

FINANCIAL EFFICACY AS A CATALYTIC FACTOR IN EMERGING ECONOMIES: A MODERATED STRUCTURAL MODEL OF YOUNG ADULTS' FINANCIAL ATTITUDES, SOCIALIZATION, SATISFACTION, AND BEHAVIOUR

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Abstract

This study investigates the impact of financial attitude, satisfaction, and socialization on financial management behaviour among young adults, with a focus on the moderating role of financial efficacy. Drawing on social cognitive theory, the research explores how psychological and social factors shape financial behaviour in emerging adults. Data were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM).

The findings reveal that financial attitude, satisfaction, and socialization significantly influence financial management behaviour. Furthermore, financial efficacy significantly moderates the relationship between financial attitude and behaviour, amplifying the effect for those with higher efficacy. However, no moderating effects were observed for financial satisfaction or socialization.

These results underscore the importance of fostering financial efficacy and positive financial attitudes in promoting responsible financial practices among young adults. The study offers theoretical and practical insights for designing targeted financial education initiatives that go beyond knowledge-building to include confidence and behavioural reinforcement.

Key words: Financial efficacy; Partial Least Squares Structural Equation Modelling (PLS-SEM), financial behaviour, financial attitude, socialization

1. INTRODUCTION

The increasing complexity of personal financial decision-making in contemporary economies has underscored the importance of cultivating sound financial management behaviour, particularly among young adults. As this demographic group transitions into financial independence, they are often confronted with new responsibilities such as budgeting, saving, debt management, and long-term financial planning. Despite growing access to financial services and literacy initiatives, evidence suggests that many young adults continue to exhibit suboptimal financial behaviours, leading to increased financial stress and vulnerability (Shim et al., 2009; Lusardi & Mitchell, 2014).

A substantial body of literature has sought to identify the antecedents of financial

management behaviour, pointing to psychological, attitudinal, and social factors as key predictors. Constructs such as financial attitude, which encompasses an individual's evaluative disposition toward money and its use, have been consistently linked with prudent financial behaviours. Likewise, financial satisfaction, reflecting the degree to which individuals feel content with their financial circumstances, and financial socialization, referring to the process through which individuals acquire financial norms and practices—primarily through parents, peers, and media—have emerged as significant explanatory variables (Gudmunson & Danes, 2011; Serido et al., 2010).

While these factors are important, the degree to which they influence behaviour may vary depending on individual differences in financial efficacy—defined as an individual's self-perceived ability to effectively perform financial tasks and make informed financial decisions (Farrell, Fry, & Risse, 2016). Grounded in Bandura's (1997) social cognitive theory, financial efficacy functions as a motivational construct that can either enhance or inhibit the translation of financial knowledge, attitudes, and social learning into actual behaviour. Yet, the moderating role of financial efficacy in this context has received limited empirical attention, particularly within the framework of financial management among young adults in emerging economies.

This study seeks to address this gap by examining the moderating effect of financial efficacy on the relationships between financial attitude, financial satisfaction, and financial socialization, and their impact on financial management behaviour among young adults. Utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM), this research provides a nuanced understanding of how individual psychological resources interact with broader financial determinants to influence behaviour. The findings are expected to contribute both theoretically—by expanding the conceptual model of financial behaviour—and practically, by informing targeted interventions aimed at enhancing financial efficacy and promoting responsible financial practices among youth.

2. REVIEW OF LITERATURE

The increasing complexity of financial products and services in modern economies has highlighted the necessity for strong financial management behaviour (FMB), particularly among young adults. As they enter adulthood, many are tasked with managing their finances independently, often for the first time. This transition period includes navigating expenses, debt, savings, and long-term planning, which can be overwhelming without adequate preparation or support (de Bassa Scheresberg, 2013).

Financial literacy, encompassing knowledge and the ability to make effective financial decisions, is frequently linked to sound financial behaviour. According to de Bassa Scheresberg (2013), while many young adults are financially active, a significant proportion lacks the basic financial knowledge necessary to make informed decisions. This gap persists even among well-educated individuals, indicating that knowledge alone does not guarantee effective behaviour. Adesina et al. (2024) argue that financial education initiatives must focus on behaviour change, not just knowledge acquisition, to be truly effective. Wuttke and Aprea (2018) add that the measurement of financial literacy should also reflect context-sensitive judgment capabilities to assess decision-making competencies more accurately.

Psychological attributes such as financial self-efficacy and locus of control are

increasingly recognised as key factors influencing FMB. Financial efficacy, defined as one's belief in their ability to manage financial tasks, moderates the relationship between financial attitudes and behaviour (Amagir et al., 2018). Gunawan et al. (2023) found that individuals with an internal locus of control are more likely to engage in positive financial behaviours. These findings suggest that boosting self-confidence in managing finances can be as crucial as imparting knowledge.

Socialization experiences also play a significant role. Kim and Chatterjee (2013) demonstrated that early exposure to financial practices through parental guidance, peer influence, and media significantly shapes long-term financial behaviours. Similarly, Cao and Liu (2017) highlighted the importance of accessible and relatable information sources, such as digital media, in shaping young adults' financial decisions. System-level interventions, such as mandated financial education in schools, have gained traction as strategies to improve financial literacy and behaviours. Fan and Zeng (2025) showed that such mandates not only enhance knowledge but also improve access to financial services and support healthier financial practices. However, the effectiveness of these programs depends on their ability to integrate practical behavioural training alongside theoretical instruction (Adesina et al., 2024).

Poor financial management can lead to severe consequences, including chronic debt, financial stress, and reduced well-being. Hoeve et al. (2014) linked financial mismanagement to a heightened risk of delinquency and mental health issues, emphasizing the broader social implications. Topa et al. (2018) further illustrated that individuals with higher cognitive closure needs and greater reliance on investment advice tend to perform better financially, demonstrating the relevance of cognitive traits and guidance in shaping behavior. Therefore, interventions should address both cognitive and emotional components of financial behaviour to mitigate these risks.

A growing body of literature highlights the critical importance of financial literacy and behavioral traits in shaping the financial well-being and decision-making capacity of young adults. Numerous studies have emphasized the multidimensional nature of financial planning and its intersection with psychological, social, and educational factors. Bačová et al. (2017) explored the psychological and cognitive underpinnings of financial planning for retirement among young Slovak adults, illustrating that while financial professionals had domain-specific insights, non-professionals showed stronger associations between financial literacy, trust, and engagement in pension-related planning. Similarly, Förster et al. (2019) emphasized the significance of experiential and informational behavior over formal education in shaping young Germans' financial literacy, especially in systems where school curricula lack comprehensive financial education. Sabri et al. (2023), in a Malaysian context, underscored the mediating role of financial behavior between constructs such as financial literacy, socialization, self-control, and financial technology with financial well-being, particularly during the financial strain imposed by the COVID-19 pandemic. This mediation indicates that behavioral factors serve as crucial levers for economic resilience. Complementary findings by Nabila et al. (2023) from Indonesia demonstrated that financial attitudes, mediated by financial management behaviors, significantly influence financial satisfaction among Generation Z.

Research by Owusu et al. (2020) affirmed that both financial literacy and parental financial behavior significantly influence young adults' savings and investment behavior. The

study suggests that intergenerational financial socialization remains a key factor in shaping long-term financial habits. Rea et al. (2016) also contributed to this discourse by examining how college couples negotiate financial management in emerging adulthood, revealing that relationship dynamics and shared values impact financial practices, which are often laden with stress and misalignment in financial personalities. State-level interventions have also been examined for their effectiveness. Brown et al. (2014) found that state-mandated financial education improved young adults' credit behavior, with mandates leading to higher credit scores and lower delinquency rates in states like Georgia, Texas, and Idaho compared to control regions. These outcomes provide empirical justification for integrating structured financial education into school curricula. In terms of theoretical framing, Prayuda and Purwanto (2024) examined financial management behavior through the lens of PLS-SEM, confirming that locus of control, financial knowledge, and income all have significant positive effects on individuals' financial behavior. The study asserts the role of internal beliefs and perceived financial autonomy in shaping proactive financial practices. While several studies utilize PLS-SEM approaches, such as Sharma and Aggarwal (2019) in e-commerce and Saeed and Al-Emran (2018) in educational technology adoption, their methodological insights further validate the robustness of structural equation modeling in behavioral and social science research.

3. HYPOTHESIS OF THE STUDY

This study seeks to investigate the moderating role of financial efficacy in the relationships between financial attitude, financial satisfaction, financial socialization, and financial management behaviour among young adults. Financial management behaviour encompassing activities such as budgeting, saving, and prudent spending is essential for ensuring long-term financial well-being. The predictor variables, namely financial attitude, financial satisfaction, and financial socialization, are expected to significantly influence such behaviour. Nevertheless, the extent and direction of these influences may differ based on an individual's level of financial efficacy, defined as the confidence in one's capability to effectively handle financial tasks. Accordingly, the hypotheses for this study's structural research model are formulated as follows:

H1: Financial attitude has a significant influence on the financial management behaviour of young adults.

H2: Financial satisfaction significantly affects the financial management behaviour of young adults.

H3: Financial socialization plays a significant role in shaping the financial management behaviour of young adults.

H4: Financial efficacy moderates the relationship between financial attitude and financial management behaviour among young adults.

H5: Financial efficacy moderates the relationship between financial satisfaction and financial management behaviour among young adults.

H6: Financial efficacy moderates the relationship between financial socialization and financial management behaviour among young adults.

4. RESEARCH METHODOLOGY

This study employs Partial Least Squares Structural Equation Modelling (PLS-SEM) to

analyse the relationships among the identified variables. The independent variables include financial attitude, financial socialization, and financial satisfaction, while financial management behaviour serves as the dependent variable. In addition, financial efficacy is examined as a moderating variable influencing the relationships among the other constructs.

Data were collected using a structured questionnaire designed on a Likert scale, which was disseminated via various social media platforms using Google Forms. A snowball sampling technique was adopted to reach the target population, comprising young adults aged between 18 and 30 years. A total of 207 responses were initially collected. However, only 173 responses were retained for the final analysis after screening for relevance and completeness; the remaining responses were excluded as they did not meet the inclusion criteria established for this study.

5. VARIABLES

5.1. Independent Variables

5.1.1 Financial attitude

Financial attitude among young adults is shaped by a complex interplay of factors that influence how they think and feel about money. Education and financial literacy play a crucial role, as greater knowledge often leads to a more positive and responsible approach to managing finances. Family background also has a lasting impact, as early experiences and habits related to money are typically learned at home. Peer influence is significant during young adulthood, with friends often shaping attitudes toward spending and saving. Cultural values further frame financial behaviours by setting expectations around debt, saving, and consumption. Psychological traits such as risk tolerance, self-control, impulsiveness, and confidence also govern how young adults approach financial decisions. Additionally, the pervasive presence of technology and social media fuels consumerism and promotes trends that can affect money management and financial priorities. Together, these factors interact to form the financial mindset of today's youth.

5.1.2. Financial Satisfaction

Financial satisfaction among young adults reflects their overall feelings and contentment regarding their financial situation, and it is influenced by several key factors. Income level plays a central role—those with higher or more stable incomes generally report greater satisfaction due to reduced financial stress. Access to financial tools, such as banking services and budgeting apps, also contributes positively by making money management more convenient and efficient. Personal goals and aspirations are another important dimension; young adults who feel they are making progress toward their financial or life goals tend to feel more satisfied with their finances. Lastly, the broader economic environment significantly affects financial well-being—favourable conditions like strong job markets and low inflation typically enhance young adults' sense of financial security and satisfaction. Together, these factors shape how positively or negatively young adults view their financial circumstances.

5.1.3. Financial Socialization

Financial socialization refers to the process by which young adults learn about money through

interactions and observations of others. This learning can come from family teachings, where early lessons about saving, spending, and the value of money are often introduced. Formal education, such as financial literacy programs in schools or colleges, also plays a role in shaping their understanding of personal finance. Additionally, workplace financial advice through HR programs, retirement planning sessions, or informal guidance from colleagues can influence money management strategies. Social networks, including friends, mentors, and online influencers, further shape financial knowledge and behaviours by modelling habits, sharing tips, or promoting certain financial lifestyles. While financial socialization is about *how* young adults acquire knowledge and form their understanding of money, financial attitude refers to their *personal mindset and emotional stance* toward money how they feel about saving, spending, or taking financial risks. In short, financial socialization is the learning process, whereas financial attitude is the outcome shaped by that learning and other personal factors.

5.2. Dependent Variables

5.2.1. Financial Management Behaviour

Financial behaviour refers to the actual actions young adults take in managing their money, going beyond just thoughts or feelings about finances. This includes their budgeting habits—how consistently and effectively they plan their income and expenses. Saving frequency is another key aspect, reflecting how regularly they set aside money for future needs or emergencies. Investment choices, such as whether they invest in stocks, mutual funds, or other assets, reveal their approach to growing wealth over time. Spending patterns show how money is allocated across necessities, wants, and impulsive purchases, often indicating levels of financial discipline. Finally, debt management, including how young adults handle loans and credit cards, is a crucial part of financial behaviour, impacting their credit health and long-term financial stability. These behaviours collectively determine how well young adults are navigating their financial lives.

6. RESULTS

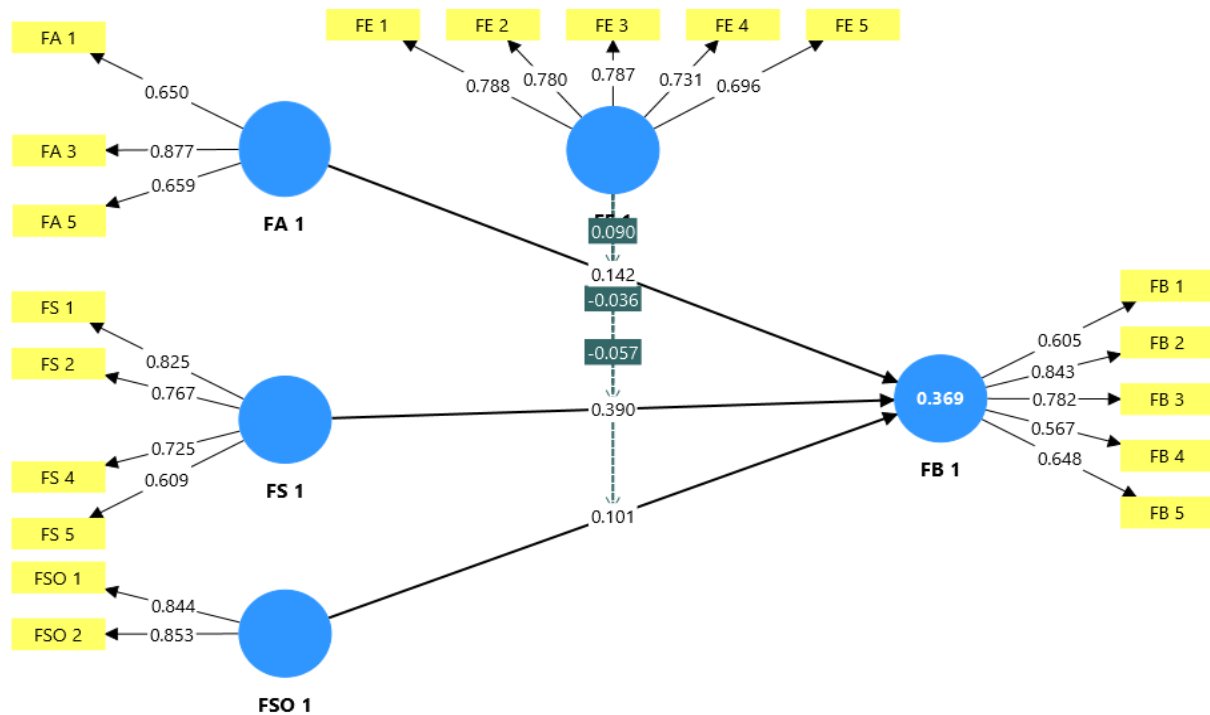


FIGURE 1.0 HYPOTHESIZED MODEL OF THE STUDY

The statistical measure frequently utilized to evaluate composite or construct reliability is Cronbach's alpha. Composite reliability is utilized to evaluate the actual level of reliability for a construct, whereas Cronbach's alpha is utilized to estimate the minimum level of reliability for a construct (Henseler et al., 2015). The generally accepted criterion for composite reliability values is a minimum threshold of 0.6, whereas Cronbach's alpha values are also expected to exceed 0.6. If the obtained value exceeds 0.60, it is possible to conclude that the structure is highly reliable.

Variable s	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
FA 1	0.653	0.777	0.542
FB 1	0.732	0.822	0.500
FE 1	0.818	0.870	0.573
FS 1	0.724	0.824	0.542
FSO 1	0.611	0.837	0.720

Table 1. Reliability and Validity

The assessment of reliability and validity for the five constructs FA1, FB1, FE1, FS1, and FSO1 demonstrates acceptable to strong psychometric properties as can be seen in Table 1. Cronbach's alpha values for all constructs exceed the generally accepted minimum threshold of 0.60, indicating satisfactory internal consistency, with FE1 (0.818) and FB1 (0.732) exhibiting particularly high reliability. Although FSO1 reported a relatively lower Cronbach's alpha (0.611), it remains within the acceptable range. Composite reliability (ρ_c) values for all constructs range from 0.777 to 0.870, surpassing the recommended minimum of 0.70, and thus confirm the constructs' internal consistency and model-based reliability. Furthermore, the

Average Variance Extracted (AVE) values for each construct exceed the 0.50 benchmark, supporting adequate convergent validity. Of particular note, FSO1 exhibits a high AVE of 0.720, suggesting that a substantial proportion of variance is captured by the construct. Collectively, these results provide strong evidence for the reliability and convergent validity of the measurement model.

The cross-loading matrix generated as shown in Table 2, offers a comprehensive assessment of discriminant validity by comparing the loadings of each indicator on its associated construct versus other constructs. According to the Fornell-Larcker criterion, discriminant validity is established when an indicator loads more strongly on its corresponding construct than on any other latent variable. The results indicate that the majority of indicators demonstrate the highest loading on their respective constructs, such as FE1 through FE5 on the FE1 construct and FB2 and FB3 on FB1, which supports the presence of discriminant validity. Importantly, the interaction terms ($FE1 \times FA1$, $FE1 \times FS1$, and $FE1 \times FSO1$) show low correlations with the main constructs, thereby confirming their statistical independence and appropriateness for interaction or moderation analysis. Overall, the cross-loading pattern provides adequate evidence of discriminant validity, supporting the structural integrity of the measurement model.

VARIABLES	FA 1	FB 1	FE 1	FS 1	FSO 1	FE 1 x FSO 1	FE 1 x FS 1	FE 1 x FA 1
FA 1	0.650	0.084	0.130	0.120	0.142	0.061	0.027	-0.125
FA 3	0.877	0.221	0.055	0.096	0.062	-0.081	-0.006	-0.166
FA 5	0.659	0.092	0.092	0.088	0.135	0.041	0.113	-0.166
FB 1	0.057	0.605	0.241	0.264	0.147	-0.121	-0.032	0.017
FB 2	0.156	0.843	0.473	0.524	0.112	-0.104	0.053	0.097
FB 3	0.241	0.782	0.276	0.418	0.282	-0.175	-0.105	0.041
FB 4	0.038	0.567	0.295	0.253	0.043	-0.021	0.006	0.186
FB 5	0.190	0.648	0.177	0.293	0.210	-0.099	-0.146	-0.020
FE 1	0.098	0.417	0.788	0.462	0.125	-0.129	-0.053	0.095
FE 2	0.046	0.293	0.780	0.319	0.133	-0.074	-0.100	0.105
FE 3	0.097	0.377	0.787	0.371	0.186	-0.112	-0.130	0.085
FE 4	0.047	0.287	0.731	0.299	0.099	-0.046	-0.050	0.162
FE 5	0.090	0.212	0.696	0.154	0.072	0.052	-0.018	0.156
FS 1	0.125	0.414	0.274	0.825	0.114	-0.162	0.111	0.006
FS 2	0.097	0.486	0.338	0.767	0.121	-0.048	0.121	-0.084
FS 4	0.085	0.338	0.403	0.725	0.130	-0.182	-0.019	0.106
FS 5	0.057	0.266	0.341	0.609	0.161	-0.049	-0.003	0.205
FSO 1	0.134	0.192	0.124	0.126	0.844	-0.040	-0.144	0.016
FSO 2	0.075	0.197	0.164	0.165	0.853	-0.101	-0.094	-0.074
FE 1 x FA 1	-0.202	0.090	0.150	0.046	-0.035	0.180	0.044	1.000
FE 1 x FS 1	0.036	-0.054	-0.098	0.087	-0.139	0.275	1.000	0.044
FE 1 x FSO 1	-0.029	-0.154	-0.099	-0.147	-0.083	1.000	0.275	0.180

TABLE 2. CROSS-LOADINGS

The Fornell-Larcker criterion analysis confirms the presence of robust discriminant validity within the measurement model. By comparing the square root of the Average Variance Extracted (AVE) for each construct (diagonal values) with the correlations between constructs (off-diagonal values), the results indicate that each construct has a stronger relationship with its own indicators than with any other construct. Specifically, the square roots of AVE for FA1 (0.736), FB1 (0.697), FE1 (0.757), FS1 (0.736), and FSO1 (0.848) exceed the highest correlations with other constructs, such as FB1 (0.528 with FS1) and FS1 (0.528 with FB1), demonstrating that the constructs are empirically distinct.

This supports the robustness of the measurement model, ensuring that each construct is adequately differentiated from the others, thus satisfying the criteria for discriminant validity and providing a solid foundation for subsequent structural equation modelling and hypothesis testing.

	FA 1	FB 1	FE 1	FS 1	FSO 1
FA 1	0.736				
FB 1	0.208	0.697			
FE 1	0.102	0.437	0.757		
FS 1	0.128	0.528	0.450	0.736	
FSO 1	0.123	0.229	0.170	0.172	0.848

TABLE 3. FORNELL-LARCKER CRITERION

6.1. Testing of Hypotheses

H1: Financial attitude (FA) has a significant influence on the financial management behaviour (FMB) of young adults.

Financial attitude encompasses an individual's values, beliefs, and predispositions toward financial matters, such as saving, spending, investing, and budgeting. It forms the cognitive and emotional foundation that influences how individuals make financial decisions. Among young adults, who are often in the early stages of financial independence, a positive financial attitude can foster responsible behaviours such as consistent saving, cautious spending, and thoughtful financial planning. Conversely, a casual or indifferent attitude towards money can lead to impulsive purchasing and poor budgeting practices. Therefore, understanding financial attitude is crucial in predicting and shaping financial management behaviour, as it serves as a psychological determinant that guides young adults in managing their personal finances.

H2: Financial satisfaction (FS) significantly affects the financial management behaviour (FMB) of young adults.

Financial satisfaction refers to the subjective evaluation of one's financial situation and the extent to which current financial resources meet personal needs and goals. This perception can directly impact financial behaviour, as individuals who feel financially secure are more likely to plan and control their finances effectively. On the other hand, dissatisfaction may lead to stress-induced decision-making, risk aversion, or even financial neglect. For young adults, who often face fluctuating incomes and emerging financial responsibilities, the level of financial satisfaction can significantly shape their approach to budgeting, saving, and spending. Hence, financial satisfaction is posited as an important predictor of sound financial management

behaviour in this demographic.

H3: Financial socialization (FSO) plays a significant role in shaping the financial management behaviour (FMB) of young adults.

Financial socialization involves the process through which individuals acquire knowledge, attitudes, and behaviours related to personal finance, often through interactions with parents, peers, educational institutions, and media. For young adults, early financial lessons learned through these channels can have lasting effects on their money management practices. Parents who model prudent financial behaviour or discuss budgeting and saving can instil positive habits in their children. Likewise, peer influence and financial education in schools and colleges contribute to the development of essential financial skills. Thus, financial socialization is a critical factor in determining how young adults navigate financial decision-making, suggesting its pivotal role in shaping financial management behaviour.

H4: Financial efficacy (FE) moderates the relationship between financial attitude (FA) and financial management behaviour (FMB) among young adults.

Financial efficacy, defined as an individual's belief in their capability to manage financial tasks effectively, may enhance or weaken the influence of financial attitude on behaviour. A young adult with a strong financial attitude but low financial efficacy may lack the confidence or skills to translate intentions into effective financial action. Conversely, those with high financial efficacy are more likely to act on their attitudes, engaging in responsible money management practices. Therefore, financial efficacy is expected to moderate the relationship between financial attitude and financial management behaviour, meaning the strength of this relationship depends on the level of perceived financial self-efficacy.

H5: Financial efficacy (FE) moderates the relationship between financial satisfaction (FS) and financial management behaviour (FMB) among young adults.

While financial satisfaction can motivate young adults to engage in positive financial practices, the extent of this influence may depend on their level of financial efficacy. Those who are financially satisfied and possess high financial efficacy are more likely to exhibit consistent and strategic financial behaviours, such as long-term planning or investing. In contrast, individuals with high satisfaction but low efficacy may fail to act on their financial contentment due to a lack of confidence or skills. Hence, financial efficacy plays a moderating role, shaping how financial satisfaction translates into actual financial management behaviour.

H6: Financial efficacy (FE) moderates the relationship between financial socialization (FSO) and financial management behaviour (FMB) among young adults.

The impact of financial socialization on financial behaviour can also be contingent upon an individual's financial efficacy. Even when exposed to strong socialization agents such as financially literate parents or educational programs, young adults with low financial efficacy may struggle to apply what they have learned. Conversely, those with high financial efficacy are more likely to internalize and operationalize financial norms and practices acquired through socialization. As such, financial efficacy is hypothesized to moderate the relationship between financial socialization and financial management behaviour, acting as a catalyst that enables the practical application of socialized financial knowledge and values.

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Decision
FA 1 -> FB 1	0.142	0.157	0.069	2.074	0.038	Significant effect
FE 1 -> FB 1	0.206	0.218	0.077	2.663	0.008	Significant effect
FE 1 x FA 1 -> FB 1	0.090	0.085	0.074	1.207	0.228	No Significant Effect
FE 1 x FS 1 -> FB 1	-0.036	-0.031	0.065	0.549	0.583	No Significant Effect
FE 1 x FSO 1 -> FB 1	-0.057	-0.054	0.064	0.898	0.369	No Significant Effect
FS 1 -> FB 1	0.390	0.392	0.069	5.646	0.000	Significant effect
FSO 1 -> FB 1	0.101	0.106	0.073	1.380	0.168	No Significant Effect

TABLE 4. PATH COEFFICIENTS

The structural model was assessed using path coefficients, t-statistics, and p-values derived through bootstrapping procedures. The results reveal that several direct paths to the dependent variable FB 1 were statistically significant. Specifically, the path from FA 1 to FB 1 demonstrated a positive and statistically significant effect ($\beta = 0.142$, $t = 2.074$, $p = 0.038$), indicating that FA 1 contributes meaningfully to the variance in FB 1. Similarly, FE 1 exhibited a significant positive effect on FB 1 ($\beta = 0.206$, $t = 2.663$, $p = 0.008$), suggesting that increases in FE 1 are associated with increases in FB 1. Most notably, FS 1 had the strongest and most significant influence on FB 1 ($\beta = 0.390$, $t = 5.646$, $p < 0.001$), underscoring its critical role in the model.

In contrast, the direct effect of FSO 1 on FB 1, while positive ($\beta = 0.101$), was not statistically significant ($t = 1.380$, $p = 0.168$), implying a weaker and non-robust relationship. Regarding interaction effects, none of the interaction terms were found to be statistically significant. The interaction between FE 1 and FA 1 showed a positive but insignificant effect on FB 1 ($\beta = 0.090$, $t = 1.207$, $p = 0.228$). Similarly, the interactions of FE 1 with FS 1 ($\beta = -0.036$, $t = 0.549$, $p = 0.583$) and with FSO 1 ($\beta = -0.057$, $t = 0.898$, $p = 0.369$) were both non-significant and exhibited weak or negative coefficients. These results suggest that the hypothesized moderating effects were not supported in this model.

7. CONCLUSION

The findings of this study provide valuable insights into the financial behaviour of young adults, emphasizing the critical role of financial efficacy as a moderating factor. The results from the PLS-SEM analysis confirm that financial attitude, financial satisfaction, and financial socialization are significant predictors of financial management behaviour. Among these, financial attitude emerged as the most influential factor, indicating that a positive disposition towards financial matters strongly encourages responsible financial practices. Importantly, the study found that financial efficacy significantly moderates the relationship between financial attitude and financial management behaviour, strengthening this relationship in individuals with higher financial efficacy. However, the moderating effect of financial efficacy on the relationships between financial satisfaction and financial socialization with financial management behaviour was not found to be statistically significant. This suggests that while financial efficacy enhances the impact of one's attitude on their financial actions, it does not necessarily amplify the effects of satisfaction or social learning in the same way. The model explained a substantial portion of variance in financial management behaviour, indicating that the selected constructs are meaningful predictors in the context of young adults. These findings underscore the importance of fostering financial efficacy and positive financial attitudes in early adulthood to encourage sound financial management. From a practical perspective, financial literacy programs should not only aim to improve financial knowledge but also build confidence in one's ability to manage finances. Educational interventions that enhance financial efficacy could amplify the benefits of favourable financial attitudes, leading to more prudent financial behaviour among young adults.

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