Does Prosocial Finance Help or Hurt? Examining Frugality, Digital Literacy, and Self-Efficacy in Household Financial Well-Being

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Abstract: Family financial well-being is becoming more essential today, especially as social changes and digital tools affect daily life. Hence, this study investigates how helpful money habits, being careful with spending, and knowing how to use digital financial tools affect family financial well-being, and also how confidence in individuals (self-efficacy) changes these effects. Using a quantitative approach, the study analyzed data from 384 families in Malang City of Indonesia using structured questionnaires and Partial Least Squares-Structural Equation Modeling (PLS-SEM). The findings of this study shows that helpful money habits, being careful with spending, knowing how to use digital financial tools, and self-efficacy all improve family financial well-being. The moderation analysis indicates that self-efficacy weakens the relationship between prosocial financial behavior and financial well-being, while strengthening the effects of frugality and digital financial literacy. On the other hand, it increases the benefits of being careful with money and using digital tools, making them more effective. This study enhances the literature to understand family finances and provides takeaways for policymakers to create better financial education and support programs.

Keywords: Financial Well-Being, Prosocial Financial Behavior, Frugality, Digital Financial Literacy, Self-Efficacy

INTRODUCTION

Family financial well-being has become an important topic in economic and financial research, especially after global economic crises that hurt people's financial stability (Brüggen et al., 2017). Financial well-being is not just about having enough money; it also includes feeling stable, secure, and satisfied because individuals can manage their money (Netemeyer et al., 2017). A study stated that poor financial health can harm people in many ways, such as reducing work productivity, making it harder to make decisions, and lowering focus (Abdullah et al., 2019).

Malang City of Indonesia has a unique financial problem. The poverty rate is only 4.26%, and the poverty line is IDR 674,660 per person per month. However, many families still struggle because their income does not match the cost of living, showing that their finances are not stable. On average, people spend IDR 742,935.30 on food and IDR 1,246,895.61 on non-food items. The 6.8% unemployment rate makes families even more financially vulnerable (BPS, 2023, 2024). This gap shows problems in managing household money, which can make it harder to meet basic needs (Gennetian & Shafir, 2015) and make families more vulnerable to sudden economic changes (Heflin, 2016).

To handle this possible money problem, families need to manage their money carefully, and being frugal is one of the best ways to do this. In times of economic

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pressure and when trying to help others, being frugal is a practical way to keep money stable. Frugality means managing money by using what individual have wisely and avoiding waste (Lastovicka et al., 1999). It also encourages smart and purposeful spending, focusing on efficiency and making the most of what people have (Nepomuceno & Laroche, 2017).

Behavioral strategies alone will not work because technology has changed the way families handle their money online in big ways. The Financial Services Authority (OJK) and Statistics Indonesia (BPS) reported in 2024 that 68.7% of people now use digital financial services. Millennials and Gen Z make up the largest group of users. The financial literacy index is only 65.43%, showing a gap between using financial tools and understanding them. This gap can cause financial problems because people adopt technology faster than they learn to use it wisely. The complexity of digital financial products calls for stronger financial education to prevent long-term instability (Yang et al., 2024), primarily given that by the end of 2024, the Task Force had shut down 10,890 illegal financial entities (OJK & BPS, 2024).

In these situations, a person's mental ability to stay calm, confident, and think clearly when making money decisions is highly crucial. Self-efficacy, a key psychological skill can help people make smarter financial choices, even under social pressure and money stress. Prior studies mentioned that people with high self-efficacy can handle social and emotional stress better by making better choices about money (Kuhnen & Melzer, 2016). In the realm of prosocial financial behavior, self-efficacy can mitigate the effects of elevated social pressure from the community that induces maladaptive behavior (Maisyaroh et al., 2024). Furthermore, Fan and Henager (2022) stressed that the capacity to distribute resources for the assistance of others not only cultivates emotional advantages but also bolsters constructive financial conduct.

While the significance of financial behavior–related factors has been acknowledged in prior studies (e.g., Shi et al., 2025; Nuris et al., 2023), existing empirical research remains fragmented and predominantly examines these constructs in isolation rather than within an integrated household financial well-being framework. Previous studies have emphasized financial literacy and individual financial behavior, with limited attention to prosocial financial behavior in relation to household financial well-being (e.g., Nuris et al., 2023; Maisyaroh et al., 2024). Similarly, frugality has rarely been examined as an independent predictor of financial well-being, despite evidence suggesting that self-control and budget planning significantly influence financial outcomes (Bai, 2023). In addition, digital financial literacy is investigated within a technological or individual-use context, without sufficient integration into household-level financial well-being as the primary unit of analysis (Khairi et al., 2024). The amalgamation of all variables into a singular integrated empirical model has not been extensively examined.

Accordingly, this study aims to examine the direct and moderating effects of prosocial financial behavior, frugality, and digital financial literacy on household financial well-being, with self-efficacy serving as a moderating variable. Malang City is employed as an empirical setting due to its income–expenditure disparity, strong cooperative culture, and rapid expansion of digital financial services, which together provide a relevant context for testing the proposed integrative model in

urban Indonesia. This study provides empirical insights for policymakers and financial education programs aimed at improving household financial resilience and well-being in rapidly evolving digital financial environments.

METHODS

Partial least square-structural equation modeling (PLS-SEM) was selected due to its suitability for predictive-oriented research models involving complex relationships and interaction effects, as well as its robustness when handling non-normal data distributions and moderate sample sizes (Hair et al., 2022). This approach is particularly appropriate for examining moderating effects of self-efficacy within household-level behavioral models. The subjects were households in Malang City. Based on data from BPS (2024), the number of households in Malang City in the first semester of 2024 consisted of 291,087 households. This study used accidental sampling, in which households that met the research criteria and were accessible during the data collection period were selected as respondents. The minimum sample size was determined using the sample size determination formula proposed by Daniel and Terrel (1989), which resulted in a required sample size of 384 households. Although the sampling technique used was non-probabilistic, this sample size was considered sufficient to ensure the reliability and stability of parameter estimates in PLS-SEM analysis.

This research tool was developed from a range of previous studies that have been verified for accuracy and reliability, then adapted to conditions in Indonesia. The variables measured include prosocial financial behavior with 10 statement items, frugality with 9 statement items, digital financial literacy with 8 question items, self-confidence with 12 statement items, and household financial well-being with 8 statement items, which can be seen in Table 1. We used a 1–5 Likert scale to measure each question in the questionnaire, except for the digital financial literacy variable, which used true-false questions to assess the extent to which people understand digital financial literacy.

The data analysis was performed in two parts. The first step was to use the Measurement Model (Outer Model) to check the instrument's construct validity and reliability. Second, the Structural Model (Inner Model) is used to find out how latent constructs affect each other and how much of the variance in each endogenous variable in the model is explained by direct influence, moderating influence, and model strength through the R^2, f^2, and Q^2 values (Hair et al., 2022).

RESULTS AND DISCUSSION

In this research, we utilized Hair et al. (2021) to assess validity and reliability. They utilized Cronbach's alpha, average variance extracted (AVE), composite reliability, and convergent validity. Table 1 shows how convergent validity works when loading factor values are above 0.7. Overall, the factor loading values range from 0.715 as the lowest value for the Financial Well-Being construct to 1.018 as the highest value for the moderating variable indicator.

Table 1. Loading Factor

Variable	Dimensions	Code Items	λ
Prosocial Financial Behavior (Carlo et al., 2003)	Sympathy	X1.1.1	0.736
		X1.1.2	0.761
		X1.1.3	0.824
		X1.1.4	0.796
	Perspective on Giving	X1.2.1	0.860
		X1.2.2	0.811
		X1.2.3	0.776
	Moral	X1.3.1	0.839
		X1.3.2	0.861
		X1.3.3	0.813
Frugality (Remr, 2023)	Mindset	X2.1.1	0.830
		X2.1.2	0.723
		X2.1.3	0.818
		X2.1.4	0.761
	Saving Behavior	X2.2.1	0.875
		X2.2.2	0.855
		X2.2.3	0.895
		X2.2.4	0.790
		X2.2.5	0.763
Digital Financial Literacy (Fadli et al., 2024)	Understanding Digital Financial Products	X3.1.1	0.774
		X3.1.2	0.678
		X3.1.3	0.741
		X3.1.4	0.640
	Use of Digital Finance	X3.2.1	0.783
		X3.2.2	0.691
		X3.2.3	0.757
		X3.2.4	0.621
Self-Efficacy (Bandura, 1997)	Magnitude	Z.1.1	0.774
		Z.1.2	0.816
		Z.1.3	0.734
		Z.1.4	0.798
	Strength	Z.2.1	0.769
		Z.2.2	0.828
		Z.2.3	0.797
		Z.2.4	0.755
	Generality	Z.3.1	0.829
		Z.3.2	0.687
		Z.3.3	0.775
		Z.3.4	0.818
Financial Well-Being (Prawitz et al., 2017)	Satisfaction	Y.1.1	0.715
		Y.1.2	0.798
		Y.1.3	0.822
		Y.1.4	0.743
	Expenditure Fulfillment	Y.2.1	0.804
		Y.2.2	0.764
		Y.2.3	0.726
		Y.2.4	0.814
Moderation		X1*Z	1.004
		X2*Z	1.016
		X3*Z	0.979

The loading factor calculation derived from the computation of convergent validity statistics in Table 1 exceeds 0.7, indicating that all indicators satisfy the criteria for valid indicators. Consequently, as the convergent test results satisfy the criteria, the constructs in this study can be regarded as valid and deserving of additional examination.

Table 2. Result of Fornell-Larcker

	PFB	PFB*SE	FR	FR*SE	DFL	DFL*SE	FWB	SE
PFB	0.809							
PFB*SE	0.011	1000						
FR	0.540	-0.030	0.814					
FR*SE	-0.030	0.541	-0.073	1.000				
DFL	0.150	0.031	-0.079	0.052	0.713			
DFL*SE	0.031	0.049	0.054	-0.241	0.024	1.000		
FWB	0.653	-0.199	0.561	0.088	0.294	0.183	0.774	
SE	0.083	-0.054	0.243	-0.070	-0.020	-0.017	0.264	0.783

Note. PFB: prosocial financial behavior, FR: frugality, DFL: digital financial literacy, SE: self-efficacy, FWB: financial well-being, PFB*SE: Prosocial financial behavior moderated by self-efficacy, DFL*SE: Self-efficacy moderated by self-efficacy, and DFL*SE: Digital financial literacy moderated by self-efficacy

Based on Table 2, the discriminant validity test using the Fornell–Larcker criteria show that each construct has a higher AVE square root value compared to the correlation between other constructs. The diagonal values for each construct, such as Prosocial Financial Behavior (0.809), Frugality (0.814), Digital Financial Literacy (0.713), Financial Well-Being (0.774), and Self-Efficacy (0.783), are consistently greater than their horizontal and vertical correlation values. Thus, it can be concluded that the measurement model in this study has met the discriminant validity criteria well. This study used the heterotrait-monotrait ratio test (HTMT) to assess discriminant validity with a ratio value criterion of less than 0.90. Based on the HTMT results in Table 3, the values consistently below the recommended threshold, which indicates that the correlation between heterotrait constructs does not exceed the monotrait correlation. It can be seen from the table, that the lowest HTMT value is 0.283 and the highest value is 0.707. These values confirm that each construct in the model has clear empirical boundaries and does not overlap excessively.

Table 3. Result of HTMT

	PFB	PFB*SE	FR	FR*SE	DFL	DFL*SE	FWB	SE
PFB								
PFB*SE	0.030							
FR	0.574	0.042						
FR*SE	0.037	0.541	0.077					
DFL	0.162	0.086	0.104	0.076				
DFL*SE	0.040	0.049	0.056	0.241	0.049			
FWB	0.706	0.210	0.607	0.093	0.326	0.192		
SE	0.092	0.057	0.260	0.073	0.082	0.031	0.283	

Note. PFB: prosocial financial behavior, FR: frugality, DFL: digital financial literacy, SE: self-efficacy, FWB: financial well-being, PFB*SE: Prosocial financial behavior moderated by self-efficacy, DFL*SE: Self-efficacy moderated by self-efficacy, and DFL*SE: Digital financial literacy moderated by self-efficacy

Discriminant tests employing Fornell-Larcker and HTMT further validated the empirical distinctiveness of each construct, thereby enhancing the model's validity. Moreover, this study assessed collinearity utilizing the variance inflation factor (VIF), necessitating a VIF value of less than 5.00. Table 4 shows that the VIFs for prosocial financial behavior, frugality, digital financial literacy, self-efficacy, and financial well-being are all less than 5.00. This means that there is no collinearity in the model. These constructs are also useful for more analysis.

Table 4. Result of Variance Inflation Factor

	PFB	PFB*SE	FR	FR*SE	DFL	DFL*SE	FWB	SE
PFB							1.499	
PFB*SE							1.487	
FR							1.559	
FR*SE							1.585	
DFL							1.067	
DFL*SE							1.121	
FWB								
SE							1.072	

Note. PFB: prosocial financial behavior, FR: frugality, DFL: digital financial literacy, SE: self-efficacy, FWB: financial well-being, PFB*SE: Prosocial financial behavior moderated by self-efficacy, DFL*SE: Self-efficacy moderated by self-efficacy, and DFL*SE: Digital financial literacy moderated by self-efficacy

The analysis's R-Square (R^2) estimate shows how much the model changed the dependent variable as a whole. The R^2 value of 0.751 shows that the model can make good predictions. This means that each independent variable can explain 75.1% of the changes in household financial well-being. The f-Square (f^2) test also tries to find out how much latent predictor variables affect the structural model. Statistical calculations indicate that prosocial financial behavior influences financial well-being (f^2 value = 0.544), frugality (f^2 value = 0.229), digital financial literacy (f^2 value = 0.214), self-efficacy (f^2 value = 0.107), with prosocial financial behavior moderated by self-efficacy (f^2 value = 0.512), frugality moderated by self-efficacy (f^2 value = 0.544), and digital financial literacy moderated by self-efficacy (f^2 value = 0.544).

The f^2 value interestingly indicates a reduction in the value or influence of prosocial financial behavior on financial well-being, as moderated by self-efficacy. This is not the same as frugality and digital financial literacy, which show that self-efficacy has a stronger or more positive effect on financial well-being. This indicates that individual self-efficacy can fulfill a dual function, occasionally curtailing excessive prosocial behavior to enhance financial realism, while simultaneously promoting frugality and prudent utilization of digital finance. The next step is a Q-Square (Q^2) test to find out the model's observed values and to estimate the parameters. If the Q^2 value is greater than 0, it means that the model is useful for making predictions, and vice versa. This analysis shows that the Q^2 value is greater than 0, which means that the model is useful for making predictions.

The last step is to use Goodness of Fit (GoF) criteria to see if the model is good enough. This means that Cronbach's Alpha must be greater than 0.07, Composite Reliability must be greater than 0.70, and AVE must be greater than

0.50. Table 5 shows that the CR and AVE values meet the Goodness of Fit standards.

Table 5. Result of Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	AVE
PFB	0.941	0.950	0.654
PFB*SE	1.000	1.000	1.000
FR	0.936	0.946	0.663
FR*SE	1.000	1.000	1.000
DFL	0.861	0.891	0.508
DFL*SE	1.000	1.000	1.000
FWB	0.904	0.923	0.599
SE	0.942	0.950	0.612

Note. PFB: prosocial financial behavior, FR: frugality, DFL: digital financial literacy, SE: self-efficacy, FWB: financial well-being, PFB*SE: Prosocial financial behavior moderated by self-efficacy, DFL*SE: Self-efficacy moderated by self-efficacy, and DFL*SE: Digital financial literacy moderated by self-efficacy

Table 5 shows that all constructs met the established reliability and validity criteria. Cronbach's Alpha values ranged from 0.861, the lowest value for the Digital Financial Literacy construct, to 1.000 for the moderating interaction construct. Composite Reliability values ranged from 0.891 to 1.000, indicating strong internal indicator consistency.

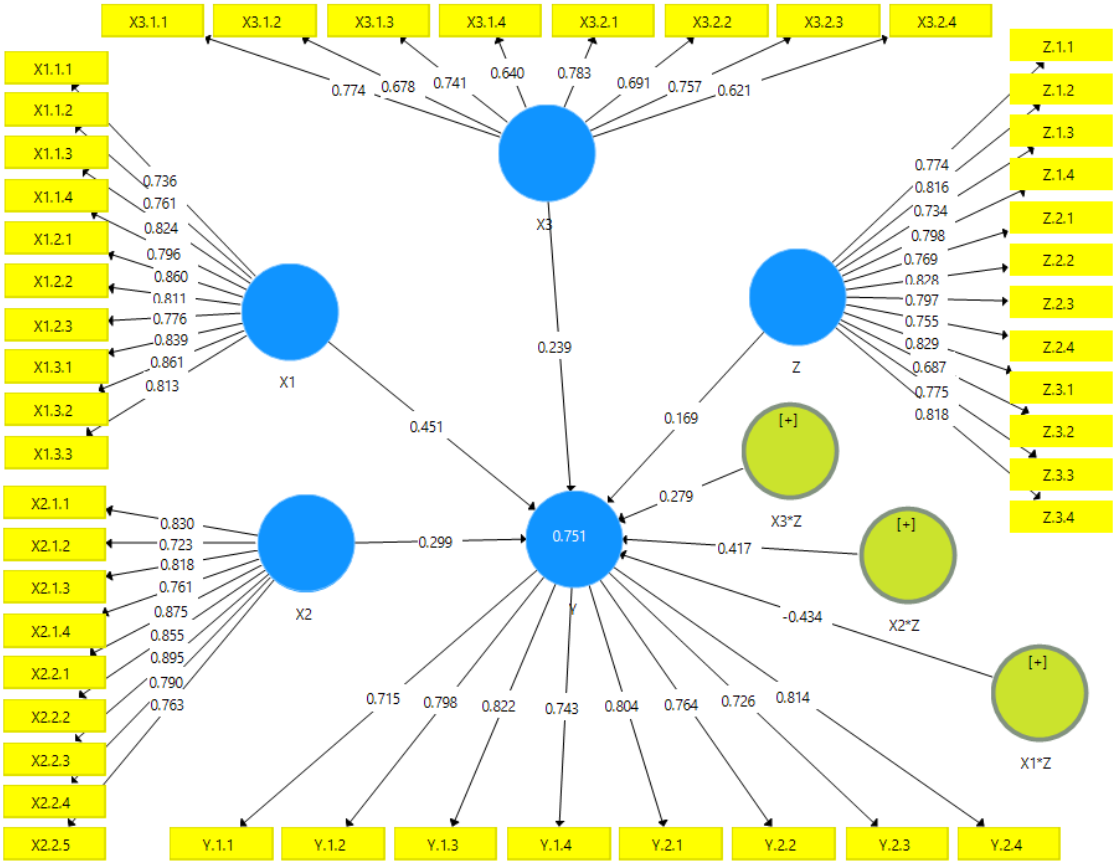

Figure 1. Structural Model

Furthermore, the AVE values for all constructs were above the minimum threshold of 0.50, with the lowest value being 0.508 for Digital Financial Literacy and the highest being 1.000 for the moderating construct. These findings confirm that each construct reliably represents its indicators and has adequate convergent validity.

Table 6 and Figure 1 shows the results of the calculation of the structural relationships between the variables. It shows both the direct path effects and the structural models. Based on the results of the PLS algorithm, the structural model showed strong explanatory power for the Financial Well-Being variable, as indicated by the coefficient of determination (R^2) of 0.751. This value indicates that the combination of Prosocial Financial Behavior, Frugality, Digital Financial Literacy, Self-Efficacy, and moderating interaction variables can explain most of the variation in financial well-being substantively. The direction and magnitude of the path coefficients indicate that each independent construct has a different contribution in influencing Financial Well-Being, both directly and through the moderating effect of Self-Efficacy. The existence of a structurally significant interaction path confirms the role of Self-Efficacy as a strengthening or weakening factor in the relationship between the main variables, so that the model built is not only predictive but also reflects a more complex and realistic relationship mechanism in accordance with the theoretical framework of the study. We used the bootstrap resampling method to test this hypothesis. The hypothesis was further evaluated using a t-test, yielding a calculated t-value of 1.65 and a p-value of less than 0.050. If the data processing results meet the required values, then the proposed research hypothesis can be accepted. Table 6 shows that the hypothesis in this study is accepted because it has a value of 4.587 - 12.931 > 1.65 and a P-Value of 0.0000 < 0.050.

Table 6. Recommended length of each section in the manuscript

H	Relationship	β	SE	T-Value	P-Value	Confident Interval		Supp
						LB	UB	
H1	PFB → FWB	0.451	0.040	11.146	0.000	0.372	0.528	Yes
H2	FR → FWB	0.299	0.039	7.746	0.000	0.221	0.378	Yes
H3	DFL → FWB	0.239	0.031	7.691	0.000	0.182	0.298	Yes
H4	SE → FWB	0.169	0.037	4.587	0.000	0.101	0.246	Yes
H5	PFB*SE → FWB	-0.434	0.034	12.931	0.000	-0.497	-0.366	Yes
H6	FR*SE → FWB	0.417	0.040	10.453	0.000	0.326	0.488	Yes
H7	DFL*SE → FWB	0.279	0.037	7.432	0.000	0.197	0.342	Yes

Note. t-value > 1.66, p < 0.05, BC = bias corrected, UB = upper level, LB = lower level, SE = standard error, B = path coefficient, PFB: prosocial financial behavior, FR: frugality, DFL: digital financial literacy, SE: self-efficacy, FWB: financial well-being, PFB*SE: Prosocial financial behavior moderated by self-efficacy, DFL*SE: Self-efficacy moderated by self-efficacy, and DFL*SE: Digital financial literacy moderated by self-efficacy

Discussion

Research indicates that household financial well-being is affected by several critical factors, including prosocial financial behavior, frugality, digital financial literacy, and self-efficacy. These results are consistent with earlier research highlighting the significance of behavioral, cognitive, and psychological factors in influencing financial well-being (Dare et al., 2023). First, the relationship between prosocial behavior and subjective well-being is often linked, as individuals derive emotional benefits from helping others (Lok & Dunn, 2022). This beneficial impact on well-being transcends

emotional fulfillment to encompass financial results, as prosocial individuals typically possess greater incomes than their self-serving peers, indicating that prosocial behavior fosters enduring financial outcomes over time (Eriksson et al., 2020). Additionally, prosocial behavior, linked to eudaimonic and hedonic well-being, is an essential aspect of well-being, which subsequently influences individual well-being (Iwasaki, 2023). Increased prosocial behavior within households can enhance psychological well-being by fostering social support and a sense of life satisfaction, while altruism is associated with financial well-being (Kakulte & Shaikh, 2023).

This finding aligns with previous studies that suggest that frugality practices often lead to increased savings, which provides psychological security and improves overall well-being, as individuals with savings are better prepared to handle financial shocks and uncertainty (Maison et al., 2019) and frugality increases financial control (Bialowolski et al., 2022). Moreover, synchronizing consumption with financial capacity can enhance life satisfaction more effectively than income alterations alone (Brown & Gathergood, 2020). In general, being frugal helps people save money, manage it well, and make smart buying choices, which affects family financial health in different social and economic situations. Frugality is not just a lifestyle; it is a way to save more, reduce financial problems, and feel happier with money (Arfa & Saied, 2021).

Third, the test results show that digital financial literacy affects family financial health. Digital financial literacy is very important. Arfa and Saied (2021) remarked that people with low financial knowledge also use digital tools less often. This shows that we need to focus on teaching people about money in order to improve digital finance, which will lead to better financial health. Furthermore, digital financial literacy positively influences household consumption patterns by reducing credit constraints, thus influencing better financial decisions (Ma et al., 2022). Jhonson et al. (2023) found that in Indonesia, improving digital financial literacy can help families use their money better. Firmansyah et al. (2022) stated that in East Java, financial knowledge helped families manage money better and improved their well-being, showing that knowing how to handle money can improve family finances. Using digital tools without understanding them is risky. Only when people have enough knowledge can financial technology truly help them manage money better.

The analysis of the fourth hypothesis shows that self-efficacy affects family financial well-being. This agrees with earlier research, which found that people with high financial self-efficacy usually have less money-related stress because they feel more able to handle financial problems (Lee et al., 2023). Higher financial self-efficacy can improve financial well-being by helping people take control of their money and reducing mental barriers when making financial decisions (Aini et al., 2022; Di Domenico et al., 2022). A high level of self-efficacy will help families stay calm when things get tough and feel surer of their financial choices.

The fifth hypothesis gave unexpected results, showing that higher self-efficacy can reduce the positive effect of helpful money habits on family financial well-being. As people become more confident in themselves, they may act less helpfully with money. This agrees with Sambanis et al. (2022), who said that financial problems can make people less willing to help others, which can hurt their finances by reducing social support and worsening money problems. In Malang City, where helping each other (*gotong royong*) is still common, this is reasonable. Helping others with money gives

people satisfaction but can also be stressful, because social pressure may add extra financial worry. This is different from developed countries, where helping others usually means giving to charity rather than fulfilling social obligations. In other words, self-efficacy acts like a "brake" that prevents too much helping behavior from harming the family's finances. This supports earlier research showing that self-efficacy helps people use financial knowledge better, leading to improved money management and decision-making (Hu et al., 2021; Obenza et al., 2024; Singh et al., 2019).

The data analysis shows that the sixth hypothesis says being frugal affects family financial well-being, and self-efficacy changes this effect. Kuhnen and Melzer (2016) stated that people with high self-efficacy handle money problems better, such as avoiding debt and preparing for financial shocks. This improves their financial stability and well-being. When people are frugal and confident in themselves, they are more likely to feel satisfied with their money and overall well-being because they can manage their finances and make smart choices (Rodríguez et al., 2022; Suárez et al., 2020). This approach is effective because it encourages responsible spending and good money management (Iramani & Lutfi, 2021). As a result, when a family has high self-efficacy, it affects how frugal they are, which in turn impacts their financial well-being.

The final hypothesis showed results consistent with the previous results, indicating that self-efficacy successfully moderated digital financial literacy's effect on financial well-being, which aligns with Yoo and Jang (2023) findings that self-efficacy enhances the positive impact of digital literacy on well-being. Moreover, self-efficacy can augment the efficacy of digital financial literacy by empowering individuals to proficiently utilize their financial knowledge, resulting in improved financial outcomes (Salas-Velasco, 2022). The relationship between financial self-efficacy and financial knowledge is substantial, enhancing the capacity to manage finances more efficiently (Lee et al., 2023). Self-efficacy affects more than just how people act; it also plays a key role in learning about money and developing skills (Riaz et al., 2022). Financial practices and attitudes congruent with elevated self-efficacy will serve as determinants of financial well-being, influencing individuals' financial management and their ability to cope with financial stress (Sabri et al., 2020).

This study substantiates that household financial well-being is contingent upon a dynamic interplay among prosocial financial behavior, frugality, digital financial literacy, and self-efficacy in financial management as a moderating variable. The analysis reveals that assisting others can yield financial gratification, and digital literacy is becoming increasingly pertinent in the context of advancing digital finance. Self-efficacy is a psychological factor that can enhance or diminish the relationship among these variables. This shows that financial well-being depends not only on money but also on knowledge, careful spending, and confidence to handle social and economic challenges. Consequently, the findings of this study not only enhance economic research but also convey a pragmatic message that financial well-being is attained when social, cognitive, and psychological dimensions are harmonized.

CONCLUSION

The study shows that family well-being in Malang City is influenced by behavior, thinking, and psychological factors. Acting in a helpful and generous way with

money usually improves financial well-being. However, self-efficacy can slightly reduce this effect because families feel they can judge how much they can take part in helpful financial activities based on their current money situation. Knowing how to use digital financial tools is important because the more families understand and use these tools, the better their financial situation. Self-efficacy is also important as its directly helps financial well-being and makes the benefits of being careful with money.

The results indicate that money is important. Real financial well-being comes from a balance of money, knowledge, and confidence in handling social and economic challenges. In cities, this helps us understand how families can improve their financial well-being. The study shows that good strategies should include social factors, money habits, digital skills, and personal confidence. However, this study has several limitations. The research focuses only on households in Malang City, which can limit the generalizability of the findings to other regions with different economic structures and cultural contexts. In addition, the cross-sectional design restricts the ability to observe long-term behavioral changes in household financial management. Future studies could expand the geographical scope and apply longitudinal approaches to better capture the dynamics of financial behavior and well-being over time.

Authors Contribution

S. O. A = Conceptualization, research design, data collection, data analysis, writing – original draft preparation, and manuscript revision; H. W = Conceptualization, methodology development, supervision, validation of analysis; S. N. M = Data interpretation, manuscript editing, and final review of the manuscript.

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Competing interests

The author has declared that there are no conflicts of interest

Data availability

The data were provided upon request to corresponding author (sefira.oktavia.2304318@students.um.ac.id)

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