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Effects of Financial Literacy on Money Management Behavior among the Active Workforce

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Abstract

This study examines the effects of financial literacy on money management behavior among Nepal's active workforce, with emphasis on the roles of access to financial resources, attitude toward money, motivation and discipline, and income in shaping financial decision-making. A descriptive research design was adopted using primary data collected from 270 respondents through structured Likert-scale questionnaires. Data were analyzed using descriptive statistics, correlation, and regression techniques in SPSS to assess the relationships between financial literacy and its key determinants. The findings reveal that access to financial resources is the strongest predictor of financial literacy, followed by attitude toward money and motivation and discipline, while income demonstrates only a moderate influence. Individuals with greater access to financial tools such as mobile banking, ATMs, and digital wallets, combined with positive financial attitudes and disciplined financial behavior, exhibit higher levels of financial literacy. The results further indicate that higher income alone does not guarantee effective money management in the absence of adequate financial knowledge and skills. The study underscores the importance of expanding financial access and implementing targeted financial education initiatives to promote responsible money management practices in Nepal.

Keywords: *Financial Literacy; Money Management; Financial Resources; Attitude; Motivation; Income; Nepal*

Background

Financial literacy refers to the understanding of financial concepts and the ability to apply them in real-life scenarios to achieve financial well-being. A financially literate person is someone who knows how to use financial tools like bonds, equities, and debentures and aims to increase their financial abundance. On the other hand, money management is the process of how an individual handles their finances. It involves tracking how much money is being used and where it is being spent. Moreover, the Active Workforce group is the young adults and adults (specifically from the 18-40 years age group) enrolled in higher education, who are employed and are managing finances independently.

Hamid and Loke (2020) studied how socio-economic factors, financial literacy, and money management skills affect credit card repayment behavior among 451 credit card users in Malaysia. They found that education, income, marital status, and the number of credit cards held all have a significant impact on repayment decisions. The study also showed that individuals with higher financial literacy and strong money management skills tend to make better financial decisions. Effective money management, as highlighted by the authors, includes budgeting, controlling spending, managing debt, and meeting financial obligations on time, all of which contribute to responsible financial behavior and long-term financial well-being.

Similarly, Kharel *et al.*, (2024) describe financial literacy as the ability to manage money effectively in order to maintain long-term financial stability. Their findings indicate that financial literacy is influenced by factors such as family income, academic performance, university affiliation, gender, and age. The study also reveals that while students' financial literacy is associated with their beliefs and values about money, it does not necessarily translate into

corresponding financial behavior. Gunawan *et al.* (2021) found that higher levels of financial literacy among women positively influence their money management practices, particularly in relation to saving, spending, and financial planning in both the short and long term. Their study examined the relationship between perceived financial knowledge and key financial behaviors, including savings, expenditure, and planning activities. In a similar context, Khadka and Kumar (2024) examined the impact of financial literacy on individual saving behavior in Nepal. Their quantitative study analyzed the effects of financial literacy, risk tolerance, and education level on personal savings and money-saving habits using structured questionnaires collected from 210 university staff members.

Phung *et al.,* 2024 investigated the relationship between financial literacy and risk-taking behavior among students in Vietnam, focusing on how financial literacy, parental education, and students' education levels influence their propensity to engage in debt-based financial decisions.

Lusardi, A., & Mitchell, O. S. (2014). Money management can be described as the systematic process through which people make decisions and manage financial resources. The process requires an assessment of income and expenses, as well as ensuring effective use of money to achieve financial and individual targets. It is within the same context that the term Active Workforce, as referred to, is a group composed of young people between the ages of 18 and 40 years, who are enrolled in institutions of higher learning and are actively employed and individually responsible for the management of their financial resources.

The above discussion indicates that empirical evidence varies across studies regarding the factors influencing financial literacy and money management

behavior. Although several studies have been conducted in both international and Nepalese contexts, limited empirical evidence based on more recent data exists in Nepal, particularly regarding the active workforce.

Research Objectives

The main objective of this research is to examine both the collective and individual effects of key financial literacy factors, specifically access to financial resources, attitudes toward money, motivation and discipline, and income, on the money management behavior of the active workforce group. The specific objectives include:

- To explore how access to resources and income influence money management.
- To understand the role of personal attitude, motivation, and discipline in shaping financial behavior.
- To identify which financial literacy factors have the strongest impact on money management practices.

Research Question

The primary research question guiding this study is:

"How do various financial literacy factors, such as access to resources, attitude toward money, discipline, and income, affect money management among the active workforce group?"

- How does the availability of financial resources influence the money management habits of the active workforce?
- In what ways does a person's income affect their strategies for managing money?
- How do individuals' attitudes toward money influence their financial decisions and behavior?

- What impact do personal motivation and self-discipline have on effective money management?
- Among various financial literacy factors, which ones most strongly affect money management practices in the active workforce?

Literature Review

The following section focuses on what other research has been done on a similar topic. This provides us with the insights needed to gain information and a new possible perspective regarding the research problem. It also provides us with guidance by allowing us to analyze the patterns and procedures in the research. We can also identify the research gaps and understand what can be done to be better and different from other research.

Khadka and Kumar (2024) conducted a study to find out the effect of financial literacy on personal savings behavior, with the topic "The Influence of Financial Literacy on Individual Savings." The objective was to study the effect of financial literacy, risk tolerance, and education level on personal savings behavior. Similarly, the study aimed to analyze the influence of these factors on money-saving habits. The research was conducted as a quantitative study, using structured questionnaires, and was administered to 210 respondents from university staff in Nepal. The data was analyzed using statistical tools such as correlation and regression analyses. This study led to the conclusion that financial literacy significantly influences personal savings behavior, highlighting the importance of financial education.

Phung, Nguyen, and Le (2024) conducted a study to find out the effect of financial literacy on risk-taking behavior among students, with the topic *"Financial Literacy and Risk-Taking Behavior: Evidence from Vietnam."* The

objective was to analyze how financial literacy, parental education, and students' education level influence students' tendency to engage in debt-based decisions. The research was conducted as a quantitative study using structured questionnaires, with data collected from 500 undergraduates and 400 postgraduates in Vietnam. The study utilized Structural Equation Modeling (SEM) to analyze relationships.

This study led to the conclusion that financial literacy significantly affects undergraduates' financial decision-making, especially regarding risk-taking, and that parental education level moderates this relationship.

Yuen, Chan, and Lim (2022) conducted a study to assess the impact of financial literacy on behavior among finance major students in China, with the topic *"Do Finance Students Manage Their Money Better?"* The objective was to compare the financial behaviors of students with high financial education exposure against their literacy scores. This quantitative study involved 1,334 university students and used questionnaires to collect data. The analysis was done using descriptive statistics, correlation, and t-tests.

The study concluded that although finance-major students had higher levels of financial literacy, their practical money-management behavior was not significantly different from other majors, indicating a gap between knowledge and action. Novitasari, Juliana, Asbari & Purwanto (2021) explored how financial literacy affects students' financial behavior, titled *"The Effect of Financial Literacy, Parents' Socioeconomic and Student Lifestyle on Students' Personal Financial Management."* They surveyed 220 Indonesian undergraduates using structured questionnaires and analyzed the data with Structural Equation Modeling (SEM). The study found that all three factors,

financial literacy, parents' socioeconomic status, and student lifestyle, significantly influenced how students handled their finances.

Theories

Human Capital Theory:

Human capital theory suggests that education, training, and healthcare are not just consumption expenditures but also investments that increase an individual's productive capacity. By acquiring knowledge and skills, individuals become more efficient and productive in their work. The theory emphasizes the importance of public and private investments in education, healthcare, and job training to enhance human capital.

The theory of planned behavior:

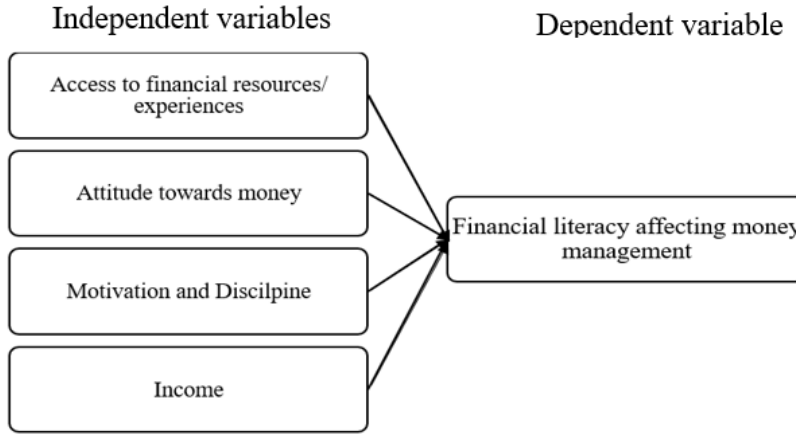
The Theory of Planned Behavior (TPB) explains how individuals form intentions and decide to engage in specific behaviors. It proposes that behavior is influenced by attitudes toward the behavior (behavioral beliefs) and perceived social pressure from others (normative beliefs).
Additionally, perceived control over one's ability to perform the behavior (control beliefs) plays a crucial role.

Conceptual Framework

The given conceptual framework demonstrates how financial literacy affects money management. It shows the variables surrounding financial literacy and how it has impacted money management in general.

Figure 1

Conceptual Framework based on Human Capital Theory and Theory of Planned Behavior



Definitions of Operations Variables

- **Access to financial resources/ Experience:** This refers to the availability of the financial resources and the ability to use such resources, such as ATM and cards, eSewa, Mobile banking, and many other services. Here, this variable oversees how the usage of these instruments and devices can contribute in financial literacy.
- **Attitude towards money:** This variable examines how an individual handles money and what is their perception of money. How a person manages their money also depends on how they treat the money and their perception. For example, a person who lacked money in childhood may consider having a large amount of money a luxury and a solution

to many problems, while someone who never really had to worry about money may consider money as a useful resource and nothing else.

- **Motivation and Discipline:** This factor studies how motivation drives to make of personal financial goals and discipline helps to achieve those goals. Both elements go hand in hand to make this concept work. For example, how motivated someone is to save up and how disciplined they are in avoiding unnecessary spending.

- **Income:** Income refers not only to how much a person earns but also how well the income is managed. It includes factors like how stable is the income source is, how well the income helps manage the expenses, and how well the income is being planned. It also includes the concept of expanding the income source.

Research Methodology

Research methodology refers to the systematic approach used to conduct research. It involves the specific techniques and procedures used to identify, select, process, and analyze information about a topic. The study is based on primary data. The data were gathered from 270 respondents through a questionnaire. The respondents' views were collected on Access to financial resources, attitude towards money, motivation & discipline, and income.

Research design

In this research, a descriptive research design has been used to depict the impact of financial literacy and awareness on money management. Here, a theoretical concept was depicted, and numerical analysis was done to make the best out of the available data to conclude.

Population and sampling

The population includes 270 individuals belonging to diverse age groups within the active workforce population. They also come from different backgrounds, upbringings, and lifestyles, making it more inclusive.

Sampling Design:

For this study, a convenience sampling method was used, selecting participants who were easily reachable and willing to participate. This approach made it practical to gather insights directly from people who could share their experiences with money management in the active workforce.

Data Collection Technique:

In this study, data were gathered using a structured survey questionnaire. The questionnaire featured Likert - scale questions aimed at assessing participants' financial literacy and money management habits. This method enabled the researcher to efficiently collect individual experiences and perspectives, facilitating the analysis of how different financial literacy factors relate to money management practices among the active workforce.

Results and discussion

Gender of the respondents

Gender	Frequency	Percent
Male	127	47.1
Female	139	51.4
Other/ Prefer not to say	4	1.4
Total	270	100.0

The table presents the gender distribution of the respondents. Slightly more than half of the participants (51.4%) were female, while 47.1% were male. A small proportion of respondents (1.4%) identified as other or preferred not to disclose their gender.

Age of the respondents

Age	Frequency	Percent
18-25	143	52.9
26-32	31	11.4
33-40	62	22.9
41 or above	35	12.9
Total	270	100.0

The table presents the age distribution of the respondents. More than half of the participants (52.9%) were between 18 and 25 years old, making this the largest age group. Around 22.9% fell within the 33–40 age range, while 11.4% were aged between 26 and 32. Additionally, 12.9% of the respondents were 41 years or older.

Occupational Status of Respondents.

Occupation	Frequency	Percent
A Student	123	45.7
A job holder	73	27.1
Run a business or work for themselves	58	21.4
Total	270	100.0

The table outlines the occupational status of the respondents. Nearly half of the participants (45.7%) were students, making them the largest group. This was followed by jobholders, who accounted for 27.1% of the respondents. About 21.4% were self-employed or running their own businesses, while a small proportion (5.7%) fell into other occupational categories.

Monthly Income/Funds available to the Respondents

Average monthly income or funds	Frequency	Percent
Less than Rs. 10,000	104	38.6
Rs. 10,000 – 25,000	50	18.6
Rs. 25,001 – 50,000	54	20.0
More than Rs. 50,000	62	22.9
Total	270	100.0

The table presents the average monthly income or funds available to the respondents. The largest group (38.6%) reported having less than Rs. 10,000 per month. About 18.6% had monthly funds between Rs. 10,000 and 25,000, while 20% reported amounts ranging from Rs. 25,001 to 50,000. Additionally, nearly one-quarter of the respondents (22.9%) indicated that they had more than Rs. 50,000 available each month.

Living Arrangements of the Respondents

Living arrangement	Frequency	Percent
With family	162	60.0
In a rented flat/room	46	17.1
Own house	50	18.6
Hostel/ Dorm	4	1.4

Other	8	2.9
Total	270	100.0

The table presents the living arrangements of the respondents. Most participants (60%) reported living with their family. Nearly one-fifth (18.6%) lived in their own house, while 17.1% stayed in a rented flat or room. A small number of respondents lived in hostels or dormitories (1.4%) or reported other types of living arrangements (2.9%).

Level of Education of the Respondents

Level of education	Frequency	Percent
Primary (1-5)	15	5.55
Secondary (6-10)	30	11.11
Higher Secondary (+2)	100	37.03
Bachelor's	75	27.78
Master's or more	50	18.53
Total	270	100.0

The table shows the educational levels of the respondents. The largest group (37.0%) had completed higher secondary education (+2), followed by those with a bachelor's degree (27.8%). Around 18.5% held a master's degree or higher, while smaller proportions had completed secondary school (11.1%) or primary education (5.6%).

Reliability Test of the Data

Reliability Statistics	
Cronbach's Alpha	N of Items
.955	29

The table presents the reliability results of the measurement scale used in this study. A Cronbach's Alpha value of 0.955 for 29 items indicates excellent internal consistency, showing that the questionnaire items were interpreted consistently and effectively measured the intended constructs. Therefore, the data are considered reliable for further analysis.

Descriptive Analysis

Descriptive Statistics

	Mean	Std. Deviation
NewFinRes	3.6229	1.05311
NewAttitude	3.4179	.92834
NewMandD	3.5486	.96290
NewIncome	3.2250	.98370

The descriptive statistics summarize the mean values and standard deviations of the four main variables examined in the study. Access to financial resources and experience (NewFinRes) recorded the highest mean score (M = 3.62, SD = 1.05), indicating that respondents generally reported a moderate level of access to financial services and tools. Attitude toward money (NewAttitude) and motivation and discipline (NewMandD) showed mean scores of 3.42 (SD = 0.93) and 3.55 (SD = 0.96), respectively, suggesting a relatively balanced financial mindset and consistent self-regulatory behavior among respondents. Income (NewIncome) had the lowest mean score (M = 3.23, SD = 0.98),

reflecting greater variation in respondents' financial conditions. The standard deviations across all variables indicate moderate variability, highlighting differences in financial access, attitudes, and experiences within the sample. Overall, these descriptive statistics provide an initial understanding of the key factors influencing financial literacy among the active workforce.

Correlation Analysis

Correlation between Financial Literacy and Access to Financial Resources

		NewFinLit	NewFinRes
NewFinLit	Pearson Correlation	1	.822**
	Sig. (2-tailed)		.000
	N	270	270
NewFinRes	Pearson Correlation	.822**	1
	Sig. (2-tailed)	.000	
	N	270	270

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

The correlation analysis reveals a strong positive association between financial literacy and access to financial resources ($r = 0.822$, $p < 0.01$), indicating that individuals with higher levels of financial literacy are more likely to have greater access to and experience with financial resources. This relationship is statistically significant.

Correlation between Financial Literacy and Access to Financial Resources

		NewFinLit	NewAttitude
NewFinLit	Pearson Correlation	1	.671**
	Sig. (2-tailed)		.000
	N	270	270
NewAttitude	Pearson Correlation	.671**	1
	Sig. (2-tailed)	.000	

	N	270	270
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation analysis indicates a strong and positive association between financial literacy and attitude toward money ($r = .671$, $p < .01$), implying that individuals with higher financial literacy generally exhibit a more positive approach to managing money, and this relationship is statistically significant.

Correlation between Financial Literacy and Motivation & Discipline

		NewFinLit	NewMandD
NewFinLit	Pearson Correlation	1	.658**
	Sig. (2-tailed)		.000
	N	270	270
NewMandD	Pearson Correlation	.658**	1
	Sig. (2-tailed)	.000	
	N	270	270
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation analysis reveals a strong positive association between financial literacy and motivation and discipline ($r = .658$, $p < .01$), indicating that individuals with higher financial literacy generally demonstrate greater motivation and discipline in managing their finances, and this relationship is statistically significant.

Correlation between Financial Literacy and Income

		NewFinLit	NewIncome
NewFinLit	Pearson Correlation	1	.722**
	Sig. (2-tailed)		.000
	N	270	270

NewIncome	Pearson Correlation	.722**	1
	Sig. (2-tailed)	.000	
	N	270	270
**. Correlation is significant at the 0.01 level (2-tailed).			

The correlation analysis shows a strong positive relationship between financial literacy and income ($r = .722$, $p < .01$). This suggests that respondents with higher financial literacy tend to have higher income levels, and this relationship is statistically significant.

Regression analysis

Access to Financial Resources

- Null Hypothesis (H_{01}): Access to financial resources does not have a significant effect on financial literacy.

Alternative Hypothesis (H_{11}): Access to financial resources has a significant effec financial literacy.

Regression Model Summary of Access to Financial Resources

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.822[a]	.676	.672	2.306

a. Predictors: (Constant), NewFinRes

The model summary shows that financial resources explain about 68% of the variance in financial literacy (R Square = 0.676). This indicates a strong relationship between the two variables. The standard error is 2.306, suggesting the predictions are quite close to actual values.

ANOVA table of Access to Financial Resources

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	756.191	1	756.191	142.145	.000[b]
	Residual	361.751	68	5.320		
	Total	1117.943	69			

a. Dependent Variable: NewFinLit

b. Predictors: (Constant), NewFinRes

The ANOVA results show that the regression model is statistically significant ($F = 142.145$, $p < .001$), indicating that financial resources have a significant effect on financial literacy and that the findings are unlikely to be due to random chance.

Coefficient Table of Access to Financial Resources

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.640	.994		3.661	.000
	NewFinRes	3.144	.264	.822	11.922	.000

a. Dependent Variable: NewFinLit

The coefficients table indicates that a one-unit increase in financial resources leads to an approximately 3.14-unit rise in financial literacy. The constant value is 3.640, and both coefficients are statistically significant ($p < .001$), highlighting their significance in the model.

Attitude Toward Money

- Null Hypothesis (H_{02}): Attitude toward money does not have a significant effect on financial literacy.
- Alternative Hypothesis (H_{12}): Attitude toward money has a significant effect on financial literacy.

Regression Model Summary of Attitude Toward Money

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.671[a]	.450	.442	3.008

a. Predictors: (Constant), New Attitude

The model summary shows that attitude toward money explains about 45% of the variance in financial literacy (R Square = 0.450). This indicates a moderate relationship between attitude toward money and financial literacy. The standard error is 3.008, showing the average difference between predicted and actual values.

ANOVA table of Attitude Toward Money

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	502.804	1	502.804	55.582	.000[b]
	Residual	615.139	68	9.046		
	Total	1117.943	69			

a. Dependent Variable: NewFinLit

b. Predictors: (Constant), NewAttitude

The ANOVA table indicates that the overall regression model is significant ($F = 55.582$, $p < .001$). This means that attitude toward money has a statistically significant effect on financial literacy, leading to the rejection of the null hypothesis.

Coefficient Table of Attitude Toward Money

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.090	1.381		3.687	.000
	NewAttitude	2.908	.390	.671	7.455	.000

a. Dependent Variable: NewFinLit

The coefficients table shows that for every one-unit increase in attitude toward money, financial literacy increases by about 2.91 units. The constant value is

5.090, and both are statistically significant ($p < .001$), confirming their contribution to the model.

Motivation and Discipline

- Null Hypothesis (H_{03}): Motivation and discipline do not have a significant effect on financial literacy.
- Alternative Hypothesis (H_{13}): Motivation and discipline have a significant effect on financial literacy.

Regression model summary of Motivation and Discipline

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.658[a]	.434	.425	3.051

a. Predictors: (Constant), NewMandD

The model summary shows that motivation and discipline explain about 43% of the variance in financial literacy (R Square = 0.434). This indicates a moderate relationship between motivation and discipline, and financial literacy. The standard error is 3.051, suggesting the average difference between predicted and actual values.

ANOVA table of Motivation and Discipline

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	484.756	1	484.756	52.060	.000[b]
	Residual	633.187	68	9.312		
	Total	1117.943	69			

a. Dependent Variable: NewFinLit

b. Predictors: (Constant), NewMandD

The ANOVA table indicates that the overall regression model is significant ($F = 52.060$, $p < .001$). This means motivation and discipline have a statistically significant effect on financial literacy, leading to the rejection of the null hypothesis.

Coefficient Table of Motivation and Discipline

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.260	1.402		3.752	.000
	NewMandD	2.753	.382	.658	7.215	.000

a. Dependent Variable: NewFinLit

The coefficients table shows that for every one-unit increase in motivation and discipline, financial literacy increases by about 2.75 units. The constant value is

5.260, and both are statistically significant ($p < .001$), confirming their importance in the model.

Income

- Null Hypothesis (H_{04}): Income does not have a significant effect on financial literacy.
- Alternative Hypothesis (H_{14}): Income has a significant effect on financial literacy.

Regression model summary of Income

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722[a]	.522	.514	2.805

a. Predictors: (Constant), NewIncome

The model summary shows that income explains about 52% of the variance in financial literacy (R Square = 0.522). This indicates a moderately strong relationship between income and financial literacy. The standard error is 2.805, showing predictions are fairly close to actual values.

ANOVA table of Income

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	583.017	1	583.017	74.113	.00[b]
	Residual	534.926	68	7.867		
	Total	1117.943	69			

a. Dependent Variable: NewFinLit

b. Predictors: (Constant), NewIncome

The ANOVA table indicates that the overall regression model is significant ($F = 74.113$, $p < .001$). This means income has a statistically significant effect on financial literacy, leading to the rejection of the null hypothesis.

Coefficient table of Income

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.499	1.157		4.754	.000
	NewIncome	2.955	.343	.722	8.609	.000

a. Dependent Variable: NewFinLit

The coefficients table shows that for every one-unit increase in income, financial literacy increases by about 2.96 units. The constant value is 5.499, and both are statistically significant ($p < .001$), confirming their importance in the model.

Discussion and Justification

The results of this study show that financial literacy plays an important role in shaping money management behavior among the active workforce. This finding supports earlier research, which suggests that individuals with stronger financial knowledge are better at making informed financial decisions and managing their everyday finances (Lusardi & Mitchell, 2014). Most respondents were young adults, mainly students and jobholders with higher secondary or bachelor-level education. This reflects previous studies indicating that while younger individuals often have access to financial services, they may still lack sufficient financial experience and knowledge (OECD, 2016). The presence of mostly low to moderate income levels further highlights the importance of financial literacy.

Access to financial resources emerged as the strongest factor influencing financial literacy. This supports research on financial inclusion, which emphasizes that easy access to tools such as mobile banking and digital payment systems improves financial awareness and behavior (Demirgüç-Kunt et al., 2018; World Bank, 2014).

Attitude toward money, motivation, and discipline also showed meaningful effects, reinforcing the role of personal behavior in financial management. Previous studies suggest that positive financial attitudes and self-discipline encourage better practices such as budgeting and saving (Xiao & Dew, 2011; Gathergood, 2012). Although income was positively related to financial literacy,

it had the weakest influence. This confirms that higher income alone does not guarantee good money management without financial knowledge and discipline (Lusardi, 2019). Overall, the findings suggest that improving financial literacy requires more than income growth. It also depends on access to financial resources and healthy financial attitudes.

Conclusion

This study provides strong empirical evidence that financial literacy is a critical determinant of money management behavior among the active workforce. The findings demonstrate that access to financial resources exerts the strongest influence on effective money management by facilitating informed financial decisions and regular use of formal financial tools. While income positively contributes to financial behavior, its effect remains limited in the absence of adequate financial knowledge and skills. Attitudes toward money significantly shape financial decision-making, with individuals exhibiting prudent and future-oriented attitudes showing superior money management practices. Additionally, personal motivation and self-discipline play a pivotal role in sustaining responsible financial behaviors such as budgeting, saving, and controlled spending. Overall, the results indicate that access to financial resources and positive financial attitudes are more influential than income alone in promoting sound money management, underscoring the need for policies and interventions that enhance financial access, education, and behavioral capabilities to strengthen financial well-being.

Recommendations

- Improve access to services like mobile banking, ATMs, and digital wallets, especially for students and low-income earners.
- Run workshops and programs that teach budgeting, saving, and smart money management.
- Promote responsible spending, goal-setting, and planning for the future.
- Use tools like budgeting apps, reminders, and small incentives to help people stay on track.
- Guide to help them manage money wisely and make the most of what they have.
- Conduct surveys and research to track progress and improve financial education programs.

Implication

- This study shows that financial literacy is essential for managing money well. People who have access to financial tools, maintain a positive attitude toward money, and practice self-discipline are more likely to make smart financial decisions, no matter their income level.
- Financial education should be a priority, especially for young adults and those with low to moderate incomes. Teaching practical money skills, encouraging good financial habits, and improving access to financial services can help people achieve better financial well-being.
- Banks and other financial organizations can play a key role by offering easy-to-use services and digital platforms, along with guidance. User-

friendly tools can help clients manage their finances more confidently and responsibly.

- Studying the behavioral and structural factors that affect financial literacy can help create more effective programs and interventions, tailored to different age groups, jobs, and income levels.

Future Research and Direction

- While most studies focus on age, income, or education, future research should explore other influences on financial literacy, such as personality traits, cultural norms, and digital skills. Recent reviews suggest these areas are still understudied and could provide valuable insights.
- Instead of measuring financial literacy in general, future studies could focus on concrete behaviors like budgeting, using digital financial tools, or managing credit. Research among college students shows that practical financial habits are often overlooked.
- With the rapid growth of financial technology, it's important to study how mobile banking, e-wallets, and other digital tools affect financial literacy and decision-making. These tools are becoming more central to everyday money management but remain under-researched.
- Most studies rely on cross-sectional surveys, which capture a snapshot in time. Longitudinal studies or mixed-method approaches could provide a deeper understanding of how financial literacy and money management skills develop over time and across different life stages.

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