t = 5.397, p < 0.001), recommending that personal financial well-being is directly affected by financial attitude.

Additionally, FB has a significant predictive relationship with PFW (beta = 0.227, t = 3.599, p = 0.000), which shows that financial well-being is independent predicted by sound financial practices. Crucially, FA indirect effect on PFW through FB is equally significant (beta = 0.103, t = 2.739, p = 0.006), which supports the importance of financial behaviour as a mediator. This means that the way people feel about money may have a direct and indirect impact on their health through what they do. The model provides very strong support for the notion that financial activity can contribute to improving financial well-being and it shows that both behavioural and cognitive (attitude) factors are important for doing so, because route coefficients are all significant at p < 0.01.

Table 5: *Hypothesis Testing*

Hypothesis	Path	Path coefficient	T- statistics	P-values	Result
H1	FA -> PFW	0.453	3.167	0.000	Accepted
H2	FA -> FB	0.333	9.224	0.000	Accepted
H3	FA-> PFW	0.227	4.858	0.000	Accepted
H4	FA -> FB -> PFW	0.103	2.67	0.006	Accepted
Model fit				R-squared	
SRMR	0.070	Financial behavior		0.26	
		Personal financial well-being		0.243	

Source(s): *Authors' own work*

Discussion

This research involved the role of financial behavior in mediating the personal financial health and attitude. The results indicate that financial attitude has a great influence on the individual financial welfare since individuals with optimistic financial attitudes have a higher likelihood of utilizing their money well to enhance their finances. Attitudes influence behavioural intentions which in turn predict the behaviours, which result in outcomes according to the Theory of Planned Behaviour (TPB) (Ajzen, 1991). This result fits with that. This theoretical approach is supported by the fact that the attitude and behaviour and well-being have close relationship in the personal finance field. In addition to this, it is important to note that lactose production relies on the temperature. Besides this it is notable that the production of lactose is dependent on temperature (Disabato et al., 2025; Fält-Weckman et al., 2024; Faturohman et al., 2024). The paper also supports previous research demonstrating the influence of the financial behaviour of people on their mental and cognitive processes and resulting in actual financial results ((Cedrún-Vázquez et al., 2025; Das, 2025; Moustati and Gherabi, 2025; Ouyang et al., 2025).

Netemeyer et al. (2018) have found that behavioural approaches, such as budgeting, saving, and cost control, influence the perceived financial well-being greatly and are not predetermined exclusively by financial resources and knowledge. It follows the findings of Shim et al. (2009) and Xiao and Porto (2017), who have discovered that young individuals and children with good

financial attitudes and frequent financial behaviors are less financially stressed and happier with their lives.

The implications of the findings to financial education and intervention programs are also present. Having a positive mindset towards money is not enough unless individuals possess the behavioural instruments and incentives to enact such perceptions (Addo et al., 2025). This supports the argument by Kaur et al. (2023) that financial capability, both the attitude and the practice of good financial habits, is what will determine the attainment of long-term financial well-being. These are the types of behavioral interventions, including automated savings schemes and default options that can contribute to the enhancement of financial self-control to a great extent, as well as encourage healthier financial habits even in individuals with low levels of financial literacy (Das, 2025).

Finally, statistical significant values of both direct and indirect paths indicate a partially mediated model, with the suggestion that financial attitude has a direct and indirect effect on well-being through behaviour. This is the subtle conclusion made about the dual function of financial behaviour as a predictors for well-being and as a result of attitude. Thus, the next round of research could help to learn more about the intricacies of these interactions in different demographic contexts by exploring whether financial literacy or income level or budgetary digital engagement can be seen as moderators.

Conclusions

The paper adds to the existing body of research on the subject of financial psychology by demonstrating through practical examples that the behavior of individuals concerning money is a central variable to the relation between their perception towards finance and their personal wealth. The findings indicate that individuals with a better attitude of money management are more likely to save, budget and not end up in unnecessary debts all of which are healthy in their financial bodies. This agrees with the behavioural economics theories and the Theory of Planned Behaviour which emphasise the need to make intention (attitude) and action (behaviour) consistent to achieve good financial outcomes.

The findings, in keeping with past studies, indicate that financial well-being is achieved by regular and deliberate financial activity based on a proactive attitude, rather than knowledge or income. The significance of the direct and indirect effect implies a partial mediation model. It implies that financial attitude affects the well-being directly and indirectly via behavior. Such a small observation can offer lawmakers and teachers who aspire to improve their financial skills much guidance: good financial attitudes need to be formed, but it is far more imperative to ensure that these attitudes become routines when it comes to long-term financial well-being.

Implications

The findings of the research have some significant theoretical and practical implications on the researcher of behavioural science, legislators and financial educators. To begin with, any intervention, which is supposed to improve individual financial outcomes, has to extend beyond encouraging the positive attitudes as statistics indicate that financial attitude and well-being are mediated by financial behaviour. As a means of transforming attitudes into stable, effective financial behaviours, behavioural aspects such as goal-setting, habit building, and feedback mechanisms should be incorporated in financial literacy programs. Bringing behavioural training

in courses of financial education is vital as behaviour is the major working connection between cognitive intention and life outcomes.

The findings reveal the importance of behavior-based financial competence policy in a policy perspective. Long term financial health can be helped tremendously by programs that encourage people to adopt better saving habits, help people budget automatically or give them incentives for saving goals, especially among younger or lower income individuals. Furthermore, enhancing financial behaviour by digital tools or community interventions can have cross-sectoral effects as financial well-being is linked with more general measures of life satisfaction as well as mental health. Thus, to ensure that positive financial attitudes are translated into economic and psychological stability in the long term, tools and services that would enable behavioural activation (i.e. mobile applications, reminders, and peer benchmarking) should be prioritized by policymakers and financial institutions alike.

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