

FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD

A Dissertation Proposal submitted to the Office of the Dean, faculty of Management in
partial fulfillment of requirement for the Master's Degree

By

Ashma Agrawal

Campus Roll No: 597/073

Exam Roll No: 2190/017

T. U. Registration No: 7-2-39-1083-2010

Shanker Dev Campus

Kathmandu

July 2024

CERTIFICATION OF AUTHORSHIP

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD**”. The work of this dissertation has not been submitted previously for the purpose of conferral of any degree nor has it been proposed and presented as part of requirements for any other academic purposes. The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declared that all information sources and literature used are cited in the reference section of the dissertation.

Ashma Agrawal

July 2024

REPORT OF RESEARCH COMMITTEE

Mrs. Ashma Agrawal has defended research proposal entitled “**FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD**” Successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Asso. Prof. Dr. Kapil Khanal and submit the thesis for evaluation and viva voce examination.

.....

Asso. Prof. Dr. Kapil Khanal

Supervisor

Dissertation Proposal Defended Date

.....

Dissertation Submitted Date

.....

.....

Asso. Prof. Dr. Sajeeb Kumar Shrestha

Head of Research Committee

Dissertation Viva Voce Date

.....

APPROVAL SHEET

We have examined the dissertation entitled “**FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD**” presented by Mrs. Ashma Agrawal for the degree of Masters of Business Studies. We hereby certify that the dissertation is acceptable for the award of degree.

.....
Asso. Prof. Dr. Kapil Khanal
Dissertation Supervisor

.....
Internal Examiner

.....
Internal Expert

.....
External Examiner

.....
Asso. Prof. Dr. Sajeeb Kumar Shrestha
Chairperson, Research Committee

.....
Asso. Prof. Dr. Krishna Prasad Acharya
Campus Chief

July 2024

ACKNOWLEDGEMENT

This dissertation on “**FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD**” has been prepared as a partial fulfillment of the requirement for the degree of Master in Business Studies (MBS). This study would not have been materialized without the continued support of and cooperation from number of individuals. I take this opportunity to thank them all. First and foremost, I offer my sincerest gratitude and indebts to my supervisor Asso. Prof. Dr. Kapil Khanal who has supported me throughout my report with his patience and knowledge. He has shared thoughtful suggestions and valuable comments on every chapter on my work. His guidance helped me throughout the research and writing of this dissertation. Without him, this dissertation could not have been completed. I am equally indebted to other teachers and other staffs for their kind help. My sincere thanks also go to all the friends who help me the understanding the research them. I would like to express my thanks to my friends for their support and all the fun we have had over these past years.

Most importantly, none of this could have happened without my family. My grateful thanks go to my grandparents and mom for their constant encouragement and support. This dissertation stands as a testament to their unconditional love and encouragement. Finally, I would like to thank everybody who was important to the successful realization of my dissertation, as well as expressing my apology that I could not mention personally one by one.

Any remaining errors are mine.

Ashma Agrawal

TABLE OF CONTENTS

	Page. No
<i>Title</i>	<i>i</i>
<i>Certification of Authorship</i>	<i>ii</i>
<i>Report of Research Committee</i>	<i>iii</i>
<i>Approval Sheet</i>	<i>iv</i>
<i>Acknowledgement</i>	<i>v</i>
<i>Table of Contents</i>	<i>vi</i>
<i>List of Table</i>	<i>viii</i>
<i>List of Figure</i>	<i>ix</i>
<i>Abbreviations</i>	<i>x</i>
<i>Abstract</i>	<i>xi</i>
CHAPTER- I	1
INTRODUCTIONS	1
1.1 Background of the Study	1
1.2 Problem Statement	4
1.3 Objectives of the Study	5
1.4 Hypothesis of the Study	5
1.4 Rationale of the Study	6
1.5 limitations of the Study	6
CHAPTER- II	8
LITERATURE REVIEW	8
2.1 Theoretical Review	8
2.2 Empirical Review	13
2.2.1 Article Review in International Context	13
2.2.2 Article Review in Nepalese Context	24
2.3 Research Gap	26
CHAPTER-III	27
RESEARCH METHODOLOGY	27
3.1 Research Design	27

3.2 Population and Sample and Sampling Technique	27
3.3 Nature and Source of Data and Instrument of Data Collection	27
3.4 Methods of Analysis	28
3.4.1 Statistical Analysis	28
3.5 Research Framework	30
3.6 Definition of the Variables	30
CHAPTER-IV	33
RESULTS AND DISCUSSION	33
4.1 Result	33
4.1.1 Demographic Characteristics	33
4.1.2 Reliability Analysis	34
4.1.3 Descriptive Statistics	35
4.1.3 Correlation Analysis	36
4.1.4 Multiple Regression Analysis	37
4.2 Discussion	40
CHAPTER-V	42
SUMMARY AND CONCLUSION	42
5.1 Summary	42
5.2 Conclusion	43
5.3 Implications	44
REFERENCES	45
APPENDICES	49

LIST OF TABLES

Table 1	Summary of Article Review	20
Table 2	Demographic Variables	42
Table 3	Reliability Statistics	44
Table 4	Descriptive Statistics	45
Table 5	Correlation of Variable	46
Table 6	Model Summary	48
Table 7	ANOVA Table	49
Table 8	Coefficient of Variable	49

LIST OF FIGURE

Figure 1	Research Framework	38
----------	--------------------	----

ABBREVIATIONS

ANOVA	:	Analysis of Variance
FA	:	Financial Attitude
FAW	:	Financial Awareness
FB	:	Financial Behavior
FE	:	Financial Experience
FK	:	Financial Knowledge
FS	:	Financial Skill
FW	:	Financial Wellbeing
NRB	:	Nepal Rastra Bank
S.D	:	Stander Deviation
SDC	:	Shanker Dev campus
SPSS	:	Statistical Package for the Social Sciences
TU	:	Tribhuvan University

ABSTRACT

The research aims to examine the association between Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude with Financial Wellbeing among households in Nepal. Additionally, it seeks to assess the impact of these variables on Financial Wellbeing. The study reviewed various scholarly articles and theses from sources like Google Scholar and Shanker Dev Library to establish its conceptual framework. The research utilized a descriptive and causal comparative research design, employing SPSS and Excel for data analysis. The population studied was the residents of Kathmandu Valley, with a sample size of 450 selected through convenience sampling methods. Primary data was collected via questionnaire surveys. Analysis methods included descriptive statistics, correlation analysis, and multiple regression analysis. The findings indicate a positive and significant relationship between financial knowledge, financial behaviors, financial skill, and financial attitude with financial well-being. However, the relationship between financial awareness and financial experience with financial well-being was positive but not significant. The impact of Financial Knowledge, Financial Skill, Financial Attitude, Financial Awareness, and financial well-being variables was found to be significant, whereas Financial Experience and Financial Behaviors did not significantly impact financial well-being.

Keywords: *financial literacy, financial wellbeing and Nepalese household*

CHAPTER- I

INTRODUCTIONS

1.1 Background of the Study

Financial literacy is a vital skill set that empowers individuals to navigate the complexities of personal finance. It includes understanding financial concepts such as budgeting, saving, investing, borrowing, and managing debt. With financial literacy, individuals can make informed decisions about their money, ensuring efficient resource allocation to meet both short-term and long-term financial goals. Additionally, being financially literate helps individuals avoid common financial pitfalls like overspending, accumulating high-interest debt, or falling victim to scams. By becoming financially literate, individuals can take control of their financial future, build wealth, and achieve greater financial security and independence. Therefore, promoting financial literacy through education and awareness campaigns is crucial for helping individuals make sound financial choices and improve their overall well-being (Sharma & Rohan, 2021).

Financial awareness involves having a thorough understanding of various aspects of personal finance, including income, expenses, savings, investments, debt management, and financial goals. It means being aware of one's financial situation, making informed decisions about money matters, and recognizing the importance of financial planning for both short-term and long-term objectives. Financial awareness also includes staying informed about economic trends, financial products, and services available in the market, as well as understanding the potential risks and opportunities associated with different financial decisions. By developing financial awareness, individuals can enhance their financial well-being, reduce financial stress, and work towards achieving their financial aspirations. Furthermore, financial awareness is essential for building a foundation for financial literacy and empowering individuals to take control of their financial futures (Pijoh et al., 2020).

Financial experience refers to the accumulated knowledge, skills, and insights gained through personal interactions with various financial situations and decisions over time. It includes

practical understanding of managing money, investments, savings, expenses, and debts based on past financial decisions and experiences. Financial experience can be gained through activities such as earning an income, budgeting, saving for goals, investing in stocks or real estate, borrowing and managing debt, and dealing with unexpected financial challenges or windfalls. The depth and breadth of an individual's financial experience can significantly influence their financial behavior, attitudes, and confidence in making future financial decisions. For instance, individuals with extensive financial experience may have developed effective strategies for managing their finances, mitigating risks, and seizing opportunities based on lessons learned from past successes and failures. Conversely, those with limited financial experience may need to rely more on education, advice, or guidance to navigate complex financial situations (Kamakia et al., 2017).

Financial skill is the cornerstone of effective money management, whether at an individual or organizational level. It includes a variety of competencies such as budgeting, saving, investing, debt management, and strategic decision-making. Mastering these skills enables individuals to take control of their financial futures, allowing them to create budgets that align with their goals, establish savings plans for emergencies and future endeavors, and make informed financial decisions to grow their wealth. Additionally, adept debt management ensures that financial obligations are met responsibly, avoiding unnecessary strain on resources. Furthermore, having the skill to make strategic financial decisions helps individuals and organizations navigate challenges and seize opportunities, ultimately fostering financial stability and success. Through continuous learning and practice, individuals can enhance their financial skill set, empowering themselves to achieve their financial aspirations and build a solid foundation for long-term financial well-being (Prakash et al., 2022).

Financial behavior involves the actions and decisions individuals or entities make regarding their financial matters. This includes activities such as earning, spending, saving, investing, borrowing, and managing money. Influenced by personal values, attitudes, and beliefs, financial behavior is shaped by factors like past experiences, socioeconomic status, cultural influences, and current economic conditions. Positive financial behavior includes prudent money management practices like budgeting, saving for the future, making informed

investment choices, and managing debt responsibly. Negative financial behavior may involve overspending, insufficient savings, risky financial decisions, or poor debt management. Understanding and modifying financial behavior is essential for achieving financial well-being and long-term success. By developing healthy financial habits and making sound financial decisions, individuals and organizations can enhance their financial security and work towards their financial goals (Lone & Bhat, 2022).

Financial knowledge is the foundation upon which individuals build their understanding of money management and wealth creation. It includes a wide range of concepts and practices, from basic budgeting skills to complex investment strategies. With financial knowledge, individuals can make informed decisions about saving, investing, borrowing, and planning for the future. This knowledge enables them to navigate the complexities of personal finance confidently, set achievable financial goals, minimize debt, and optimize their resources. Moreover, financial knowledge empowers individuals to identify and capitalize on opportunities for financial growth while protecting against potential risks. By continuously expanding their financial knowledge, individuals can improve their financial well-being and pave the way for long-term financial success (Tahir et al., 2021).

Financial attitude reflects an individual's overall outlook, mindset, and behaviors concerning money and financial matters. It encompasses their beliefs, values, emotions, and approach to handling finances, which significantly influence their financial decisions and outcomes. A positive financial attitude often includes adopting a mindset of abundance, practicing responsible spending habits, prioritizing savings and investments for the future, and being proactive in financial planning. Conversely, a negative financial attitude may result in behaviors like overspending, living beyond one's means, or avoiding financial responsibilities. Developing a healthy financial attitude involves recognizing and challenging limiting beliefs or negative patterns, embracing financial education and empowerment, and cultivating habits that promote financial well-being and resilience. Ultimately, fostering a positive financial attitude is crucial for achieving financial stability, security, and long-term success (Das & Mahapatra, 2023).

Financial well-being is the overall state of an individual's financial health and satisfaction. It includes various aspects such as income, expenses, savings, investments, debt, and financial

goals. Achieving financial well-being involves balancing current financial needs with future planning. This balance requires having stable income sources to cover expenses, building emergency savings to handle unforeseen circumstances, managing debt effectively, and progressing towards long-term financial goals like retirement or education. Financial well-being is not just about the amount of money one has but also about feeling secure, confident, and empowered in managing financial matters. It involves making informed decisions, setting realistic financial goals, and cultivating healthy financial habits that promote stability and resilience. Ultimately, financial well-being enables individuals to experience less financial stress, greater peace of mind, and the freedom to pursue their aspirations and enjoy a fulfilling life (Kumar et al., 2023).

1.2 Problem Statement

Research has identified a strong link between financial literacy and financial well-being, with higher levels of financial literacy often leading to better financial outcomes and overall well-being. However, several challenges persist in this relationship. A significant issue is the widespread lack of financial literacy globally, which hinders individuals' ability to make informed financial decisions. This deficiency in financial knowledge can lead to poor financial management, high levels of debt, inadequate savings, and increased financial stress. Moreover, research indicates that even individuals with a basic understanding of financial concepts may struggle to apply this knowledge effectively in real-world situations (Dare et al., 2023). Additionally, disparities in financial literacy exist across different demographic groups, with marginalized populations often facing greater barriers to accessing financial education and resources. Addressing these challenges requires targeted interventions, including comprehensive education programs, accessible resources, and policy initiatives that promote equitable access to financial services and opportunities. By addressing financial literacy issues, policymakers and stakeholders can enhance financial well-being and foster greater economic resilience and inclusion (Tahir et al., 2021).

In Nepal, financial literacy includes several key components: **Financial Awareness:** Understanding various aspects of personal finance, including income, expenses, savings, investments, debt management, and financial goals (Sabri et al., 2021). **Financial Experience:** The cumulative knowledge, skills, and insights gained through personal interactions with

various financial situations and decisions over time. **Financial Skill:** The cornerstone of effective money management at both individual and organizational levels. **Financial Behavior:** The actions and decisions individuals or entities make regarding their financial matters. **Financial Knowledge:** The foundation upon which individuals build their understanding of money management and wealth creation. **Financial Attitude:** An individual's overall outlook, mindset, and behaviors concerning money and financial matters. The problem of financial literacy and financial wellbeing are explain in the research question following.

- What is the relationship between financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude and financial wellbeing among Nepalese household?
- Do the impact of financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude and financial wellbeing among Nepalese household?

1.3 Objectives of the Study

The primary goals of the study include understanding the levels of financial literacy and financial wellbeing in Nepalese. The specific objectives are outlined below:

- To analyze the relationship between financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude and financial wellbeing among Nepalese household.
- To examine the impact of financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude and financial wellbeing among Nepalese household.

1.4 Hypothesis of the Study

- H1: there is the significant relationship between financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude and financial wellbeing among Nepalese household.

- H2: there is the significant impact of financial awareness, financial experience, financial skill, financial behavior, financial knowledge and financial attitude with financial wellbeing among Nepalese household.

1.4 Rationale of the Study

Understanding the relationship between financial literacy and financial well-being is crucial due to the significant impact that financial knowledge and skills have on individuals' financial situations and overall quality of life. Here are several reasons why this investigation is essential. Research indicates that individuals with higher levels of financial literacy are better equipped to manage their finances effectively. This proficiency leads to increased financial stability, reduced debt burdens, and higher levels of savings and investments.

By examining the correlation between financial literacy and well-being, researchers can identify the specific financial knowledge and skills that most significantly contribute to improved financial outcomes. This understanding can guide the development of tailored financial education programs and interventions that address these critical areas.

Exploring variations in financial literacy among different demographic groups can highlight disparities in financial well-being. This insight is essential for informing targeted efforts to address these gaps through specialized outreach and support initiatives, ensuring that all populations have access to the financial education and resources they need.

Understanding the mechanisms through which financial literacy influences financial well-being can help policymakers, educators, and financial institutions devise effective strategies and policies. These strategies can promote financial inclusion, resilience, and empowerment, contributing to broader economic stability and growth.

Studying the relationship between financial literacy and financial well-being advances the understanding in the field of personal finance. It facilitates the creation of effective interventions that can enhance individuals' financial situations and overall welfare, leading to a more financially literate and secure society.

1.5 limitations of the Study

The research is conducted by the researcher. The researcher has done his/her research with the some limitation. The following are the limitation of the research.

- i. The study employs primary data collected from respondents using a questionnaire.
- ii. The accuracy of this data relies on the honesty and responsibility of the respondents.
- iii. Multiple regression and correlation are the analytic techniques used, with SPSS as the tool for analysis.
- iv. The research utilizes a descriptive research design, which means it explains the problem in detail but does not provide solutions.
- v. The study addresses three specific problems and objectives, with a sample size of 450 respondents.

CHAPTER- II

LITERATURE REVIEW

The second chapter of the research is dedicated to the literature review. This section provides an overview of the perspectives presented by previous researchers on the subject and related topics. It delves into the objectives, methodologies, and conclusions of each researcher's work, structured into three distinct sections. This section clarifies the definitions of key terms used in the study, ensuring a common understanding of the concepts. The researcher outlines the publications examined from both national and international perspectives, summarizing the methodologies and findings of previous studies. This final section addresses research gaps by identifying gaps in past, present, and future reviews. This approach contributes to a comprehensive understanding of the existing body of knowledge and highlights areas needing further research.

2.1 Theoretical Review

Theory of Financial Literacy

Financial literacy refers to the capacity to understand, assess, and communicate information regarding money and financial services. This includes the ability to make well-informed financial decisions, plan for the future, and address unexpected events and their potential financial implications. The Wisconsin Model Academic Standards for Personal Financial Literacy is a valuable guide for educators collaborating to develop and implement curricula that provide students with essential life skills. Empowering young individuals with the necessary knowledge and resources to navigate and manage their finances is crucial, as personal financial literacy significantly impacts the economic stability of communities and contributes to the overall advancement of the state's economy (Rasool & Ullah, 2020).

Financial literacy encompasses consumers' and investors' understanding of financial products and concepts, as well as their capability and confidence to comprehend financial risks and opportunities. It involves making knowledgeable decisions, knowing where to seek guidance, and taking decisive actions to improve one's financial situation. This entails grasping financial concepts and their implications for making sensible and pragmatic financial choices. Skillfully managing financial resources and choosing between short-term and long-

term investments, while considering economic shifts, requires applying financial knowledge, informed decision-making, and understanding fundamental financial principles. Financial literacy is adaptable and an essential component of broader consumer awareness and protection processes (Muizzuddin et al., 2017)

Theory of Financial Awareness

The theory of financial awareness posits that individuals' comprehension and consciousness of financial principles profoundly impact their financial decision-making and outcomes. At its core, this theory suggests that the depth of one's financial knowledge, combined with an acute awareness of personal financial circumstances and options, greatly influences financial behavior and success. It emphasizes the importance of not only acquiring knowledge about financial concepts such as budgeting, saving, investing, and borrowing but also being cognizant of how these concepts apply to one's own financial situation.

Moreover, the theory underscores the significance of behavioral and environmental factors in shaping financial awareness (Tahir et al., 2021). This includes recognizing spending habits, cultivating disciplined financial behaviors, and being attuned to contextual influences such as cultural norms and socioeconomic status. Ultimately, the theory of financial awareness highlights the pivotal role of education, mindfulness, and situational understanding in fostering financial well-being and empowering individuals to navigate the complexities of personal finance effectively.

Through targeted interventions aimed at enhancing financial awareness, individuals can make more informed financial decisions, optimize their financial resources, and work towards achieving their long-term financial goals (Sabri et al., 2021).

Theory of Financial Experience

The theory of financial experience suggests that individuals' past interactions with financial situations and decisions significantly shape their current financial behavior and outcomes. At its core, this theory posits that the depth and breadth of one's financial experiences influence their financial knowledge, attitudes, and decision-making abilities. Individuals who have had extensive exposure to various financial scenarios, such as earning income, budgeting, saving, investing, borrowing, and managing debt, are likely to possess a more nuanced understanding

of financial concepts and strategies. Additionally, their past successes and failures in financial endeavors contribute to the development of financial skills, confidence, and resilience (Pijoh et al., 2020).

The theory also acknowledges that individual differences in financial experiences, such as socioeconomic background and life circumstances, can impact financial behavior and outcomes. For instance, individuals who have faced financial hardships may approach money management with greater caution, while those with privileged backgrounds may exhibit more risk-taking behavior. Overall, the theory of financial experience underscores the importance of learning through practical engagement with financial matters.

Interventions aimed at enhancing financial literacy and well-being should consider individuals' unique experiences and contexts. By leveraging past experiences to inform current financial decision-making, individuals can improve their financial competence and work towards achieving greater financial stability and success (Kumar et al., 2023).

Theory of Financial Skill

The Financial Skill Theory posits that individuals' ability to effectively manage financial matters is crucial in determining their financial success and achievements. This theory argues that acquiring and utilizing specific financial competencies significantly impact individuals' financial behaviors and outcomes. It emphasizes the importance of developing proficiency in various financial skills such as budgeting, saving, investing, borrowing, managing debt, and making informed financial decisions (Das & Mahapatra, 2023).

According to this theory, individuals with strong financial skills demonstrate greater competence in navigating diverse financial situations. They excel in creating and adhering to budgets that align with their financial objectives, effectively allocating resources to savings and investments, and strategically managing debt to minimize financial strain. Additionally, those with advanced financial skills are adept at evaluating financial opportunities, understanding risk-reward trade-offs, and adjusting their financial strategies in response to changing circumstances (Prakash et al., 2022).

The Theory of Financial Skill emphasizes that possessing financial knowledge alone is insufficient without the practical application of skills in real-world contexts. Therefore, it underscores the importance of experiential learning, ongoing education, and continuous practice to refine financial skills over time. Moreover, this theory recognizes that individual differences in financial skills, influenced by factors such as education level, personal background, and life experiences, can significantly impact financial behavior and outcomes (Mishra, 2022).

Theory of Financial Behavior

The Theory of Financial Behavior provides a comprehensive framework for understanding how individuals and entities make financial decisions. Rooted in behavioral economics, this theory argues that financial choices are influenced by a combination of cognitive biases, psychological factors, social norms, and environmental cues, rather than solely by rational calculations. It challenges traditional economic models that assume individuals always act in a rational, utility-maximizing manner (Ismail & Zaki, 2019).

Central to the Theory of Financial Behavior is the recognition that emotions such as fear, greed, and overconfidence play significant roles in shaping financial decisions. Additionally, it highlights the impact of cognitive limitations, such as bounded rationality and limited self-control, on financial behavior. By integrating insights from psychology, sociology, and economics, this theory offers a nuanced understanding of why people save, invest, spend, and borrow in ways that may diverge from conventional economic predictions.

Ultimately, the Theory of Financial Behavior underscores the importance of considering psychological and social factors when designing policies and interventions aimed at promoting financial well-being and improving decision-making outcomes (Lone & Bhat, 2022). This approach acknowledges the complexity of human behavior in financial contexts and emphasizes the need for strategies that account for these diverse influences.

Theory of Financial Knowledge

The Theory of Financial Knowledge posits that individuals' grasp of financial concepts significantly influences their financial decisions and behaviors. Rooted in educational psychology and behavioral economics, this theory asserts that the level of financial

knowledge shapes one's ability to understand financial information, assess risks and opportunities, and make informed decisions about saving, investing, borrowing, and budgeting (Chu et al., 2017).

This theory recognizes that financial literacy is not static but rather a dynamic skill that can be cultivated through education, experience, and exposure to financial information. It emphasizes the role of context and framing in shaping individuals' financial understanding, highlighting the importance of clear, accessible, and relevant financial education tailored to diverse demographic groups and life stages.

By improving financial knowledge and literacy levels, the Theory of Financial Knowledge suggests that individuals can enhance their financial well-being, make more effective financial choices, and mitigate the influence of behavioral biases and cognitive limitations. Therefore, policymakers, educators, and financial institutions have a crucial role in promoting financial education and empowering individuals to navigate the complexities of the modern financial landscape confidently and competently (Kumar & Bansal, 2021).

Theory of Financial Attitude

The Theory of Financial Attitude suggests that individuals' attitudes, beliefs, and perceptions towards money significantly influence their financial behaviors and decision-making processes. Rooted in social psychology and behavioral economics, this theory argues that attitudes towards saving, spending, investing, and debt are shaped by a complex interplay of cognitive, emotional, and social factors.

This theory recognizes that people's attitudes towards money can vary widely, influenced by personal experiences, cultural norms, socioeconomic background, and societal influences. These attitudes may manifest as preferences for risk-taking, beliefs about financial success and security, and perceptions of financial control and autonomy (Kamakia et al., 2017).

Moreover, the Theory of Financial Attitude acknowledges the role of emotions such as fear, anxiety, and satisfaction in shaping individuals' financial attitudes and behaviors. For instance, positive attitudes towards financial planning and long-term goals often lead to prudent saving and investing habits, whereas negative attitudes towards debt or perceived financial instability may result in avoidance or impulsive spending behaviors.

Understanding individuals' financial attitudes is crucial for designing effective financial interventions, educational programs, and policy initiatives aimed at promoting financial well-being and encouraging positive financial behaviors. By addressing underlying attitudes and beliefs about money, stakeholders can empower individuals to make informed, responsible, and sustainable financial decisions that align with their values and goals (Sharma & Rohan, 2021).

2.2 Empirical Review

2.2.1 Article Review in International Context

Chetioui et al. (2024) conducted research to explore the factors contributing to financial literacy and its impact on individuals' financial well-being within an emerging market context. They utilized structural equation modeling to analyze a conceptual model that also scrutinized the mediating effects of indebtedness and financial behavior. Their findings underscored the role of financial literacy in reducing financial vulnerability and promoting overall financial well-being. The study recommended that policymakers in Morocco and similar developing countries use these insights to design effective education programs aimed at enhancing citizens' financial literacy and improving their financial well-being. Additionally, the study noted a lack of impact from general education on financial literacy, suggesting a need for greater awareness and integration of financial literacy into educational initiatives.

Kumar et al. (2023) investigated how digital financial literacy, financial autonomy, financial capability, and impulsivity influence financial decision-making and perceived financial well-being among 512 respondents in Delhi/NCR, India. They employed Partial Least Squares Structural Equation Modeling (PLS-SEM) to evaluate their hypotheses and used PLS prediction to estimate model performance. Their findings highlighted that these skills directly impact financial decision-making and perceived financial well-being. They identified digital financial literacy as both a direct predictor and mediator of financial decision-making. Additionally, financial capability and financial autonomy were found to mediate financial decision-making and financial well-being, whereas impulsivity did not have a mediating effect.

Dare et al. (2023) conducted a study based on preregistered hypotheses, utilizing correlation and regression analyses to explore the relationships between executive functioning, financial self-efficacy, positive financial behaviors, and financial well-being. They found strong evidence supporting a positive relationship between financial self-efficacy and financial well-being through positive financial behaviors. However, they did not find support for executive functioning directly relating to financial well-being through positive financial behaviors, nor did they find evidence for executive functioning or financial self-efficacy acting as moderators in these relationships. The study provided insights for financial practitioners and service providers on potential strategies to enhance individuals' financial behaviors and well-being.

Das and Mahapatra (2023) identified the core components of financial literacy—financial knowledge, financial behavior, and financial attitude—through a study involving 384 randomly selected samples from Assam, India. They utilized statistical techniques such as factor analysis, regression analysis, and correlation analysis to analyze their data. Their comprehensive review of empirical literature and findings underscored the significant influence of these components of financial literacy on individuals' financial well-being. They coined these components as "the big three of financial literacy," highlighting their collective impact on shaping financial outcomes.

Prakash et al. (2022) conducted research to explore the factors influencing the financial well-being of IT employees in India using confirmatory factor analysis (CFA). They applied established survey tools to assess the impacts of financial literacy, financial behavior, and financial stress on financial well-being, employing correlation and regression analyses. Their study also investigated demographic factors (age, gender, monthly income, job category, and work experience) through multigrain analysis to determine their role in financial well-being. Analyzing data from 237 IT sector employees, their findings indicated significant positive effects of financial literacy and financial behavior on financial well-being, alongside a notable negative impact of financial stress. They highlighted that financial behavior and financial stress mediate the relationship between financial literacy and financial well-being, with demographic variables moderating these relationships.

Mishra (2022) conducted research to examine the impact of financial literacy on the financial well-being of Indian households, utilizing data from the Financial Inclusion Insights (FII) survey's fifth wave involving 47,132 households. The study assessed financial knowledge, financial attitude, and financial behavior using logistic regression analysis. The findings demonstrated that both objective and subjective financial knowledge, financial attitude, and financial behavior significantly predicted financial well-being. The study emphasized the strong positive influence of financial attitude and financial behavior on financial well-being, with subjective financial knowledge particularly impactful where discrepancies existed between actual and self-assessed knowledge. Financial well-being varied significantly with age, education, occupation, and urban-rural categorization, while gender did not show a significant impact.

Lone and Bhat (2022) investigated the influence of financial literacy on financial well-being among business school faculty members. They employed a questionnaire survey method with 203 faculty members selected through simple random sampling. Confirmatory factor analysis validated their scales, while structural equation modeling tested hypotheses, and mediation was assessed using percentile bootstrap with a 95% confidence interval. The study revealed a significantly positive impact of financial literacy and its dimensions on financial self-efficacy and financial well-being. Financial self-efficacy was identified as a partial mediator between financial literacy and financial well-being. However, the study's constructs were measured subjectively, and the research was limited to business school faculties.

Sabri et al. (2021) evaluated an empirical financial well-being model based on Malaysian young adults' financial knowledge, financial socialization, financial behavior, and financial strain. Through a multi-stage random sampling method, they collected data from 651 young adults in Malaysia via self-administered questionnaires. Multiple regression analysis indicated that the model explained 16.1% of the total variance in financial well-being. All four determinants of financial well-being were found to be significant, with financial strain showing a negative relationship with financial well-being.

Kumar and Bansal (2021) investigated the mediating role of access to credit (AC) between financial literacy (FL) levels and financial well-being (FWB) among individuals in the National Capital Region of India. Their study included 476 conveniently selected

participants. Their findings suggested that FL enhances financial knowledge and skills, enabling individuals to compare and select optimal financial products and services, thereby improving access to banking services. The results indicated that without AC, FL alone cannot enhance FWB among individuals in this region. Despite previous studies exploring the association between FL and FWB, the mediating role of AC in this context had not been previously explored.

Sharma and Rohan (2021) conducted a study to examine the current status of financial literacy among households and evaluated its impact on household financial well-being. They collected primary data through questionnaires in a descriptive and cross-sectional study. The correlation between financial literacy and financial well-being was determined to be 0.836, with a significance level below 0.05 at a 95% confidence interval. Consequently, they rejected the null hypothesis (H₀) suggesting no significant influence of financial literacy on household financial well-being, in favor of the alternative hypothesis indicating a positive influence.

Philippas and Avdoulas (2021) explored the relationships among financial literacy, financial fragility, and financial well-being among a sample of 456 university students in Greece, representing Generation Z. Their study utilized cross-tabulations, chi-square tests, logistic regressions, and marginal effect analysis to analyze the data. The results indicated that male students, those who maintain expense records, or have highly educated fathers tend to exhibit higher levels of financial literacy. Additionally, financially literate students demonstrated greater resilience against unexpected financial shocks, as evidenced by their lower levels of financial fragility.

Vörös et al. (2021) investigated the impact of different forms of financial literacy (FL) overconfidence on financial well-being among 506 randomly selected Hungarian individuals. They employed a self-report questionnaire to explore associations between FL, various forms of FL overconfidence, and financial outcomes. The findings revealed positive correlations between perceived FL and household financial well-being, with perceived FL emerging as a stronger predictor compared to actual FL skills. The study also highlighted divergent effects of different forms of overconfidence, suggesting that overprecision and overestimation may have varying impacts on financial outcomes.

Tahir, Ahmed, and Richards (2021) examined the mediating role of financial capability (FC) in the relationship between financial literacy (FL) and financial well-being (FW). Using data from the 2016 wave of the Household, Income and Labor Dynamics in Australia Survey, they tested a moderated mediation model. Their analysis, conducted with PROCESS macros in IBM SPSS Statistics, indicated that FC partially mediated the association between FL and FW. Furthermore, they found that non-impulsive future-oriented behavior (NIB) strengthened the positive associations between FL and both FC and FW, particularly among individuals with high NIB scores.

Pijoh et al. (2020) conducted a study on the impact of Financial Literacy, Financial Behavior, and Financial Anxiety on the Financial Well-Being of Top Management Level Employees. They surveyed 256 randomly selected respondents from a Manufacturing Company's top management level and used Partial Least Squares (PLS) for structural equation modeling. Their findings revealed significant influences: financial behavior and financial anxiety were both found to significantly affect employees' financial well-being. Additionally, financial literacy was shown to influence financial anxiety, financial behavior, and overall financial well-being. Positive financial behavior correlated positively with higher levels of financial well-being among respondents, and there was a notable positive effect of financial literacy on the financial behavior of top management level employees.

Ismail and Zaki (2019) investigated the relationship between financial wellness and income management ability using correlation and regression analyses. Their research highlighted a strong positive correlation between financial wellness and the ability to manage income effectively. They advocated for organizations to implement financial education programs aimed at improving financial literacy and reducing financial stress among employees. They also suggested exploring additional factors such as financial self-efficacy and financial help-seeking behavior to further enhance the financial wellness of individuals with low to medium incomes.

Younas et al. (2019) explored the connections between self-control, financial literacy, financial behavior, and financial well-being among 416 individuals in Pakistan from various sectors. Their study demonstrated that higher levels of self-control and financial literacy were associated with improved financial well-being through their positive impact on financial

behavior. Specifically, while financial literacy directly influenced financial well-being, the direct effect of self-control on financial well-being was found to be insignificant. They emphasized that financial behavior played a pivotal role in determining financial well-being, overshadowing the impacts of both financial literacy and self-control alone.

Chu et al. (2017) investigated the effects of financial literacy on household portfolio choice and investment returns using data from the 2014 Chinese Survey of Consumer Finance. Their study categorized financial literacy into basic and advanced levels and tested the hypothesis that higher financial literacy influences households to diversify their investments, particularly into mutual funds. They found that households with advanced financial literacy tended to allocate part of their portfolios to experts and invest in mutual funds, suggesting a positive influence of financial literacy on household financial decision-making.

Adam et al. (2017) explored factors influencing the financial well-being of retirees in Cape Coast Metropolis, Ghana, including financial literacy, financial behavior, family support, number of dependents, and retirement planning. Their cross-sectional survey of 400 randomly selected association members indicated that financial literacy, retirement planning, and family support significantly impacted retirees' financial well-being. Interestingly, family support and retirement planning had a stronger influence on financial well-being compared to financial literacy alone. They emphasized the importance of promoting financial literacy and retirement planning alongside policies supporting social cohesion and family support to enhance retirees' financial well-being.

Kamakia et al. (2017) examined the discrepancy between access to workplace financial literacy sessions and individuals' actual financial well-being, prompted by shifts in financial markets and social security pension schemes. Their study aimed to synthesize existing literature on the relationship between financial literacy and financial well-being, exploring potential intervening and moderating variables. Gaps in the literature were identified, and they recommended avenues for further research. Their review underscored variations in how financial literacy and financial well-being are defined and measured. While they confirmed a positive association between financial literacy and financial well-being, this relationship was

found to be influenced by financial decisions as intervening variables and demographic factors as moderating variables.

Moein Addin et al. (2014) investigated the correlation between financial literacy, financial well-being, and financial worry among professors at Yazd Islamic Azad University. They developed a questionnaire and employed random sampling to collect data, using statistical analyses such as correlation and binomial tests for evaluation. Their findings indicated that most respondents agreed on strategies like "reducing expenses and the cost of living," except for those categorized as having both high financial literacy and financial well-being. Interestingly, specialized financial consulting services were not commonly utilized across all groups, while purchasing real estate emerged as a popular strategy. Moreover, higher levels of financial well-being were associated with reduced financial worry among the participants.

Sabri and Falahati (2013) investigated factors influencing employees' financial well-being in Malaysia, aiming to deepen understanding of relationships among determinants such as financial literacy, financial behavior, financial capability, financial problems, and financial stress. They employed a multi-stage sampling technique to select samples from both public and private sectors and used path analysis to analyze 2,000 completed questionnaires. Their results highlighted financial literacy, financial behavior, financial capability, financial problems, and financial stress as significant determinants of financial well-being. Specifically, financial stress was identified as a partial mediator in predicting financial well-being based on these factors.

Table 1

Summary of Article Review

Authored/Date	Title	Objectives	Methodology	Findings
Chetioui et al. (2024)	An investigation of the impact of financial literacy on households' financial well-being: An emerging market study	To investigating the key mechanisms contributing to financial literacy, and how it contributes to individuals' financial well-being in the context of an emerging market.	The mediating effects of indebtedness and financial behavior were also examined, with the conceptual model evaluated using structural equation modeling (SEM).	The results indicate that enhancing financial literacy is crucial for reducing financial vulnerability and enhancing financial well-being. Policymakers in Morocco and other developing nations facing high financial vulnerability could utilize these findings to develop effective educational initiatives aimed at improving citizens' financial literacy and

					overall well-being. Additionally, the study suggests that current education programs in Morocco may not sufficiently emphasize financial literacy's importance in shaping students' career paths and financial outcomes.
Kumar et al. (2023)	Impact of Financial Literacy (FL) and Access to Banking Services (AC) on Financial Well-Being (FWB): An Empirical Study.	To examine the mediating effects of digital financial literacy, financial autonomy, financial capability, and impulsivity on financial decision making and perceived financial well-being.	Partial Least Squares (PLS) prediction is employed to evaluate how effectively the proposed model can make predictions on data that it has not been trained on.	Least Squares (PLS) is used to evaluate how the proposed model can make predictions on data that it has not been trained on.	They found that skills directly influence financial decision-making and perceived financial well-being, with digital financial literacy serving as both a direct predictor and an intermediary in financial decision-making.
Dare et al. (2023)	How executive functioning and financial self-efficacy predict subjective financial well-being via positive financial behaviors.	To provided novel insights based on preregistered hypotheses, method, and analysis plan on the Open Science Framework.	Use correlation and regression analysis.		The results revealed a robust positive correlation between financial well-being and financial self-efficacy via positive financial behaviors. Moreover, a link was observed between executive functioning and financial well-being through positive financial behaviors. However, neither executive functioning nor financial self-efficacy played a moderating role in this relationship.
Das and Mahapatra (2023)	The Big Three of Financial Literacy: Analyzing its Influences on Financial Well-being.	To identify the key components of financial literacy and its constituent factors, and to examine influences of people's financial literacy on their financial well-being.	The study predominantly utilized primary data collected from 384 randomly chosen samples sourced from Assam, India. Statistical techniques such as factor analysis, regression analysis, and correlation analysis were employed to analyze the data.		The findings from this study highlight three main elements — "financial knowledge, financial behavior, and financial attitude" — which together constitute individuals' financial literacy, referred to as the "big three of financial literacy." The study indicates that financial literacy, including these primary components, positively and significantly influences individuals' financial well-being.
Prakash et al. (2022)	Demographic characteristics influencing financial wellbeing: a multi group analysis.	To attempted to understand the factors impacting the financial wellbeing of IT employees in India using confirmatory	Using correlation and regression analysis.		Financial literacy and financial behavior are positively associated with financial well-being, whereas financial stress has a significant negative impact. Furthermore, financial

		factor analysis (CFA).		behavior and financial stress act as mediators in the relationship between financial literacy and financial well-being. Additionally, demographic variables were found to significantly moderate the relationship between the factors influencing financial well-being.
Mishra (2022)	Financial literacy and financial wellbeing among Indian households.	To conduct and explore the impact of financial literacy on financial wellbeing of Indian households.	The results from logistics regression.	The study emphasizes that financial knowledge, including both objective and subjective dimensions, along with financial attitude and behavior, are important predictors of financial well-being. The results indicate that both financial attitude and behavior positively contribute to financial well-being. Interestingly, while actual financial knowledge may not significantly impact financial well-being, subjective financial knowledge—self-assessed understanding of finances—appears to have a considerable influence on financial well-being, particularly in specific cases.
Lone and Bhat (2022)	Impact of financial literacy on financial well-being: a mediational role of financial self-efficacy.	To examine the mediating role of financial self-efficacy between financial literacy and financial well-being.	The study utilized a questionnaire survey to gather data from 203 faculty members of business schools, employing simple random sampling (SRS) for participant selection. Confirmatory factor analysis was employed to validate the questionnaire's scale, while structural equation modeling was utilized to examine and test the study's hypotheses.	The study found that financial literacy and its different aspects significantly positively affected both financial self-efficacy and financial well-being. Furthermore, it highlighted that financial self-efficacy partially mediated the relationship between financial literacy and financial well-being. The study focused exclusively on business school faculties, and the constructs were subjectively measured.
Sabri et al.	The influence	To assess an	A multi-stage	All four factors examined as

(2021)	of financial knowledge, financial socialization, financial behaviour, and financial strain on young adults' financial well-being.	empirical financial wellbeing model based on Malaysian young adults' financial knowledge, financial socialization, financial behavior and financial strain.	random sampling method was used to gather a representative sample of Malaysian young adults, yielding 651 completed responses via a self-administered questionnaire.	determinants of financial well-being (financial knowledge, financial socialization, financial behavior, financial strain) showed statistically significant relationships, except for financial strain, which was negatively associated with financial well-being.
Kumar and Bansal (2021)	Impact of Financial Literacy (FL) and Access to Banking Services (AC) on Financial Well-Being (FWB): An Empirical Study.	To examine the mediating role of AC between the financial literacy (FL) level and financial wellbeing (FWB) of select individuals residing in National Capital Region of India.	The results from logistics regression.	The results suggest that financial literacy (FL) alone does not enhance financial well-being (FWB) among individuals in the National Capital Region of India without access to credit (AC). Previous studies have explored the link between FL and FWB, but the mediating role of AC in this context has not been previously investigated.
Sharma and Rohan (2021)	Influence of financial literacy on financial well-being.	To examine the current status of financial literacy among Households. The study examines the status of financial wellbeing of households.	The study is descriptive in nature and cross sectional research had been conducted.	With a correlation coefficient of 0.836 and a p-value below 0.05 at a 95% confidence level, we reject the null hypothesis (H0) that posits no significant influence of financial literacy on household financial well-being. Instead, we accept the alternative hypothesis, indicating a positive impact of financial literacy on household financial wellness.
Philippas and Avdoulas (2021)	Financial literacy and financial well-being among generation-Z university students: Evidence from Greece.	To evaluate the relation between financial literacy, financial fragility, and financial well-being in parallel with identifying their determinants.	They created and distributed a survey to a randomly chosen cohort of 456 university students in Greece. The data analysis included techniques such as cross-tabulations, chi-square tests, logistic regressions, and conducting	The results suggest that male students, students who track their expenses, or those whose fathers have higher levels of education tend to show higher levels of financial literacy. Furthermore, the study explores aspects of financial fragility, indicating that financially literate students exhibit better skills in managing unexpected financial difficulties.
Vörös et al. (2021)	The forms of financial literacy overconfidence and their role in financial well-	To examine the effects of the different forms of FL overconfidence on financial well-being.	To explore the connections between financial literacy (FL), different types of	The results indicate a positive association between financial literacy (FL) and overestimation (OE) with household financial outcomes. Perceived FL is highlighted as

	being.		FL overconfidence, and financial well-being, information was gathered from 506 Hungarian participants through a self-reported questionnaire using random sampling techniques.	a stronger predictor of financial well-being compared to actual FL skills. Additionally, the study underscores that different forms of overconfidence, such as over precision and OE, can have varying impacts, potentially leading to negative outcomes..
Tahir et al. (2021)	Financial literacy and financial well-being of Australian consumers: a moderated mediation model of impulsivity and financial capability.	To examine the mediating role of financial capability (FC) in the association between financial literacy (FL) and financial well-being (FW). Second, to analyze if non-impulsive future-oriented behavior (NIB) moderates the associations of FL with FC and FL with FW.	They employed PROCESS macros in IBM SPSS Statistics to analyze the moderated mediation model and evaluate data from the 2016 wave of the Household, Income and Labor Dynamics in Australia Survey.	The empirical investigation demonstrates that financial capability (FC) serves as a partial mediator in linking financial literacy (FL) to financial well-being (FW). Furthermore, the analysis of moderated mediation shows that non-impulsive future-oriented behavior (NIB) strengthens the associations between FL and both FC and FW. Specifically, individuals with high NIB scores exhibit significantly enhanced positive relationships between FL and FC, as well as FL and FW.
Pijoh et al. (2020)	Financial literacy, financial behavior and financial anxiety: Implication for financial wellbeing of top management level employees.	To analyze how Financial Literacy, Financial Behavior and Financial Anxiety influence Financial Well Being of Top Management Level Employees.	A cross-sectional survey was employed to collect data from 256 participants selected randomly from the senior management level of a manufacturing company. The hypothesized relationships were then analyzed using Partial Least Squares (PLS), which is a structural equation modeling technique.	The results suggest that the financial well-being of employees is significantly influenced by both their financial behavior and financial anxiety. Moreover, financial literacy plays a role in affecting financial anxiety, financial behavior, and overall financial well-being. The study further highlights that the level of financial well-being among respondents is determined by their financial behavior, with responsible and prudent financial practices correlating positively with higher financial well-being levels. Additionally, there is a noteworthy positive impact of financial literacy on the financial behavior of senior management-level employees.
Ismail and Zaki (2019)	Does financial literacy and financial stress	To determine the relationship of financial wellness.	Correlation and regression analysis.	The study revealed a robust positive correlation between these factors, emphasizing the

	effect the financial wellness?	Correlation and regression analysis is conducted.		significance of clarifying earners' ability to handle their finances effectively and utilize this knowledge for making prudent financial choices. As a result, organizations should consider implementing financial education initiatives for their employees to enhance financial literacy and reduce financial strain.
Younas et al. (2019)	Impact of self-control, financial literacy and financial behavior on financial well-being.	To examined the relationship between self-control financial literacy, financial behavior and financial wellbeing.	A survey was conducted on 416 individuals from educational institutions, corporate sectors, and food courts in Pakistan to empirically examine how self-control and financial literacy impact the financial behavior and financial well-being of individuals.	Financial literacy has a significant direct influence on financial well-being, whereas the direct impact of self-control on financial well-being is considered negligible. The influence of financial behavior on financial well-being is more substantial than the impacts of both financial literacy and self-control.
Chu et al. (2017)	Financial literacy, portfolio choice and financial well-being.	To examine potential effects of financial literacy on household portfolio choice and investment return, an indicator of financial wellbeing.	Using data from the 2014 Chinese Survey of Consumer Finance, researchers evaluated levels of financial literacy, categorizing it into basic and advanced categories based on their assessments.	The results indicated that households demonstrating higher levels of financial literacy, especially those proficient in advanced financial literacy, tended to delegate part of their portfolios to experts and participate in mutual fund investments.

2.2.2 Article Review in Nepalese Context

Manandhar (2023) conducted research on factors influencing mutual fund investment decisions, employing Modern Portfolio Theory and Prospect Theory. The study investigated variables including financial status, risk propensity, investment income, past fund performance, and sources of investment income, with mutual fund financial well-being as the dependent variable. A structured questionnaire was administered to 384 participants, utilizing descriptive, correlational, and causal research designs, along with statistical methods such as mean, median, mode, standard deviation, variance, correlation, and regression analysis.

Results indicated significant associations between financial status, risk propensity, investment income, past performance, sources of investment income, and mutual fund financial well-being, demonstrating positive correlations.

Pantha (2023) examined the impact of financial literacy on personal financial planning in Nepal. The study assessed financial literacy, financial awareness, financial attitude, financial confidence, and financial socialization as independent variables, with personal financial planning as the dependent variable. Data from 192 respondents were analyzed using regression models and correlation coefficients. Findings suggested that a foundational understanding of finances positively influences personal financial planning, indicating that enhanced financial literacy contributes to improved personal financial management.

Pastor et al. (2022) explored factors influencing saving and investment behaviors among young professionals. Using chi-square and regression analysis, the study revealed that socio-demographic factors such as age, gender, and educational attainment influenced saving and investing behaviors. Economic factors such as salary level impacted saving habits, while financial knowledge influenced both saving and investing behaviors. The study underscored the diverse financial behaviors of young professionals and highlighted the positive effects of saving and investing on their overall quality of life.

Vaidya (2021) investigated the process of financial well-being among Nepalese household investors in the secondary market. Grounded theory methodology was applied, drawing on data from semi-structured interviews with investors from a management academia background. The study uncovered investors' motivations for investment, varied perspectives on the impact of macroeconomic factors, and concerns regarding fundamental attributes of listed firms. Technical analysis and market trends emerged as pivotal factors influencing trading decisions.

Thapa and Raju (2020) evaluated levels of financial literacy among Nepalese household stock market investors, employing a descriptive research approach involving 83 respondents from the Kathmandu Valley. Findings indicated a generally low level of financial literacy among Nepalese household investors, with demographic factors playing a limited role in their financial decision-making.

Filippini et al. (2020) examined energy-related financial literacy in Nepal's eastern lowlands and its association with attitudes toward replacing energy-inefficient appliances. The study revealed deficiencies in both financial and energy literacy, with higher literacy levels correlating with more informed attitudes toward appliance replacement, highlighting the need to address gaps in energy efficiency awareness.

Shrestha (2019) analyzed the impact of overconfidence bias on individual financial well-being through a questionnaire survey and analytical techniques. The study identified demographic groups, including educated women with higher net worth, exhibiting overconfidence, leading to increased trading activity and confidence in their investment abilities.

Oli (2018) investigated the role of financial literacy in personal financial planning among 700 Nepalese individuals, focusing on cash planning, insurance, investment, and retirement planning. Results indicated that financial literacy and attitude significantly influenced personal financial planning, whereas demographic variables had minimal impact.

Joshi (2018) explored the evolution of the Nepalese security market from FY 2005/06 to FY 2016/17, examining factors such as advocate recommendations, personal financial needs, accounting information, firm reputation, and neutral information. The study utilized both primary and secondary data to uncover irregular trends in the Nepalese capital market, highlighting investor considerations of company reputation and stakeholder opinions in financial decision-making.

2.3 Research Gap

Several researchers have concluded their studies using both primary and secondary data, with sample sizes of less than four hundred respondents. The research employed causal comparative methods to uncover insights into the relevant topics. This study is a compulsory component of the Master's degree dissertation in the MBS program at Tribhuvan University, involving a sample size of 450 respondents focusing on Nepalese participants. The study utilized descriptive and causal comparative research designs for hypothesis testing. Independent variables included Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude, with Financial Wellbeing as the dependent variable.

For future research, it is recommended to consider employing a sample size larger than 450 or even the entire population under study. Exploring alternative methods beyond panel data analysis and incorporating secondary data could enhance the achievement of research objectives. Future studies should be prepared to allocate more time and resources compared to the current study.

CHAPTER-III

RESEARCH METHODOLOGY

The methodology employed in research functions as a structured framework designed to systematically address specific problems by employing organized and deliberate processes, which encompass the collection, analysis, and interpretation of factual information. It serves as the blueprint and organizational approach guiding inquiries aimed at validating research hypotheses or addressing research questions. This section on research methodology encompasses elements such as research design, data sources, target population and sample selection, as well as methodologies and techniques utilized for data analysis. The key components of the research methodology pertinent to this study are outlined as follows.

3.1 Research Design

The research methodology serves as a systematic framework designed to systematically solve specific problems through organized and deliberate processes that involve gathering, analyzing, and interpreting factual information. It encompasses the blueprint, organization, and approach adopted in inquiries aimed at addressing research questions or validating research hypotheses. This section on research methodology includes elements such as research design, data sources, target population, sample selection criteria, and methodologies and techniques used for data analysis. The fundamental components of the research methodology relevant to this study are outlined as follows.

3.2 Population and Sample and Sampling Technique

The study targets the entire population of Nepal as its scope. Employing cluster sampling, the research focuses specifically on Kathmandu city as the selected sampling area. A total of 1000 questionnaires are distributed using convenience sampling methods. From this pool, 450 respondents actively participate as research participants, forming the primary data source for the study.

3.3 Nature and Source of Data and Instrument of Data Collection

In this section, the researcher describes the nature and sources of data utilized in the study. Data is categorized into primary and secondary types, sourced from various outlets such as published sources including articles, annual reports, newspapers, tax records, government

policies, and literature reviews, as well as unpublished sources like internal organizational documents, meeting minutes, and receipts. For this particular investigation, primary data were chosen to achieve the research objectives.

The term "instrument" refers to the tools employed for data collection. A variety of instruments such as questionnaires, laboratory experiments, quasi-experiments, observations, interviews, and scales are utilized for collecting primary data. Meanwhile, secondary data were sourced from bank websites, annual reports, economic reports from the Nepal Rastra Bank (Banking and Financial Statistics), and other published statistical sources. Additionally, informal discussions and procedures were used to gather supplementary information.

For this specific research, the questionnaire was selected as the instrument for data collection, comprising a series of inquiries alongside demographic characteristics of the participants. Hence, the questionnaire serves as the primary instrument in this research endeavor.

3.4 Methods of Analysis

To fulfill the study's objectives, a variety of statistical tools have been employed. These include descriptive statistics, correlation analysis, and multiple regression analysis. The data analysis is conducted based on the patterns observed in the available data.

3.4.1 Statistical Analysis

Mean (\bar{X})

The mean, in statistics, represents the average or the arithmetic average of a set of numbers. It serves as a measure of central tendency within a probability distribution, alongside the median and mode. Additionally, it is commonly referred to as the expected value.

Standard Deviation (σ):

Standard deviation is a statistical measure used to gauge the amount of variability or spread within a dataset. It is calculated as the square root of the variance, and it involves measuring the deviation of each data point from the mean (Acharya et al., 2018). It is denoted by (σ).

$$\text{Standard Deviation } (\sigma) = \sqrt{\frac{\sum(X - \bar{X})^2}{N}}$$

Where,

X=variables

\bar{X} = mean

N= No. of Period

Minimum and Maximum

The minimum in the research context represents the smallest frequency value, while the maximum refers to the highest frequency value in the distribution. This measurement aids in understanding the range of frequency differences within the research values.

Correlation Analysis (r):

It is the simplest of ascertaining the correlation between two variables. It is not influenced by the size of the extreme items. Karl Pearson coefficient of correlation is usually denoted by 'r'.

$$\text{Correlation Coefficient (r)} = \frac{n \sum XY - \sum X \sum Y}{\sqrt{[n \sum x^2 - (\sum X)^2] [n \sum Y^2 - (\sum Y)^2]}}$$

Where,

N = number of X and Y

$\sum XY$ = Sum of the series X and Y

$\sum X$ = Sum of the series X

$\sum Y$ = Sum of the series Y

$\sum X^2$ = Sum of the square of series X

$\sum Y^2$ = Sum of the square of series Y

Acharya et al. (2018) describe correlation analysis as a statistical method employed to evaluate both the direction and strength of the relationship between two sets of variables. It illustrates how these variables co-vary and quantifies the degree of association between them. Typically, the Pearson correlation coefficient is utilized for this purpose. This coefficient ranges from -1 to +1: a value of -1 indicates a perfect negative correlation, suggesting that the variables move in opposite directions; in contrast, a coefficient of +1 indicates a perfect positive correlation, indicating that the variables move in the same direction.

Multiple Regression Analysis

Multiple regression analysis is a statistical method employed to explore the connection between a solitary dependent variable (also termed the criterion variable) and numerous

independent variables (known as predictor variables). Its primary aim is to forecast changes in the dependent variable based on variations observed in the independent variables. This analysis assesses how well multiple predictors collectively predict the dependent variable. Moreover, the coefficient of determination gauges the percentage of variability in the dependent variable that the regression equation can elucidate. The multiple regression equation can be formulated as follows:

Model

$$FWB = \beta_0 + \beta_1 \times FK + \beta_2 \times FB + \beta_3 \times FS + \beta_4 \times FA + \beta_5 \times FAW + \beta_6 \times FE + e$$

Where,

FWB: Financial Wellbeing

FK= Financial Knowledge

FB= Financial Behavior

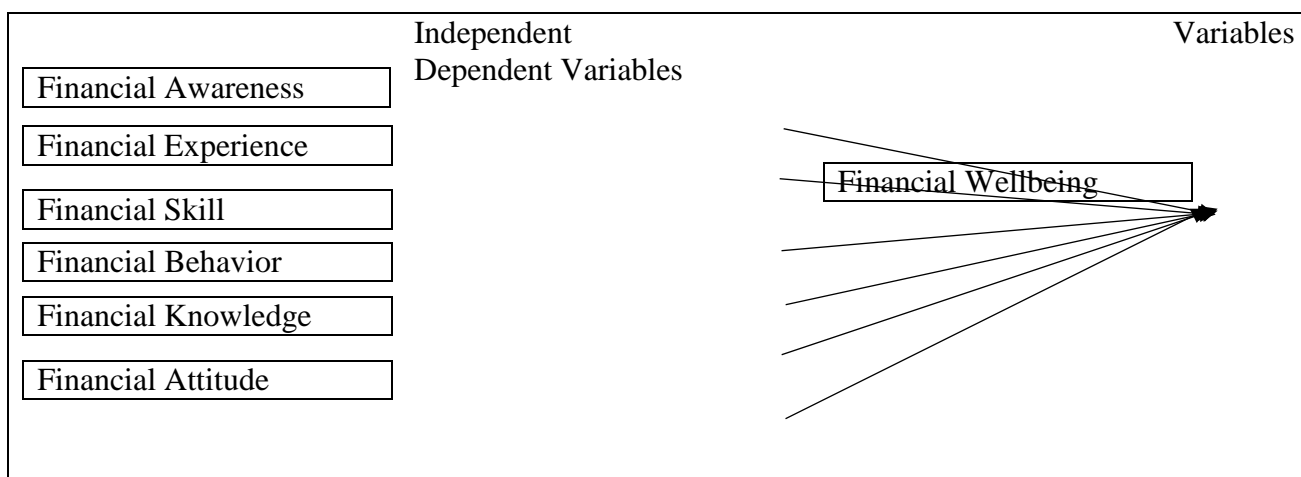
FS= Financial Skill

FA= Financial Attitude

FAW: Financial Awareness

FE: Financial Experience

3.5 Research Framework



Source: Lone and Bhat, (2022) & Mishra, (2022)

Figure 1: Research Framework

3.6 Definition of the Variables

Financial Literacy

Financial literacy refers to a critical skill set that equips individuals with the knowledge to navigate personal finance effectively. It encompasses understanding concepts such as budgeting, saving, investing, borrowing, and debt management. With financial literacy, individuals can make informed decisions about their finances, ensuring efficient allocation of resources to meet both short-term and long-term financial goals. Moreover, being financially literate helps individuals recognize and avoid common financial pitfalls like overspending, high-interest debt accumulation, or falling prey to financial scams.

Financial Awareness

Financial awareness involves having a comprehensive understanding of various aspects of personal finance, including income, expenses, savings, investments, debt management, and financial goals. It requires being mindful of one's financial situation, making informed decisions about money matters, and recognizing the significance of financial planning for achieving short-term and long-term objectives. Financial awareness also entails staying informed about economic trends, available financial products and services, and understanding the risks and opportunities associated with different financial decisions.

Financial Experience

Financial experience encompasses the knowledge, skills, and insights gained through personal interactions with different financial situations and decisions over time. It includes practical understanding of managing money, investments, savings, expenses, and debts based on past financial decisions and experiences. Financial experience is acquired through activities such as earning income, budgeting, saving, investing, borrowing, handling unexpected financial challenges, and managing windfalls.

Financial Skill

Financial skill is essential for effective money management at both individual and organizational levels. It includes competencies such as budgeting, saving, investing, debt management, and strategic decision-making. Mastering these skills empowers individuals to take control of their financial futures, create budgets aligned with their goals, establish savings plans, make informed financial decisions, and manage debt responsibly to meet financial obligations without undue strain.

Financial Behavior

Financial behavior encompasses the actions and decisions individuals or entities undertake regarding their financial matters. It involves earning, spending, saving, investing, borrowing, and managing money, influenced by personal values, attitudes, beliefs, past experiences, socioeconomic status, cultural influences, and economic conditions. Positive financial behavior entails adopting prudent money management practices like budgeting, saving, making informed investment choices, and responsibly managing debt.

Financial Knowledge

Financial knowledge forms the basis of understanding money management and wealth creation. It includes concepts and practices ranging from basic budgeting skills to complex investment strategies. With financial knowledge, individuals can make informed decisions about saving, investing, borrowing, and planning for the future. It allows them to navigate personal finance complexities confidently, set achievable goals, minimize debt, and optimize resources effectively.

Financial Attitude

Financial attitude reflects an individual's mindset, beliefs, emotions, and approaches to handling money and financial matters. It significantly influences financial decisions and outcomes. A positive financial attitude involves adopting an abundance mindset, practicing responsible spending habits, prioritizing savings and investments, and being proactive in financial planning.

Financial Well-Being

Financial well-being encompasses the overall state of an individual's financial health and satisfaction. It includes dimensions such as income, expenses, savings, investments, debt, and financial goals. Achieving financial well-being requires balancing current financial needs with future planning, maintaining stable income sources, building emergency savings, effectively managing debt, and making progress towards long-term financial objectives like retirement or education.

CHAPTER-IV

RESULTS AND DISCUSSION

The results derived from the data analysis are presented to make the study's findings accessible and aligned with its objectives. The analysis follows the research methodology detailed in the third chapter to ensure accuracy and relevance. This chapter aims to familiarize readers with the process of data analysis and interpretation. The presentation is methodically structured around the tools and techniques employed to identify relationships and significance within the data and to address the research objectives. It includes an in-depth analysis of primary data and the corresponding discoveries.

4.1 Result

4.1.1 Demographic Characteristics

This section included the general information of the respondent, including the information of their education, organization etc.

Table 2

Demographic Variables

Variables	Detail	Frequency	Percent
Age	Between 18-25	73	16.2
	Between 26-45	134	29.8
	Between 46-55	131	29.1
	Above 56	112	24.9
Total		450	100.0
Gender	Male	132	29.3
	Female	318	70.7
Total		450	100.0
Education	Below SLC	93	20.7
	Having SLC	151	33.6
	Intermediate	89	19.8
	Bachelor And Above Degree	117	26.0
Total		450	100.0
Profession	Student	60	13.3
	Banker	105	23.3
	Employees	105	23.3
	Business Person	180	40.0
Total		450	100.0
Income Level	monthly up to 15000	107	23.8

15000-20000 in a month	170	37.8
20001-50000 a month	45	10.0
monthly earning more than 50000	128	28.4
Total	450	100.0

Source: *Field Survey-2024*

Table 2 presents demographic variables in detail. Among respondents, 73 individuals (16.2%) are aged 18-25, 134 (29.8%) are aged 26-45, 131 (29.1%) are aged 46-55, and 112 (24.9%) are over 56. The gender breakdown shows 132 male respondents (29.3%) and 132 female respondents (29.3%). Educational attainment includes 93 respondents below SLC (20.7%), 151 with SLC (33.6%), 89 with intermediate education (19.8%), and 117 with bachelor's degrees or higher (26%). Regarding income, 107 respondents earn up to 15000 monthly (23.8%), 170 earn “between” 15000-20000 (37.8%), 45 earn “between” 20001-50000 (10%), and 128 earn over 50000 (28.4%). Professionally, there are 60 students (13.3%), 105 bankers (23.3%), 105 government and private sector employees (23.3%), and 180 others (40%).

4.1.2 Reliability Analysis

In this instance, dependability is assessed using the Cronbach's alpha formula. Using the Likert scale, it assesses the reliability of surveys with many questions. The following are criteria for interpreting the alpha Likert scale:

Table 3

Reliability Statistics

Variables	Cronbach's Alpha	N of Items	Internal Consistency
Financial Wellbeing	0.929	7	Excellent
Financial Knowledge	0.75	5	Acceptable
Financial Behaviors	0.605	5	Questionable
Financial Skill	0.756	5	Acceptable
Financial Attitude	0.737	5	Acceptable
Financial Awareness	0.652	5	Questionable
Financial Experience	0.78	5	Acceptable

Source: *Field Survey-2024*

Table 3 demonstrates that the total number of variables on the Likert scale are at a questionable level. Therefore, the research's questions are highly pertinent, and the analysis based on the information gathered from the questionnaire is trustworthy for the study. The question is above a good level for all of the variables.

4.1.3 Descriptive Statistics

Descriptive statistics are analytical tools used to quantify various variables, encompassing metrics like mean, median, minimum, maximum, standard deviation, and other relevant measures. These statistics offer insights into both dependent and independent variables examined within the study.

Table 4

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Wellbeing	450	4.14	5.00	4.95	.148
Financial Knowledge	450	4.60	5.00	4.90	.167
Financial Behaviors	450	4.40	5.00	4.89	.186
Financial Skill	450	4.40	5.00	4.82	.267
Financial Attitude	450	4.00	5.00	4.87	.211
Financial Awareness	450	4.00	5.00	4.92	.170
Financial Experience	450	4.20	5.00	4.87	.181
Valid N (list wise)	450				

Source: *Field Survey-2024*

Table 4 presents descriptive statistics for 450 investor observations, detailing metrics such as maximum, minimum, mean, and standard deviation for both independent and dependent variables. These variables include Financial Experience, Financial Knowledge, Financial Awareness, Financial Attitude, Financial Skill, Financial Behavior, and Financial Well-Being. For instance, Financial Well-Being shows a minimum of 4.14, maximum of 5.00, mean of 4.95, and standard deviation of 0.148. Similarly, other variables like Financial Knowledge, Financial Behavior, Financial Skill, Financial Attitude, Financial Awareness, and Financial Experience exhibit corresponding descriptive metrics. The data indicate that

respondents generally reported high levels across these dimensions, as reflected by consistently low standard deviations, signifying minimal variability in responses.

4.1.3 Correlation Analysis

This statistical method is used to determine both the direction and intensity of the relationship between two sets of variables. It utilizes the Pearson correlation coefficient to clarify this relationship. The coefficient ranges from -1 to +1, where a value of -1 denotes a perfect negative correlation, indicating that the variables move in precisely opposite directions.

Table 5

Correlation of Variable

		Financial Wellbeing	Financial Knowledge	Financial Behaviors	Financial Skill	Financial Attitude	Financial Awareness	Financial Experience
Financial Wellbeing	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	450						
Financial Knowledge	Pearson Correlation	.231**	1					
	Sig. (2-tailed)	.000						
	N	450	450					
Financial Behaviors	Pearson Correlation	.290**	.948**	1				
	Sig. (2-tailed)	.000	.000					
	N	450	450	450				
Financial Skill	Pearson Correlation	.261**	.874**	.828**	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	450	450	450	450			
Financial Attitude	Pearson Correlation	.450**	.705**	.779**	.655**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	450	450	450	450	450		
Financial Awareness	Pearson Correlation	.045	.393**	.386**	.674**	.465**	1	
	Sig. (2-tailed)	.339	.000	.000	.000	.000		
	N	450	450	450	450	450	450	
Financial Experience	Pearson Correlation	.005	.012	.024	.036	.057	.019	1
	Sig. (2-tailed)	.923	.805	.612	.445	.226	.691	
	N	450	450	450	450	450	450	450

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

Source: *Field Survey-2024*

Table 5 presents the correlation matrix of various variables based on responses from 450 participants in the Kathmandu Valley. The table includes correlations between independent variables such as Financial Experience, Financial Knowledge, Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors, and the dependent variable, Financial Well-being. These correlations are crucial for achieving the study's objectives, as they highlight the relationships between the variables measured through a questionnaire administered as primary data collection.

The correlation analysis reveals significant positive relationships between financial wellbeing and several independent variables:

There is a positive correlation between financial wellbeing and financial knowledge ($r = 0.231$), which is statistically significant ($p = 0.000$, less than 0.01).

Financial behaviors are positively correlated with financial wellbeing ($r = 0.290$), and this correlation is statistically significant ($p = 0.000$, less than 0.01).

Financial skill shows a positive correlation with financial wellbeing ($r = 0.261$), and this correlation is statistically significant ($p = 0.000$, less than 0.01).

Financial attitude demonstrates a strong positive correlation with financial wellbeing ($r = 0.450$), which is statistically significant ($p = 0.000$, less than 0.01).

However, the analysis also indicates that:

Financial awareness displays a positive correlation with financial wellbeing ($r = 0.045$), but this correlation is not statistically significant ($p > 0.05$).

Similarly, financial experience exhibits a very weak positive correlation with financial wellbeing ($r = 0.005$), which is not statistically significant ($p > 0.05$).

In summary, while financial knowledge, behaviors, skill, and attitude significantly contribute to financial wellbeing, financial awareness and experience appear to have less impact based on the current data analysis.

4.1.4 Multiple Regression Analysis

The main purpose of multiple regression analysis is to predict changes in the dependent variable using variations in the independent variables. This method assesses the predictive

power of multiple predictors. Moreover, the coefficient of determination in multiple regression indicates the proportion of variability in the dependent variable that can be explained by the regression model.

Table 6

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585 ^a	.342	.333	.12087

a. Predictors: (Constant), Financial Experience, Financial Knowledge , Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors

Source: *Field Survey-2024*

Table 6 presents the model summary for 450 observations across various demographic groups. An R^2 value of 0.342 indicates that 34.2% of the total variation in financial wellbeing is explained by the independent variables considered in the study: Financial Experience, Financial Knowledge, Financial Awareness, Financial Attitude, Financial Skill, and Financial Behaviors. However, 65.8% of the total variation in financial wellbeing is attributed to other factors not included in the model. The adjusted R^2 of 0.333 reflects the goodness of fit, indicating how well the independent variables collectively explain variations in financial wellbeing.

Table 7

ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.366	6	.561	38.400	.000 ^b
	Residual	6.472	443	.015		
	Total	9.839	449			

a. Dependent Variable: Financial Wellbeing

b. Predictors: (Constant), Financial Experience, Financial Knowledge , Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors

Source: *Field Survey-2024*

Table 7 shows the ANOVA 450 observation of the respondent in share market. Here dependent variables is financial wellbeing and independent variable Financial Experience, Financial Knowledge, Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors. The regression value is significant because significant value is 0.000 which is less than 5%. Its mean the regression is strong.

Table 8

Coefficient of Variable

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	6.460	.365		17.683	.000
	Financial Knowledge	-.778	.135	-.883	-5.788	.000
	Financial Behaviors	.006	.111	.007	.053	.958
	Financial Skill	.528	.066	.953	7.980	.000
	Financial Attitude	.501	.046	.716	10.808	.000
	Financial Awareness	-.508	.057	-.584	-8.897	.000
	Financial Experience	-.041	.032	-.050	-1.282	.200

a. Dependent Variable: Financial Wellbeing

Source: *Field Survey-2024*

Table 8 displays the coefficients for 450 observations of investors. The dependent variable is financial wellbeing, while the independent variables include Financial Experience, Financial Knowledge, Financial Awareness, Financial Attitude, Financial Skill, and Financial Behaviors. The coefficient table illustrates the individual variables' contributions to the dependent variable, their accuracy, and significance levels.

Financial Knowledge has a beta coefficient of -0.778. This indicates that a 1% decrease in financial knowledge corresponds to a 0.778% decrease in the financial wellbeing of individuals in Kathmandu valley. The coefficient's accuracy is 0.135, suggesting a high degree of precision in the calculated result. With a significant value of 0.00 (less than 0.05), the impact of financial knowledge on financial wellbeing is deemed significant.

Financial Behaviors shows a beta coefficient of positive 0.006. This implies that a 1% increase in financial behaviors leads to a 0.006% increase in financial wellbeing among individuals in Kathmandu valley. The coefficient's accuracy is 0.111, indicating a high level of accuracy in the calculation. However, with a significant value of 0.958 (more than 0.05), the impact of financial behaviors on financial wellbeing is not considered significant.

Financial Skill has a beta coefficient of positive 0.528. This indicates that a 1% increase in financial skill results in a 0.528% increase in financial wellbeing among individuals in Kathmandu valley. The coefficient's accuracy is 0.066, indicating a high level of accuracy. With a significant value of 0.00 (less than 0.05), the impact of financial skill on financial wellbeing is significant.

Financial Attitude shows a beta coefficient of positive 0.501. This indicates that a 1% increase in financial attitude results in a 0.501% increase in financial wellbeing among individuals in Kathmandu valley. The coefficient's accuracy is 0.046, suggesting high accuracy. With a significant value of 0.00 (less than 0.05), the impact of financial attitude on financial wellbeing is significant.

Financial Awareness has a beta coefficient of -0.508. This suggests that a 1% decrease in financial awareness corresponds to a 0.508% decrease in financial wellbeing among individuals in Kathmandu valley. The coefficient's accuracy is 0.057, indicating a high level of precision. With a significant value of 0.00 (less than 0.05), the impact of financial awareness on financial wellbeing is significant.

Financial Experience shows a beta coefficient of -0.041. This indicates that a 1% decrease in financial experience leads to a 0.041% decrease in financial wellbeing among individuals in Kathmandu valley. The coefficient's accuracy is 0.032, indicating high precision. However, with a significant value of 0.2 (more than 0.05), the impact of financial experience on financial wellbeing is not significant.

4.2 Discussion

The primary aim of this research is to examine the relationship between Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, Financial Attitude, and Financial Wellbeing among households in Nepal. It was found that the relationship between financial wellbeing and financial knowledge is positively correlated

and statistically significant. This finding is consistent with the results reported by Lone & Bhat (2022). Similarly, the relationship between financial wellbeing and financial behaviors is positively correlated and statistically significant, consistent with the findings of Kumar et al., (2023). Additionally, the relationship between financial wellbeing and financial skill is positively correlated and statistically significant, consistent with the results of Dare et al., (2023). Moreover, the relationship between financial wellbeing and financial attitude is positively correlated and statistically significant, aligning with the findings of Kamakia et al., (2017). On the other hand, the relationship between financial wellbeing and Financial Awareness is positively correlated but not statistically significant, which is consistent with the findings of Philippas & Avdoulas (2021). Similarly, the relationship between financial wellbeing and Financial Experience is positively correlated but not statistically significant, consistent with the findings of Vörös et al., (2021).

The secondary objective of this research is to analyze the impact of Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude on Financial Wellbeing among Nepalese households. It was found that financial knowledge negatively impacts the financial wellbeing of individuals in Kathmandu Valley, and this impact is statistically significant. This result is consistent with the findings of Sharma & Rohan (2021). Conversely, financial behaviors positively impact financial wellbeing but this impact is not statistically significant, consistent with the findings of Kumar & Bansal (2021). Furthermore, Financial Skill positively impacts financial wellbeing, and this impact is statistically significant, consistent with the findings of Sabri et al., (2021). Similarly, Financial Attitude positively impacts financial wellbeing, and this impact is statistically significant, consistent with the findings of Mishra (2022). Moreover, Financial Awareness negatively impacts financial wellbeing, and this impact is statistically significant, consistent with the findings of Prakash et al., (2022). Lastly, Financial Experience negatively impacts financial wellbeing but this impact is not statistically significant, consistent with the findings of Das & Mahapatra, (2023).

CHAPTER-V

SUMMARY AND CONCLUSION

This chapter comprises three key components: summary, conclusion, and inference. The summary provides a comprehensive overview of the entire study process, encompassing the entirety of the research efforts from initiation to completion. Both the summary and conclusion of the thesis are incorporated in this section. Additionally, the implications of the results obtained from the thesis work are discussed.

5.1 Summary

Financial literacy is a critical skill that empowers individuals to effectively manage personal finances. It involves understanding various financial concepts such as budgeting, saving, investing, borrowing, and debt management. With financial literacy, individuals can make informed decisions about their money, ensuring resources are allocated optimally to meet both immediate needs and long-term financial goals. Moreover, financial literacy enables individuals to identify and avoid common financial pitfalls, such as overspending, high-interest debt, and financial scams. Achieving financial literacy allows individuals to take charge of their financial future, accumulate wealth, and achieve greater financial security and independence.

Financial well-being encompasses the overall state of an individual's financial health and satisfaction. It includes elements like income, expenses, savings, investments, debts, and financial goals. Achieving financial well-being requires balancing current financial obligations with future planning. This balance involves securing reliable income sources, building emergency savings, managing debts effectively, and making progress towards important financial milestones such as retirement or education. Given this context, the research focuses on "Financial Literacy and Financial Wellbeing among Nepalese households."

The research aims to examine the correlation between Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude with Financial Wellbeing among Nepalese households. It also seeks to assess the impact of these variables on Financial Wellbeing. These objectives were formulated to

address specific questions: whether there exists a relationship between these financial factors and Financial Wellbeing among Nepalese households, and what specific impact each factor has on Financial Wellbeing.

The conceptual framework for this research was developed based on a review of various articles and theses obtained from Google Scholar and Shanker Dev Library. Financial Wellbeing was identified as the dependent variable, with Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude as independent variables. The research employed a descriptive and casual comparative research design, utilizing SPSS and Excel for data analysis.

The population studied was the residents of Kathmandu Valley, with a sample size of 450 selected using convenience sampling techniques. Primary data were collected through a questionnaire survey. Data analysis methods included descriptive statistics, correlation analysis, and multiple regression analysis, facilitated by Excel and SPSS.

The findings of the research revealed that Financial Knowledge, Financial Behavior, Financial Skill, and Financial Attitude positively and significantly correlate with Financial Wellbeing. On the other hand, Financial Awareness and Financial Experience showed a positive correlation with Financial Wellbeing but were not statistically significant. The impact assessment indicated that Financial Knowledge, Financial Skill, Financial Attitude, and Financial Awareness have significant impacts on Financial Wellbeing, whereas Financial Experience and Financial Behavior did not demonstrate a significant impact on Financial Wellbeing.

5.2 Conclusion

The primary aim of this study was to investigate the relationship between Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude with Financial Wellbeing among Nepalese households. The findings indicate a positive and statistically significant relationship between Financial Knowledge, Financial Behaviors, Financial Skill, and Financial Attitude with Financial Wellbeing. However, the relationships between Financial Awareness, Financial Experience, and Financial Wellbeing were positive but not statistically significant. In summary, the study concludes that Financial Knowledge, Financial Behaviors, Financial Skill, and Financial

Attitude positively and significantly influence Financial Wellbeing among Nepalese households.

The secondary objective of the research was to assess the impact of Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude on Financial Wellbeing among Nepalese households. The results reveal that Financial Knowledge, Financial Skill, Financial Attitude, Financial Awareness, and Financial Wellbeing have a significant impact. Conversely, Financial Experience and Financial Behaviors were found to have a non-significant impact on Financial Wellbeing. To summarize, the study concludes that Financial Knowledge, Financial Skill, Financial Attitude, Financial Awareness, and Financial Wellbeing significantly impact the financial well-being of Nepalese households.

5.3 Implications

Understanding this connection is crucial for several reasons. Firstly, scholarly findings indicate that individuals who possess higher levels of financial literacy demonstrate improved abilities in managing their finances, resulting in enhanced financial stability, reduced debt burdens, and increased savings and investments. By examining this correlation, researchers can provide valuable insights into the specific financial knowledge and skills that significantly contribute to better financial well-being. This knowledge can guide the development of targeted financial education programs and interventions aimed at improving financial literacy.

Moreover, investigating disparities in financial literacy across different demographic groups can illuminate inequalities in financial well-being. This understanding can drive efforts to address these disparities through tailored outreach and support initiatives.

Furthermore, comprehending the mechanisms by which financial literacy impacts financial well-being can offer valuable guidance to policymakers, educators, and financial institutions. It can aid them in designing effective strategies and policies that promote financial inclusion, resilience, and empowerment among individuals.

Ultimately, studying the relationship between financial literacy and financial well-being is vital for advancing knowledge in the field of personal finance. It can facilitate the development of interventions that enhance individuals' financial outcomes and overall well-being. Additionally, this research serves as a valuable reference for new researchers exploring similar topics.

REFERENCES

- Adam, A. M., Frimpong, S. & Boadu, M. O. (2017). Financial literacy and financial planning: Implication for financial well-being of retirees. *Business & Economic Horizons*, 13(2), 50-98.
- Chetioui, H., El Bouchikhi, Y., Makhtari, M., Sahli, M., & Lebdaoui, H. (2024). An investigation of the impact of financial literacy on households' financial well-being: An emerging market study. *International Journal of Economics and Financial Issues*, 14(3), 97-105.
- Chu, Z., Wang, Z., Xiao, J. J. & Zhang, W. (2017). Financial literacy, portfolio choice and financial well-being. *Social indicators research*, 13(2), 799-820.
- Dare, S. E., van Dijk, W. W., van Dijk, E., van Dillen, L. F., Gallucci, M. & Simonse, O. (2023). How executive functioning and financial self-efficacy predict subjective financial well-being via positive financial behaviors. *Journal of Family and Economic Issues*, 44(2), 232-248.
- Das, S. & Mahapatra, S. K. (2023). The Big Three of Financial Literacy: Analyzing its Influences on Financial Well-being. *FWU Journal of Social Sciences*, 17(2), 98-120.
- Filippini, M., Kumar, N. & Srinivasan, S. (2020). Energy-related financial literacy and bounded rationality in appliance replacement attitudes: evidence from Nepal. *Environment and Development Economics*, 25(4), 399-422.
- Ismail, N. & Zaki, N. D. A. (2019). Does financial literacy and financial stress effect the financial wellness? *International Journal of Modern Trends in Social Sciences*, 2(8), 1-11.

- Joshi, D. (2018). An Analysis of Security Market Growth and Individuals' Investment Decision. *Journal of Business and Social Sciences Research*, 3(1), 15-32.
- Kamakia, M. G., Mwangi, C. I. & Mwangi, M. (2017). Financial literacy and financial wellbeing of public sector employees: A critical literature review. *European Scientific Journal, ESJ*, 13(16), 233.
- Kumar, J. & Bansal, G. (2021). Impact of Financial Literacy (FL) and Access to Banking Services (AC) on Financial Well-Being (FWB): An Empirical Study. *International Journal of Management*, 11(12), 2020.
- Kumar, P., Pillai, R., Kumar, N. & Tabash, M. I. (2023). The interplay of skills, digital financial literacy, capability, and autonomy in financial decision making and well-being. *Borsa Istanbul Review*, 23(1), 169-183.
- Lone, U. M. & Bhat, S. A. (2022). Impact of financial literacy on financial well-being: a mediational role of financial self-efficacy. *Journal of Financial Services Marketing*, 1(5), 1-16.
- Manandhar, R. (2023). *Factors Influencing Investment Decisions In Mutual Funds In Nepal*. Kathmandu- an unpublished master degree thesis, submitted to the Office of the Dean, Faculty of Management, T.U.
- Mishra, R. (2022). Financial literacy and financial wellbeing among Indian households. *International Journal of Business and Management*, 17(4), 98.
- Moein Addin, M., Nayebzadeh, S. & Kalantari Taft, M. (2014). Financial strategies and investigating the relationship among financial literacy, financial well-being, and financial worry. *European Online Journal of Natural and Social Sciences: Proceedings*, 2(3 (s)), 1279.
- Oli, S. K. (2018). The influence of financial literacy on a personal financial planning: A case of Nepal. *Afro-Asian Journal of Economics and Finance*, 1(1), 25-38.
- Pantha, B. (2023). Influence of financial literacy on personal financial planning in Nepal. *Perspectives in Nepalese management*, 1(1), 197.

- Pastor, M. C., Almazan, D. A., Flores, L. R., Lopez, L. J., Maralit, A. P. & Melo, M. C. (2022). Factors Affecting the Behavior of Young Professionals towards Savings and Investment. *American International Journal of Business Management (AIJBM)*, 5(5), 44-50.
- Philippas, N. D. & Avdoulas, C. (2021). Financial literacy and financial well-being among generation-Z university students: Evidence from Greece. *In Financial Literacy and Responsible Finance in the FinTech Era*, 1(5), 64-85.
- Pijoh, L. F. A., Indradewa, R. & Syah, T. Y. R. (2020). Financial literacy, financial behavior and financial anxiety: Implication for financial wellbeing of top management level employees. *Journal of Multidisciplinary Academic*, 4(6), 381-386.
- Prakash, N., Alagarsamy, S. & Hawaldar, A. (2022). Demographic characteristics influencing financial wellbeing: a multigroup analysis. *Managerial Finance*, 48(9/10), 1334-1351.
- Sabri, M. F. & Falahati, L. F. (2013). Predictors of financial well-being among Malaysian employees: Examining the mediate effect of financial stress. *Journal of Emerging Economies and Islamic Research*, 1(3), 61-76.
- Sabri, M. F. Anthony, M., Wijekoon, R., Suhaimi, S. S. A., Abdul Rahim, H., Magli, A. S. & Isa, M. P. M. (2021). The influence of financial knowledge, financial socialization, financial behaviour, and financial strain on young adults' financial well-being. *International Journal of Academic Research in Business and Social Sciences*, 11(12), 566-586.
- Sharma, M. & Rohan, R. (2021). Influence of financial literacy on financial well-being. *Namesake*, 51(1), 5-10.
- Shrestha, N. R. (2019). Overconfidence and Investment Decisions in Nepalese Stock Market. *PYC Nepal Journal of Management*, 12(1), 27-36.

- Tahir, M. S., Ahmed, A. D. & Richards, D. W. (2021). Financial literacy and financial well-being of Australian consumers: a moderated mediation model of impulsivity and financial capability. *International Journal of Bank Marketing*, 39(7), 1377-1394.
- Thapa, S. K. & Raju, K. C. (2020). *Financial Literacy of Nepalese Stock Market Investors. The Journal of Economic Concerns*, 11(1), 44-57.
- Vaidya, R. (2021). Qualitative Analysis on Investment Decisions of Nepalese Stock Market Investors. *Journal of Business and Management Review*, 2(5), 349-365.
- Vörös, Z., Szabó, Z., Kehl, D., Kovács, O. B., Papp, T. & Schepp, Z. (2021). The forms of financial literacy overconfidence and their role in financial well-being. *International Journal of Consumer Studies*, 45(6), 1292-1308.
- Younas, W., Javed, T., Kalimuthu, K. R., Farooq, M., Khalil-ur-Rehman, F. & Raju, V. (2019). Impact of self-control, financial literacy and financial behavior on financial well-being. *The Journal of Social Sciences Research*, 5(1), 211-218.

APPENDICES

Appendix 1: Survey Questionnaire

April- June, 2024

Dear Respondent,

As required by the MBS program, I am conducting this questionnaire survey for an academic study. “FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG NEPALESE HOUSEHOLD” is the title of my study. I would like to make it clear that this research is solely for academic purposes, and I am only looking for an honest response from you. I guarantee that all information you provide will be kept strictly confidential and used solely for academic purposes. Convenience sampling was used to guarantee that the traders chosen for the study were those who showed an interest in taking part and were prepared to respond to the questionnaire.

Thank you for your cooperation.

Ashma Agrawal

MBS Student

Shanker Dev Campus, Kathmandu

Part I: BIO DATA

1. Your Full Name

2. Age

- between 18-25 ()
- 25-45 ()
- above 56 ()

3. Marital status

- Married ()

- Unmarried ()
4. Gender of the respondent
- Male ()
 - Female ()
5. Education
- Below SLC ()
 - Having SLC ()
 - Intermediate ()
 - Bachelor and more degree ()
6. Mention your profession.
- Student ()
 - bankers ()
 - Government and other private sector employees ()
 - business person ()
7. Mention your income level?
- monthly up to 15000 ()
 - 15000-20000 in a month ()
 - 20001-50000 a month ()
 - monthly earning more than 50000 ()
8. Time you involve in the investment sector
- Below 5 year ()
 - 5-8 year ()
 - 8- 12 year ()
 - More than 12 years ()

Part II

Below are several statements about you with which you may agree or disagree. Using the response scale below, indicate your agreement or disagreement with each item by choosing the appropriate number. Please give your responses as follows.

(1 = strongly Disagree, 2= Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree)

A) Financial Wellbeing

Questions	1	2	3	4	5
Financial literacy require sound Financial Wellbeing.					
Making Financial Wellbeing requires financial literacy.					
Financial knowledge has an impact on Financial Wellbeing.					
Financial behavior and Financial Wellbeing are related.					
Financial wellbeing and financial expertise are related.					
Financial Awareness related financial literacy is importance to the Financial Wellbeing.					
Financial Experience related financial literacy is importance to the Financial Wellbeing.					

B) Financial Knowledge

Questions	1	2	3	4	5
The importance of financial knowledge in Financial Wellbeing.					
All Financial Wellbeing in the Nepalese require financial expertise.					
Financial Wellbeing of the Nepalese involves having sound financial knowledge.					
Financial expertise influenced the choice of an investment.					
You believe that good financial behavior is a necessary trait for Financial Wellbeing.					

C) Financial Behavior

Questions	1	2	3	4	5
Financial Wellbeing is influenced by financial behavior.					
All Financial Wellbeing in the Nepalese require financial behavior.					

Financial wellbeing is the heart of the Nepalese people.					
Financial Wellbeing were influenced by financial behavior.					
You consider good financial behavior to be Financial Wellbeing.					

D) Financial Skill

Questions	1	2	3	4	5
The importance of financial knowledge in Financial Wellbeing.					
All Financial Wellbeing in the Nepalese require financial skill.					
Financial wellbeing on the Nepalese is purely a matter of financial competence.					
The financial wellbeing was influenced by financial skill.					
You believe that one of the qualities for Financial Wellbeing is financial skill.					

E) Financial Attitude

Questions	1	2	3	4	5
The importance of financial knowledge in Financial Wellbeing.					
All Financial Wellbeing in the Nepalese require Financial Attitude.					
Financial wellbeing on the Nepalese is purely a matter of financial competence.					
The financial wellbeing was influenced by Financial Attitude.					
You believe that one of the qualities for Financial Wellbeing is Financial Attitude.					

F) Financial Awareness

Financial Wellbeing	Pearson Correlation Sig. (2-tailed) N	1 .000 450	.231** .000 450	.290** .000 450	.261** .000 450	.450** .000 450	.045 .339 450	.005 .923 450
Financial Knowledge	Pearson Correlation Sig. (2-tailed) N	.231** .000 450	1 .000 450	.948** .000 450	.874** .000 450	.705** .000 450	.393** .000 450	.012 .805 450
Financial Behaviors	Pearson Correlation Sig. (2-tailed) N	.290** .000 450	.948** .000 450	1 .000 450	.828** .000 450	.779** .000 450	.386** .000 450	.024 .612 450
Financial Skill	Pearson Correlation Sig. (2-tailed) N	.261** .000 450	.874** .000 450	.828** .000 450	1 .000 450	.655** .000 450	.674** .000 450	.036 .445 450
Financial Attitude	Pearson Correlation Sig. (2-tailed) N	.450** .000 450	.705** .000 450	.779** .000 450	.655** .000 450	1 .000 450	.465** .000 450	.057 .226 450
Financial Awareness	Pearson Correlation Sig. (2-tailed) N	.045 .339 450	.393** .000 450	.386** .000 450	.674** .000 450	.465** .000 450	1 .000 450	.019 .691 450
Financial Experience	Pearson Correlation Sig. (2-tailed) N	.005 .923 450	.012 .805 450	.024 .612 450	.036 .445 450	.057 .226 450	.019 .691 450	1 450

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

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.585 ^a	.342	.333	.12087

a. Predictors: (Constant), Financial Experience, Financial Knowledge , Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	3.366	6	.561	38.400	.000 ^b

Residual	6.472	443	.015	
Total	9.839	449		

a. Dependent Variable: Financial Wellbeing

b. Predictors: (Constant), Financial Experience, Financial Knowledge , Financial Awareness, Financial Attitude, Financial Skill, Financial Behaviors

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.460	.365		17.683	.000
	Financial Knowledge	-.778	.135	-.883	-5.788	.000
	Financial Behaviors	.006	.111	.007	.053	.958
	Financial Skill	.528	.066	.953	7.980	.000
	Financial Attitude	.501	.046	.716	10.808	.000
	Financial Awareness	-.508	.057	-.584	-8.897	.000
	Financial Experience	-.041	.032	-.050	-1.282	.200

a. Dependent Variable: Financial Wellbeing

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	between 18-25	73	16.2	16.2	16.2
	26-45	134	29.8	29.8	46.0
	46-55	131	29.1	29.1	75.1
	above 56	112	24.9	24.9	100.0
	Total	450	100.0	100.0	

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	132	29.3	29.3	29.3

female	318	70.7	70.7	100.0
Total	450	100.0	100.0	

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below slc	93	20.7	20.7	20.7
having slc	151	33.6	33.6	54.2
intermediate	89	19.8	19.8	74.0
bachelor and above degree	117	26.0	26.0	100.0
Total	450	100.0	100.0	

Income Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid monthly up to 15000	107	23.8	23.8	23.8
15000-20000 in a month	170	37.8	37.8	61.6
20001-50000 a month	45	10.0	10.0	71.6
monthly earning more than 50000	128	28.4	28.4	100.0
Total	450	100.0	100.0	

Profession

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	60	13.3	13.3	13.3
bankers	105	23.3	23.3	36.7
Government and other private sector employees	105	23.3	23.3	60.0
business person	180	40.0	40.0	100.0
Total	450	100.0	100.0	

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Wellbeing	450	4.14	5.00	4.9575	.14803
Financial Knowledge	450	4.60	5.00	4.9018	.16791
Financial Behaviors	450	4.40	5.00	4.8911	.18678
Financial Skill	450	4.40	5.00	4.8227	.26717
Financial Attitude	450	4.00	5.00	4.8707	.21165
Financial Awareness	450	4.00	5.00	4.9222	.17014
Financial Experience	450	4.20	5.00	4.8760	.18107
Valid N (listwise)	450				

FINANCIAL LITERACY ON FINANCIAL WELLBEING AMONG...

By: Ashma Agrawal

As of: Jul 5, 2024 3:07:35 PM
13,139 words - 88 matches - 11 sources

Similarity Index

10%

Mode: ▾

sources:

285 words / 2% - Internet from 23-Oct-2022 12:00AM
www.researchgate.net

156 words / 1% - Internet from 10-Feb-2023 12:00AM
www.researchgate.net

152 words / 1% - from 17-May-2023 12:00AM
www.researchgate.net

147 words / 1% - Internet from 12-Jan-2023 12:00AM
www.researchgate.net

112 words / 1% - Internet from 05-Sep-2022 12:00AM
www.researchgate.net

69 words / 1% - Internet from 17-Feb-2023 12:00AM
www.researchgate.net

115 words / 1% - from 30-May-2023 12:00AM
uniglobe.edu.np

97 words / 1% - from 17-May-2024 12:00AM
www.econjournals.com

86 words / 1% - from 16-Feb-2024 12:00AM
elibrary.tucl.edu.np

82 words / 1% - from 12-Jul-2023 12:00AM
ojs.sbbwu.edu.pk

73 words / 1% - from 09-Mar-2024 12:00AM
fastercapital.com

paper text:

ii ABSTRACT The research aims to examine the association between Financial Awareness, Financial Experience, Financial Skill, Financial Behavior, Financial Knowledge, and Financial Attitude with Financial Wellbeing among households in Nepal. Additionally, it