Predictors of Financial Satisfaction: Mediating Role of Financial Behavior

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Abstract

Purpose - The purpose of this paper is to examine the relationship between financial socialization, financial knowledge, and financial satisfaction with financial behavior as a mediator.

Design/methodology/approach – The research used descriptive and causal-comparative research design. A questionnaire-based survey was used to collect data from 319 individuals living in the city of Lalitpur district of Kathmandu Valley, Nepal. To test the research hypotheses, the bootstrap re-sampling method was applied using Hayes's SPSS multiple-mediator PROCESS macro.

Findings – The results indicate that financial knowledge, attitude and management have a significant relationship with financial satisfaction. However, financial socialization has no significant relationship with financial satisfaction. Study also found financial behavior to play as mediating role in between predictors of financial satisfaction and financial satisfaction.

Conclusion – Greater financial satisfaction is a result of having a positive attitude towards financial as well as having adequate financial knowledge and using efficient financial management techniques. The way that people manage their finances budgeting, saving and investing is a major factor in determining how satisfied they are with their overall financial situation.

Implications - The insights from the paper suggest that tailored financial education programs and inclusive services can significantly enhance overall well-being. By leveraging personalized marketing and fostering open communication about money or wealth, stakeholders can empower individuals to make informed decisions and achieve greater financial security and satisfaction.

Originality/value - This study stands out as one of the few studies to examine relationship between predictors of financial satisfaction and financial satisfaction where financial behavior is mediator.

Keywords: Financial behavior, Financial knowledge, Financial satisfaction, Financial socialization

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1. Introduction

An individual's well-being encompasses their satisfaction with being healthy, content, and free from financial burdens (Sahi & Kalra, 2013). Zurlo (2009) suggests that financial well-being can be subjectively assessed through an individual's financial satisfaction. This satisfaction plays a crucial role in shaping perceived financial well-being, which is closely linked to overall well-being (Archuleta et al., 2013).

Financial satisfaction pertains to an individual's perceived contentment with various dimensions of their financial circumstances, including current income, capacity to address unexpected financial challenges, and ability to fulfill essential needs (Joo & Grable, 2004). In parallel, changes in family structures and lifestyles have also influenced financial dynamics within Nepalese households. The transition from joint to nuclear families, the trend observed in neighboring countries like India, has altered traditional financial support and resource-sharing mechanisms. Consequently, understanding individual financial satisfaction within these evolving family frameworks has become increasingly important (Thapa & Mishra, 2018). Despite these advancements, comprehensive studies examining predictors of financial satisfaction among Nepalese individuals remain limited. While existing research has identified various factors such as income levels, financial literacy, and access to financial services as potential determinants of financial satisfaction, there is a need for in-depth investigations that consider the unique socio-cultural context of Nepal. Factors such as cultural beliefs, social norms, and familial obligations may influence financial attitudes and behaviors, impacting an individual's overall satisfaction with their financial situation.

This research aims to address the gap in literature by comprehensively exploring the predictors of financial satisfaction among Nepalese individuals. Building upon existing findings, such as those by Saurabh and Nandan (2018) and Owusu (2021), the research adopted a multi-dimensional approach, considering factors such as financial knowledge, attitudes, behaviors, and socialization within the specific socio-cultural context of Nepal. By employing quantitative research methods, the research analyzed the data to figure out the interplay of these factors and their impact on financial satisfaction. Overall, the paper provided valuable insights for policymakers, financial institutions, and practitioners to design targeted interventions and financial education programs tailored to the specific needs and preferences of the Nepalese population.

2. Literature Review and Hypotheses Development

The Deacon–Firebaugh Model

The Deacon–Firebaugh model offers a strong theoretical foundation for this study by exploring the connections between financial knowledge, financial attitudes, financial management, and financial satisfaction. This life-cycle-based model is structured around three components: input, throughput, and output. In financial management literature, inputs (the initial stage of the process) typically refer to material resources, such as income, savings, and net worth, or human resources, such as age, education, and financial knowledge. Outputs, on the other hand, are often conceptualized as either objective outcomes, such as changes in net worth, or subjective outcomes, such as perceived satisfaction (Davis & Helmick, 1985; Hira & Mugenda, 1998). In this paper, satisfaction with financial status was used as a proxy for outcomes.

The throughput stage or transformation process, includes personal and managerial subsystems. The managerial subsystem, traditionally understood as financial planning and decision-making behaviors, is defined here as financial management. This involves actions such as planning, implementing, and evaluating financial activities in areas such as cash flow, credit, investments, insurance, and retirement (Godwin & Koonce, 1992). Attitudes are incorporated into the personal subsystem based on their psychological definition, aligned with Deacon and Firebaugh's conceptualization of the personal subsystem.

Financial Satisfaction

Financial satisfaction is an individual's subjective assessment of their current financial status, reflecting their level of contentment or happiness with their financial resources and their ability to fulfill needs and achieve goals (Lusardi & Mitchell, 2014). It also encompasses satisfaction with various aspects of one's financial situation, particularly income, preparedness for financial emergencies, and the capacity to meet essential needs (Joo & Grable, 2004; Saurabh & Nandan, 2018).

Financial Knowledge

Financial knowledge refers to a foundational understanding of financial concepts and principles that enables individuals to effectively manage their finances (Britt et al., 2012; Hilgert et al., 2003; Saurabh & Nandan, 2018). It comprises both objective and subjective dimensions – objective financial knowledge involves integrating new information with existing knowledge, while subjective financial knowledge pertains to an individual's confidence in their ability to make financial decisions (Wang, 2009).

Financial Socialization

Financial socialization refers to young people developing attitudes, knowledge, and behaviors that benefit their well-being (Danes, 1993; Hira et al., 2013; Saurabh & Nandan, 2018). Society influences the way individuals think and process information. When faced with uncertainty, individuals tend to make different decisions compared to when they are in a group setting (Prechter & Parker, 2007).

Financial Attitude

Financial attitude is a perspective or mindset shaped by judgments, opinions, and ideas related to finances that influences how individuals spend, save, accumulate, and invest money. It indirectly impacts financial behaviors, such as budgeting, financial management, and investment decision-making (Mien & Thao, 2015; Parrotta & Johnson, 1998). Financial attitudes can also be defined as personal experiences and views about finances that are reflected in individual behaviors (Adiputra, 2021).

Financial Management

Godwin and Koonce (1992) defined financial management as planning, implementing, and assessing behavior related to allocating current income and wealth to achieve financial goals and commitments. This encompasses cash flow, savings, investments, insurance, retirement planning, and estate preparation. Financial management is crucial for making decisions and achieving goals, regardless of financial situation (Izquierdo & Tuesta, 2015; Parrotta & Johnson, 1998).

Financial Behavior

Financial behavior encompasses the management of one's income and financial circumstances, reflecting an individual's approach to daily financial activities (Loix et al., 2005). It refers to an individual's capacity to effectively manage their finances to achieve success in life (Falahati et al., 2012). Britt et al. (2012) describe financial behavior as the techniques individuals use to manage their finances. Robb and Woodyard (2011) identified certain practices, such as creating budgets, saving for both short- and long-term goals, and establishing emergency funds, as examples of positive financial behavior (Ali et al., 2015).

2.1 Relationship between Financial Knowledge and Financial Satisfaction

Bernheim et al. (2001) found that financial education enhances financial behavior. Perry and Morris (2005) found that persons with greater financial awareness tend to behave more responsibly with their resources. Chen and Volpe (1998) found persons with a greater level of financial knowledge are more likely to make sound investing, savings, and borrowing decisions (Wang, 2009). Saurabh and Nandan (2018) stated that individuals' financial knowledge might impact their behavior and perceived financial satisfaction. Financial knowledge accounts for 19.48% of the variation in financial satisfaction when financial behavior is not considered as a mediating factor in the regression analysis. However, when financial behavior is included as a mediator, the influence of financial knowledge on financial satisfaction increases to 21.1%.

Owusu (2021) found a positive but insignificant correlation between financial knowledge and financial satisfaction. Knowledge of financial difficulties leads to higher likelihood of financial satisfaction. Individuals with financial expertise often have more vital coping skills and aim to improve their living conditions. Based on the statement, the following hypothesis is proposed;

H1: Financial knowledge has a significant positive relation with financial satisfaction.

2.2 Relationship between Financial Socialization and Financial Satisfaction

Society influences the way individuals think and process information. When faced with uncertainty, individuals tend to make different decisions than when they are in a group setting (Prechter & Parker, 2007). Through socialization, individuals gain knowledge and skills from society (Hira et al., 2013). Moschis and Churchill (1978) stated that parents, classmates, and the media are all key agents of socialization. Saurabh and Nandan (2018) found that financial satisfaction was positively related to financial socialization and financial behavior mediated between financial socialization and financial satisfaction. The study of Falahati et al. (2012) revealed that financial behavior had the most substantial positive and direct impact on financial satisfaction. During childhood, parents play a central and immediate role in shaping financial habits, with peers serving as an additional influence on financial socialization. Subsequently, media becomes another avenue for providing information about financial products. Therefore, the paper proposed following hypothesis:

H2: Financial socialization has significant positive relationship with financial satisfaction.

2.3 Relationship between Financial Attitude and Financial Satisfaction

Saurabh and Nandan (2018) observed a positive but statistically insignificant relationship between financial attitude and financial satisfaction. This suggests that an individual's financial attitude may serve as an important predictor of financial satisfaction, reflecting the extent to which they perceive financial activities positively or negatively. Developing a positive attitude toward financial matters is essential for achieving financial satisfaction; however, the lack of significant correlation indicates that attitude alone does not directly influence financial behavior (Paluri & Mehra, 2016). In contrast, Kirbis et al. (2017) reported that financial attitude has a significant positive impact on financial satisfaction, with rational financial attitudes showing a stronger association with satisfaction levels. On the basis of the statements, the following hypothesis is proposed:

H3: Financial attitude has significant positive relationship with financial satisfaction.

2.4 Relationship between Financial Management and Financial Satisfaction

According to Atkinson et al. (2007) practical financial management abilities and decision-making are crucial for financial success. Financial management is crucial for making decisions and achieving goals, regardless of financial situation (Izquierdo & Tuesta, 2015; Parrotta & Johnson, 1998). Financial attitude has a positive and highly significant relationship with financial management behavior and its implications for financial satisfaction. Individuals with a positive financial attitude are more likely to handle their finances effectively, resulting in more financial satisfaction in the long-run. Financial management is a good determinant of financial satisfaction, and financial management behavior impacts financial satisfaction (Yap et al., 2018). On the basis of the argument stated, the following hypothesis is proposed:

H4: Financial management has significant positive relation to financial satisfaction.

2.5 Relationship between Financial Behavior and Financial Satisfaction

Robb and Woodyard (2011) identified certain financial practices, such as budgeting for expenses, saving for both short- and long-term goals, and establishing an emergency fund, as examples of positive financial behavior (Ali et al., 2015). Saurabh and Nandan (2018) demonstrated that financial behavior was positively associated with financial satisfaction and served as a mediator between financial knowledge, financial socialization, and financial satisfaction. Similarly, Joo and Grable (2004) found that financial behaviors were influenced by factors such as education level, number of financial dependents, income, financial stress, and risk tolerance, and their study revealed that education, income, and risk tolerance had a positive relationship with financial behaviors. The decision-making behavior of individual also influenced by the beliefs and dogmatism while making investment-related financial behavior decisions (Giri & Adhikari, 2023). Thus, education seems to influence the financial decision-making ability of the individuals. Individuals with education levels between high school and a college degree scored higher in financial behaviors compared to other educational groups, and those with higher household incomes displayed better financial behaviors than individuals in lower income groups. On the basis of the argument established, the following hypotheses are proposed;

H5: Financial behavior has significant positive relation to financial satisfaction.

H6a: Financial behavior mediates the relationship between financial knowledge and financial satisfaction.

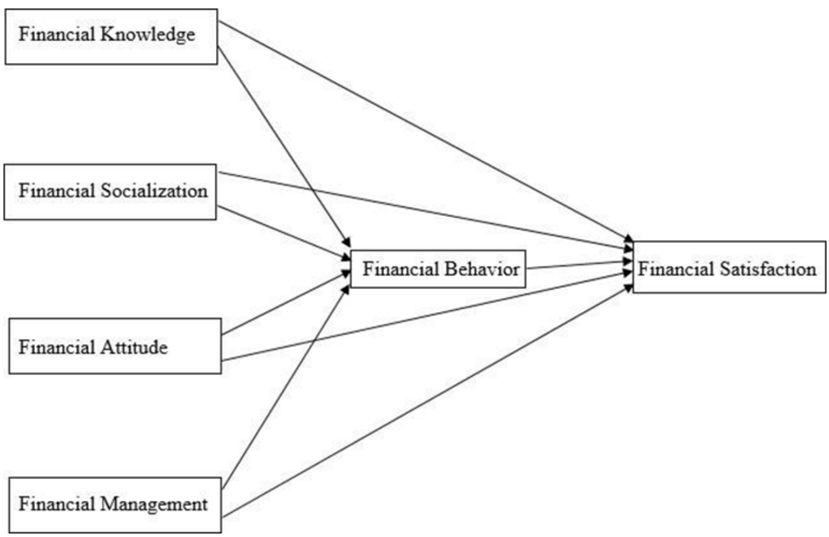
H6b: Financial behavior mediates the relationship between financial socialization and financial satisfaction

H6c: Financial behavior mediates the relationship between financial attitude and financial satisfaction

H6d: Financial behavior mediates the relationship between financial management and financial satisfaction

Figure 1

Theoretical Framework



Source: (Owusu, 2021; Saurabh & Nandan, 2018)

3. Research Method

The research design adopted for the study was descriptive and causal-comparative, following the procedure of Chandra et al. (2022), Saurabh and Nandan (2018), Owusu (2021), and Joo and Grable (2004) to describe the characteristics and examine the cause and effect relationship between the variables.

Population and Sample

The total population for the study was the individuals living permanently in Ward number 7 and 9 of Lalitpur district (15,273 residents as per National Population and Housing Census (2021)). The target population was individuals whose age was more than 18 years, and who at least had financial knowledge and behaved in a certain way to do the same. The convenience sampling technique was used for the data collection, and this technique was used due to ease of access, geographical proximity, and the interest shown by respondents. The questionnaire was distributed to 412 individuals, and 319 of them was actually responded. Thus, the sample size for the analysis was 319. The response rate was 77.42 percent which was higher than other usual study in the Kathmandu Valley that used personal visit approach.

Instruments and Measurements

The items used to measure research constructs were adopted from the literature. The responses were measured on a five-point Likert scale of 30 items (5 items in each variable), ranging from 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree, and 5= Strongly Disagree which was adopted from Hira et al. (2013) to measure financial socialization. The five-point Likert scale from Bongomin et al. (2018) and Owusu (2021) has been adopted to measure financial behavior, financial knowledge, and financial satisfaction. The measurement scales were translated into Nepali language to avoid any misunderstanding. The full-fledge questionnaires were created and presented to respondents after conducting pilot test to accept the reliability standards.

Data Analysis

The questionnaire was self-administered and contained closed-ended questions, including a five-point Likert scale. The descriptive, correlational, and regression analysis were performed. The traditional approach of mediation analysis (Baron & Kenny, 1986) has some statistical limitations regarding the lack of power (Hayes, 2009), the research used the PROCESS macro for SPSS (Model 4) to examine the mediating effect of financial behavior (Hayes, 2017). The paper performed a non-parametric distribution-free bootstrapping technique with 5000 resamples to obtain the 95% confidence intervals (Cis). This baseline is accepted as it addresses the concerns regarding the type I error (Hayes, 2017).

4. Findings

Data are slightly skewed towards females, who comprise over half of the respondents. Most of the respondents (46.7%) fall within the 25-35 age range, indicating a younger demographic figure. More than half of the respondents were married, suggesting a stable family structure among the participants. There was a high level of educational attainment, with most respondents holding undergraduate degrees. Most of the respondents fall within the middle-income bracket, earning between "25000-50000" Nepali rupees per month, which is considered a middle-income group. The research provides a comprehensive overview of the demographic characteristics of the participants. The findings suggest that the sample is relatively young, well-educated, and predominantly middle-income.

Table 1

Demographic Profile of Respondents

Demographic Variable		Frequency	Percent (%)
Gender	Male	141	44.2
	Female	178	55.8
Age	Below 25	55	17.2
	25-35	149	46.7
	35-45	51	16
	Above 45	64	20.1
Marital Status	Married	180	56.4
	Unmarried	132	41.4
	Divorced	7	2.2
Education Qualification	Primary Education	23	7.2
	SEE/SLC	32	10
	+2	44	13.8
	Undergraduate	170	53.3
	Master	50	15.7
Monthly Income	Below 25000	69	21.6
	25000-50000	206	64.6
	50000-75000	25	7.8
	75000-100000	15	4.7
	Above 100000	4	1.3

Table 2

Reliability Analysis and Descriptive Statistics of Independent and Dependent Variables

Variable	No. of Items	Cronbach's Alpha	Mean	Standard Deviation
Financial Satisfaction	5	0.878	1.94	0.592
Financial Knowledge	5	0.813	1.80	0.559
Financial Socialization	5	0.777	1.90	0.624
Financial Attitude	5	0.818	1.88	0.614
Financial Management	5	0.779	1.91	0.601
Financial Behavior	5	0.761	2.05	0.627

The analysis of the six financial variables reveals moderate financial literacy and behavior levels among respondents, with mean scores ranging from 1.80 to 2.05. Financial behavior scores the highest mean (2.05), indicating a relatively higher engagement in financial activities, albeit with the most significant variability (SD=0.627). Financial satisfaction has a mean of 1.94 and a standard deviation of 0.592, suggesting moderate satisfaction with financial status. Financial knowledge shows lowest mean (1.80) and variability (SD=0.559), indicating consistent responses but lower perceived knowledge about finance. Financial socialization, financial attitude, and financial management have mean score around 1.90, with moderate variability, reflecting a balanced perspective. These findings suggest a consistent but varied financial perspective among the respondents, with room for improvement in financial knowledge and satisfaction.

The reliability of each component was assessed using Cronbach's alpha values, as presented in Table 2. Henseler et al. (2016) suggest that a Cronbach's alpha value exceeding 0.70 is generally deemed acceptable for reliability. In this study, the Cronbach's alpha coefficients ranged from 0.777 to 0.878, indicating that the questionnaire utilized is reliable and appropriate for further research.

Table 3

Correlation between Independent Variables and Dependent Variable

	Financial Satisfaction	Financial Knowledge	Financial Socialization	Financial Attitude	Financial Management	Financial Behavior
Financial Satisfaction	1					
Financial Knowledge	.741**	1				
Financial Socialization	.775**	.710**	1			
Financial Attitude	.799**	.659**	.806**	1		
Financial Management	.741**	.590**	.698**	.728**	1	
Financial Behavior	.825**	.650**	.699**	.656**	.685**	1

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation analysis in Table 3 reveals significant associations between various financial variables. Financial satisfaction exhibits moderate to strong positive correlations with financial knowledge, financial socialization, financial attitude, financial management, and financial behavior. Similarly, financial knowledge demonstrates significant positive correlations with financial socialization, financial attitude, financial management, and financial behavior. The results show that individuals with higher financial knowledge tend to exhibit more positive financial behaviors, attitudes, and management practices, leading to increased satisfaction with their financial situation. Financial socialization, financial attitude, and financial management also show significant positive correlations with each other and with financial behavior, indicating that individuals with more exposure to financial discussions and positive attitudes towards money management tend to engage in better financial practices. The strong correlations between financial behavior and other variables imply that behaviors such as budgeting, saving, and investing are influenced by a combination of knowledge, attitudes, and socialization regarding finances.

Table 4

Multi-Collinearity Statistics

Variables	VIF
Financial Knowledge	2.279
Financial Socialization	3.731
Financial Attitude	3.450
Financial Management	2.586
Financial Behavior	2.461

The VIF of all the variables is less than 10, i.e. (VIF<10), indicating no multi-collinearity between the independent variables. The low VIF values suggest no excessive correlation between the independent variables in the regression analysis. This implies that each financial variable provides unique information and does not duplicate or excessively overlap with others. Therefore, when conducting regression analysis or modeling, the relationships between these financial variables can be accurately assessed without concern for multicollinearity distorting the results (Alin, 2010).

Table 5 summarizes the model with an adjusted R-squared 0.823, which means 82.3% of variation in the dependent variable (financial satisfaction) is explained by independent variables (financial knowledge, financial socialization, financial attitude, financial management, and financial behavior). Other 17.7% is explained by other factors not included in the study. The model is significant with an F value of 291.346 and significant at the one percent level, indicating that all independent variables have a combined significant impact on the dependent variable.

Table 5

Regression Analysis

	B	Std. Error	t	Sig.
(Constant)	-0.088	0.054	-0.378	0.706
Financial Knowledge	0.199	0.038	5.237	0.000
Financial Socialization	0.046	0.043	1.056	0.292
Financial Attitude	0.283	0.038	6.663	0.000
Financial Management	0.105	0.038	2.796	0.005
Financial Behavior	0.379	0.035	10.793	0.000
Adjusted R square		0.823	R	0.907
F		291.346	Sig.(F)	0.000

The regression analysis results indicate significant relationships between financial independent variables and the dependent variable, likely representing financial well-being or related outcomes. Financial knowledge, financial attitude, financial management and financial behavior all have positive and statistically significant coefficients, suggesting that higher knowledge, positive attitudes, effective management, and desirable behaviors are associated with better financial outcomes. However, financial socialization does not show a statistically significant relationship with the dependent variable, indicating that its influence on financial well-being may be less pronounced among Nepalese financial practitioners.

The mediating relationship shown in Table 6 suggests that financial knowledge has both a direct effect on financial satisfaction and an indirect effect mediated through financial behavior. This indicates that individuals with excellent financial knowledge tend to exhibit more desirable financial behaviors, leading to higher financial satisfaction. This relationship indicates that financial socialization has a direct effect on financial satisfaction and an indirect effect mediated through financial behavior. Individuals exposed to positive financial discussions and practices are more likely to engage in favorable financial behaviors, resulting in increased financial satisfaction. Financial attitude has a direct effect on financial satisfaction and an indirect effect mediated through financial behavior. Positive attitudes towards financial matters are associated with more constructive financial behaviors, enhancing financial well-being. This relationship suggests that financial management has a direct effect on financial satisfaction and an indirect effect mediated through financial behavior. Effective financial management practices contribute to better financial behaviors, increasing financial satisfaction.

Table 6

Mediation Effect

Relationship	Total Effect	Direct Effect	Indirect Effect	Confidence Interval		t-statistics	Conclusion
				Lower Bound	Upper Bound		
FK-> FB -> FSAT	0.7844 (0.000)	0.3754 (0.000)	0.4090	0.3430	0.4797	11.6857	Partial Mediation
FS-> FB -> FSAT	0.7339 (0.000)	0.3675 (0.000)	0.3663	0.3051	0.4326	11.3758	Partial Mediation
FA-> FB -> FSAT	0.7697 (0.000)	0.4361 (0.000)	0.336	0.2780	4.000	10.6923	Partial Mediation
FM-> FB -> FSAT	0.7302 (0.000)	0.3274 (0.000)	0.4028	0.3368	0.4770	11.0356	Partial Mediation

FK=Financial Knowledge, FS= Financial Socialization, FA= Financial Attitude, FM= Financial Management, FB= Financial Behavior and FSAT= Financial Satisfaction

Table 6 revealed that financial knowledge (FK) has a significant impact on financial socialization (FS). The direct effect, indirect effect and total effect are 0.3754, 0.4090 and 0.7844 respectively. $t=11.6857$, $p<0.001$. Financial behavior partially mediates the relationship between financial knowledge and financial satisfaction. Similarly, as indicated in the table 6, there were significant impacts of independent variables on dependent variable i.e. financial satisfaction. Financial behavior partially mediates the relationship between the independent and dependent variable. The significance of the mediation effects was supported by the t-statistics and confidence intervals that do not included zero.

5. Discussion

The findings of the paper revealed significant associations between financial variables – financial knowledge, financial socialization, financial attitude, and financial management and financial satisfaction. Among the other independent variables, financial attitude strongly correlated with financial satisfaction. Regression analysis underscores the pivotal roles of financial knowledge, attitude, management, and behavior in enhancing financial satisfaction. Financial behavior acts as a partial mediator. These findings emphasize the multifaceted nature of financial well-being, where knowledge, attitudes, management practices, and behaviors collectively contribute to individuals' satisfaction with their financial situation.

The paper suggested that financial knowledge is a major factor in financial satisfaction. Financial knowledge was positively correlated to the financial satisfaction and also has a significant relationship with financial satisfaction. The findings are similar to the study conducted by Saurabh and Nandan (2018), where financial knowledge had a significant relationship with financial satisfaction. Adiputra (2021) also found that the regression coefficient value for financial knowledge is positive, indicating a direct relationship between financial knowledge and financial satisfaction. Financial knowledge is used to make financial decisions that impact financial conditions, resulting financial satisfaction. Also financial behavior mediates between financial knowledge and financial satisfaction which also aligns with the findings of Saurabh and Nandan (2018). This supports the hypotheses H1 and H6a.

Financial socialization is positively correlated to financial satisfaction, which aligns with findings of Saurabh and Nandan (2018), where individual financial choices are heavily influenced by financial socialization. However, the regression analysis showed that financial socialization has no significant relationship with financial satisfaction, which contradicts the findings of Saurabh and Nandan (2018). The mediating effect of financial behavior on financial socialization and financial satisfaction was similar to the study of (Saurabh & Nandan, 2018). Since the concept of financial socialization contains many sections such as saving advice, investing advice, money management advice, etc., the study population has only received saving advice from their social agent but not about the investing advice and other financial socialization aspect. This rejected the H2 but supported H6b.

The paper found that financial attitude is positively correlated with and significantly impacts financial satisfaction; and financial behavior mediates the relationship between financial attitude and financial satisfaction, which is similar to the findings of Skreblin Kirbis et al. (2017) study. The research conducted by Paluri and Mehra (2016) also supports the idea that a positive attitude towards financial concerns is a key step in becoming financially satisfied. This supported H3.

Financial behavior is also seen as one predictor of financial satisfaction since it is positively correlated and has a significant relationship with financial satisfaction. The findings align with the study of Saurabh and Nandan (2018), who suggested that financial satisfaction is positively related to financial behavior, and financial behavior also plays a mediating role in the relationship between financial knowledge, financial socialization, and financial satisfaction. Joo and Grable (2004) also found similar findings – individuals with higher financial behavioral scores were financially satisfied. This supported H5, H6c and H6d.

Similar to Owusu (2021) and Yap et al. (2018), the paper also found financial management to have significant positive impact on financial satisfaction. How people manage their finance budgeting, saving, and investing is a major factor in determining how satisfied they are with their overall financial situation. This supports H4. The findings of the study are also supported by the Deacon and Firebaugh Model, which suggests that the input and output may not have a strong relationship since financial behavior and financial management processes act as intervening variables.

6. Conclusion

Greater financial satisfaction is a result of having a positive attitude towards finances, adequate financial knowledge, and efficient financial management techniques. How people manage their finances, budgeting, saving, and investing is a major factor in determining their satisfaction with their overall financial situation. Financial satisfaction is a key indicator of people's general well-being and contentment with their financial situation. The findings of the paper revealed that those with more financial knowledge, better attitudes toward finance, effective financial management methods, and healthy financial behaviors are more likely to be satisfied with their finances. Also, financial socialization had no significant relationship with financial satisfaction because the respondents only got advice about saving habits and lacked any teaching of investment decisions and opportunities from the parents and social groups.

Financial satisfaction rises in direct proportion to one's level of financial literacy. People knowledgeable about financial concepts and principles can better manage their money and are, therefore, more satisfied with their financial circumstances. In addition to directly impacting satisfaction, financial literacy also indirectly raises satisfaction by encouraging sensible financial practices such as investing, saving, and budgeting. This situational approach highlights the realistic benefits of financial literacy in shaping financial behaviors that eventually affect satisfaction. Those with a favorable attitude toward financial management demonstrate higher levels of financial satisfaction. This research suggests the psychological component of financial well-being, showing that improved financial results and general satisfaction are correlated with a positive attitude toward money management. Active participation in successful financial management strategies, such as budgeting and planning, directly increases satisfaction. The result highlights significant improvements in financial situations and satisfaction when practicing effective financial management. The paper also found that implementing proper financial practices such as strategic investment, careful saving, and responsible budgeting directly raises financial satisfaction. The results indicate the critical role that financial decision-making and management behaviors play in influencing people's perceptions of their financial well-being. Achieving and sustaining financial satisfaction requires the development of sound financial practices.

7. Implication

The findings of the research have important implications for several stakeholders, including governments, financial institutions, enterprises, and individuals looking to improve their financial well-being and satisfaction. By understanding key demographics, policymakers can create targeted financial education programs to empower individuals to make informed decisions. Promoting financial inclusion, especially for marginalized groups, can improve financial management and well-being. These findings can help design products and services tailored to consumer needs. User-friendly interfaces, financial education tools, and personalized marketing based on demographics and financial behavior can improve client satisfaction and engagement. The study empowers individuals to take charge of their financial well-being. Individuals can achieve greater financial security and satisfaction by accessing financial education materials, practicing good financial habits, and fostering open communication about money within families.

8. Limitations and Direction for Future Research

The main limitation of the paper is its dependency on survey data and inherent response biases. Future researches may use more diversified and accurate approaches, such as longitudinal studies or experimental designs, to capture dynamic changes in financial attitudes and behaviors over time. Future research can employ probability sampling for more precise findings and generalizability. Furthermore, investigating the influence of contextual factors, such as cultural variations and socioeconomic status, in shaping financial satisfaction can reveal more information about the underlying mechanisms that drive financial well-being. Furthermore, studying emerging trends in financial technology and their impact on financial behaviors and satisfaction can provide valuable insights into the changing environment of personal finance. By addressing these limitations and building upon the findings of this research, future researchers can contribute to a more comprehensive understanding of financial satisfaction and inform evidence-based interventions to promote financial well-being for individuals and communities alike. Overall, the findings of this research underscore the importance of addressing the multifaceted nature of financial satisfaction and adopting a holistic approach to promoting financial well-being.

Conflict of Interest

Authors declare no conflict of interest while preparing this article.

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Appendix

Statement	Indicator	Questions
Financial Knowledge	FK1	I understand simple financial terms. (Examples: interest rates, financial costs, credit terms, etc.)
Bongomin et al. (2018)	FK2	I understand investment returns and risks.
	FK3	I understand how to minimize risk.
	FK4	I understand financial concepts such as money management, investment and budgeting pay my bills on time.
	FK5	I can easily plan financial activities.
Financial Socialization	FS1	As a child, I learned about saving for the future from my parents.
Hira et al. (2013)	FS2	My parents advised me when I was young on how to invest.
	FS3	I have obtained information about investing from friends or colleagues.
	FS4	I have obtained information about investing from the Internet; TV programs; radio program; newspapers, magazines, newsletters, or books.
	FS5	I have obtained information about investing from my workplace.
Financial Attitude	FA1	I should concentrate on the present when managing my finances.
Owusu (2021)	FA2	Financial planning for retirement is necessary for assuring my security during old age.
	FA3	Thinking about where I will be financially in 5 or 10 years in the future is essential for my financial success.
	FA4	I have good attitude towards saving money.
	FA5	I have good attitude towards spending money responsibly.
Financial Management	FM1	I always pay bills before the due date.
Owusu (2021)	FM2	I carefully budget my monthly expenses to ensure I stay on track with my financial goals.
	FM3	Before I make a purchase, I consider carefully whether it fits within my budget.
	FM4	I have some money saved for emergencies.
	FM5	I am currently following my long-term financial plan.
Financial Behavior	FB1	I set money aside for savings.
	FB2	I set money aside for retirement.
Bongomin et al. (2018)	FB3	I have a plan to reach my financial goals.
	FB4	I have a weekly or monthly budget that I follow.
	FB5	I choose financial products that suits my needs and conditions.

Financial Satisfaction Owusu (2021)	FSAT1	I am satisfied with my current financial situation
	FSAT2	I usually have enough money to cover my expenses.
	FSAT3	Even if my income stopped suddenly, I could manage for a few months.
	FSAT4	My financial situation makes it easy for me to qualify for a loan, if needed.
	FSAT6	I'm financially secure and confident in my ability to handle future expenses.
Bongomin et al. (2018)	FB2	I set money aside for retirement.
	FB3	I have a plan to reach my financial goals.
	FB4	I have a weekly or monthly budget that I follow.
	FB5	I choose financial products that suits my needs and conditions.
Financial Satisfaction Owusu (2021)	FSAT1	I am satisfied with my current financial situation
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