Financial Wellbeing Among Public and Private Sector Employees : A Preliminary Study

Kanchan Sehrawat [1]
Madhu Vij [2]

Abstract

Financial wellbeing of an individual is an important component of overall financial wellbeing. Further, financial wellbeing has often been linked to the job performance and efficiency of the employee. Hence, financial wellbeing is not only important for individuals, but also for their organization and country at large. The current study utilized 105 valid survey responses collected during December 2018 from private and public sector employees in NCT of Delhi, India. The study further examined the level of perceived financial wellbeing (FWB), financial behaviors, and financial literacy among employees of private and public sectors. Furthermore, the association between financial behaviors, financial literacy, and demographics with FWB was analyzed using structural equation modelling (SEM). Finally, the study evaluated the difference in the path to FWB among public and private sector employees by splitting the data into two groups. The results indicated that financial behavior was the strongest predictor of financial wellbeing. Amongst the various responsible financial behaviors measured in the study, making correct product choice, active savings, and spending restraint were the significant factors. Further, the results demonstrated that there was no statistically significant difference in the mean subjective FWB score among the private and public sector employees. However, the pathways to achieving subjective financial wellbeing were not the same among the two groups.

Keywords : **Financial wellbeing, financial behavior, financial literacy, public employee, private employee**

JEL Classification : A10, D14, G02

Paper Submission Date : September 24, 2019 ; Paper sent back for Revision : December 16, 2019 ; Paper Acceptance Date : December 22, 2019

Financial decisions are an important part of an individual's life and exert an unquestionable impact on their well being. The increasing complexities in the financial markets and reducing the role of employers and government in social security schemes has raised the question about how individuals will manage their finances. Public sector employees have been traditionally enrolled in such social security schemes automatically, for example: employer provided retirement benefits, medical benefits, etc. ; however, this is not the current scenario. Public sector institutes are opting towards shifting such social security to employees. With multiple challenges (to quote a few — personal bankruptcies, health issues, job losses, retirement planning, occupational performance) that an individual faces, a financially prepared individual is likely to tackle these challenges with ease compared to others. In fact, policy makers across the globe are concerned about the level of financial wellbeing of households and its relationship with the stability and improvement of financial markets (Bolaji-Adio, Iarossi, Perotti, & Zottel 2013). It is further observed that there is a lack of adequate financial planning among workers to sustain their augmented active lifestyles (Seibert & Meredith, 2014).

[1] *Research Scholar (Corresponding Author),* Faculty of Management Studies, University of Delhi, Delhi – 110 007. (E-mail : kanchan.s_phd15@fms.edu) ; ORCID ID : https://orcid.org/0000-0001-9430-0407
[2] *Professor of Finance,* Faculty of Management Studies, University of Delhi, Delhi –110 007.

DOI : 10.17010/ijf/2020/v14i1/149855

Research in the area of financial wellbeing is crucial, given that financial problems are widespread (like increasing debt levels, low savings rate, etc.), which not only creates a social problem, but also leads to negative welfare effects, now and in the future. Further, financial wellbeing has a strong positive relationship with overall wellbeing, highlighting its importance for individuals. Van Praag, Frijters, and Ferrer - i - Carbonell (2003) in their research asserted the importance of responsible spending and active saving behavior to sustain long term financial and individual wellbeing. High depression symptoms are reported in individuals with persistent over-debt (Hojman, Miranda, & Ruiz-Tagle, 2016). Further, personal stress due to irresponsible financial behavior is likely to cause problems like poor physical health and low job performance, which not only affects individuals, but also their families and society at large (Dunn & Mirzaie, 2012).

With opening up of the Indian economy (liberalization) in 1991, numerous multinational companies (MNCs) started their operations in India (Pedersen, 2000), giving a significant boost to the employment opportunities, salaries, and the overall affluence of the middle-class families (Beinhocker, 2007). With high starting salaries of many young adults (Taylor, D'Cruz, Noronha, & Scholarios, 2013), this new affluent class's conspicuous consumption grew rapidly (Mathur, 2010). However, after the global economic downturn, the original pace of companies did not pick up in most of the cases. In-fact, business process outsourcing (BPOs) and ITeS sector reported increased attrition rates due to stagnant salaries, long working hours, and lack of job security (Kaur, 2014). These changes led to shift of job preference towards public sector and government jobs in the last 10 years (Muralidharan, 2015). The reason can be the job security and greater work-life balance that these jobs offer. This shift in job preference motivated us to take up the present research.

Financial wellbeing is a key component of overall wellbeing of an individual. There are two approaches to measure financial wellbeing: objective and subjective measures. The objective financial wellbeing gauges the wellbeing through the objective evidence of an individual's financial situation like income levels, saving levels, debt-income ratio, etc. On the other hand, subjective measure of financial wellbeing is concerned with people's perceptions and reactions to their financial conditions (O'Neill, Sorhaindo, Xiao, & Garman, 2005). It is important to highlight here that people in similar objective financial conditions may perceive their FWB differently (i.e. positively or negatively) based on factors like what they compare it to and what they prefer it to be (Garman, Sorhaindo, Bailey, Kim, & Xiao, 2004).

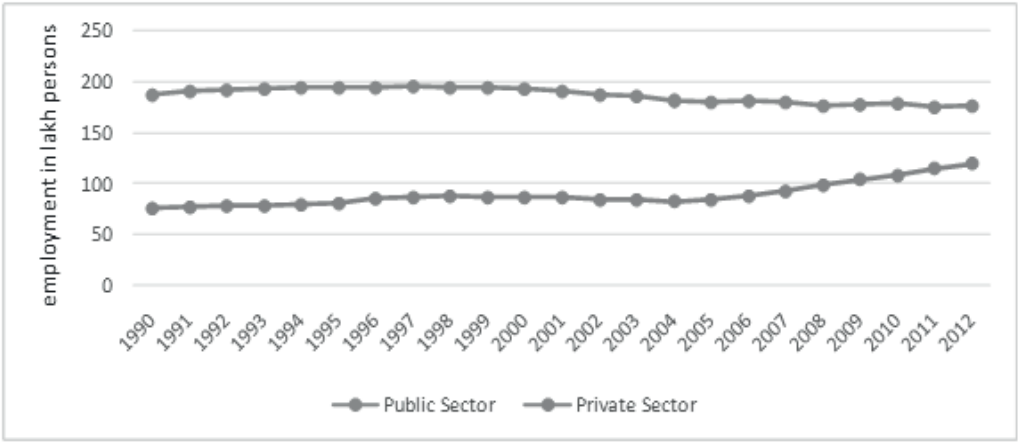
With the aim to explore differences in perceived financial well-being of public and private sector employees, we first examine the level of perceived subjective financial wellbeing (FWB), financial behaviors, and financial literacy among employees of private and public sector. Second, the association between financial behaviors, financial literacy, and demographics with FWB is analyzed. Third, the study explores if there are any differences in the path to FWB among public and private sector employees by splitting the data into two groups.

Who Are Public Sector Employees?

Public sector employees or public servants are individuals employed by the government (national, local, or agency). This sector is generally responsible to provide such goods or services that are either restricted for private players or are not profitable for them.

Government/ public sector jobs have always been attractive for Indians owing to the safety they offer. Figure 1 shows the trend of employment in lakh persons in organized sectors (public and private as on March 31). The figure depicts that the public sector has generated more employment than the private sector consistently. However, an increase in the private sector employees is witnessed after the year 2005, slowly reducing the gap between the two sectors.

Figure 1. Employment in Organized Sectors : Public and Private



Source : Directorate General of Employment, Ministry of Labour & Employment (Various Years).

Review of Literature

(1) Financial Wellbeing : It is one of the sub-branches of overall wellbeing of an individual. There is lack of a universally accepted definition of financial wellbeing and various authors define it as per the scope of their study. Joo (2008) drew from the concept of general wellbeing and defined financial wellbeing as "a state of being financially healthy, happy and free from worry" (p. 21).

Kempson, Finney, and Poppe (2017) defined financial wellbeing as, "the extent to which someone is able to meet all their current commitments and needs comfortably and has the financial resilience to maintain this in the future" (p. 19).

Literature uses several labels to measure the construct of financial wellbeing (Prawitz, Garman, Sorhaindo, O'Neill, Kim, & Drentea, 2006). Positive labels include perceived economic wellbeing, financial wellness, and financial satisfaction ; whereas, the negative labels include financial distress, financial stress, and financial strain.

The present study incorporates the financial wellbeing definition given by Consumer Financial Protection Bureau (CFPB, 2015) as, "a state wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life" (p. 18).

(2) Financial Wellbeing and Employees : Unsatisfactory savings culture and more spendings compared to their income was reported among Malaysian public sector employees (Mokhtar, Husniyah, Sabri, & Talib, 2015 ; Ramli, Masud, Haron, Othman, Awang, & Md Sum, 2013). Further, Mokhtar et al. (2015) claimed financial wellbeing of respondents to be multi-level (i.e. low, moderate, and high), however, the authors remained inconclusive about the FWB level among public employees. Sabri and Juen (2014), in their study administered on Malaysian public sector working women, documented a significant contribution of financial management in explaining their retirement confidence. Further, other predictors observed in the study are financial literacy, saving behavior, and financial status.

In a Kenyan study involving respondents from a higher institution of learning (Chuka University), employees reported low financial wellbeing (Muleke & Muriithi, 2013). The authors also highlighted a significant relationship between financial knowledge and financial wellbeing of employees.

Bakar, Osman, Bachok, and Ibrahim (2016) identified that demographic factors like age, education, and

income level had a significant effect on house ownership and credit card ownership among young Malaysian workers. Further, the study documented high debt and overconfidence in financial satisfaction among the respondents.

Based on the above discussion, we propose the following hypothesis :

↳ **H1 :** Nature of occupation has a significant impact on financial wellbeing of an individual.

(3) Financial Behavior : Financial behavior indicates the habits of how individuals manage their finances. Individuals are involved in various financial behaviors daily, like managing cash, credit and savings, which ultimately impact their subjective FWB (Dew & Xiao, 2011). Responsible financial behavior like maintaining financial records, planning expenses, paying bills on time, judicious use of credit, and saving regularly can help individuals achieve their financial goals (Xiao, 2008).

Published literature demonstrates a vital role of financial behavior in influencing subjective FWB of an individual. Various studies reported the link between one or more financial behaviors on the overall subjective FWB of the individual. These studies theorized that positive or responsible financial behavior leads to higher FWB ; whereas, irresponsible behaviors are associated with financial concerns and related stress (Kim & Garman 2003 ; Shim, Xiao, Barber, & Lyons, 2009; Xiao, Chen, & Chen, 2014). Ramesh, Senthil Kumar, and Sayyed (2019) reported that certain behavioral biases impact the financial decision-making skills of women. Gender effect exists in some of these behavioral biases such as overconfidence and regret avoidance bias (Singh, Goyal, & Kumar, 2016). In addition, personal attributes like age, income, and marital status also affect the financial behavior of an individual (Gautam & Matta, 2016). Few studies also focused on the particular aspects of financial behavior, for instance, Falahati, Sabri, and Paim (2012) reported high subjective FWB among students with good savings and spending behavior ; Subramaniam, Ali, and Maniam (2014) reported that good spending behavior plays a vital role to overcome financial distress. Vast literature demonstrated increased costs to the employer (in the form of worker's low job performance, high absenteeism, etc.) due to stress caused by personal financial problems of employees (e.g., Kim & Garman, 2004).

The above discussion highlights the importance of responsible financial behavior to gauge the financial wellbeing of individuals, and we propose the following hypothesis :

↳ **H2 :** Responsible financial behaviors positively influence financial wellbeing.

(4) Financial Knowledge : OECD (2018) defined financial literacy as, "A combination of awareness, knowledge, skills, attitudes, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing" (p. 4). Garman and Forgue (2014) defined financial knowledge as "the knowledge of facts, concepts, principles and technological tools that are fundamental to being smart about money". (p. 4). It can be inferred that financial knowledge and awareness are important sub-components of the broader concept of financial literacy (Atkinson & Messy, 2012). Further, many prevalent works in this field have often associated financial literacy with financial knowledge (to quote a few, Huston, 2010 ; Lusardi & Mitchell, 2011 ; Lusardi & Mitchell, 2014). The inevitable role played by financial awareness and knowledge for individuals to engage in responsible financial behavior made it a vital component of financial literacy. The present study limits the scope of financial literacy to only two sub-components, that is, financial knowledge and financial awareness, the rationale for this inclusion is explained as follows.

Financially knowledgeable individuals are likely to understand and analyze the various financial products and services available at their disposal and make appropriate decisions based on their needs (Huston, 2010). In-fact, Lusardi (2008) argued that, "just as it was impossible to live and operate efficiently without being literate in the

past, it has become very hard to live and operate efficiently today without being financially literate" (p.15).

It is established that financially knowledgeable individuals are better off when it comes to taking financial decisions like savings, handling mortgages/debt, retirement planning, investments, wealth accumulation, and overall personal financial management (Bannier & Schwarz, 2018 ; Bucher-Koenen, Lusardi, Alessie, & Van Rooij, 2016 ; Disney & Gathergood, 2013 ; Hilgert, Hogarth, & Beverly, 2003 ; Lokhande, 2015 ; Lusardi & Tufano, 2015; Mottola, 2013; Skimmyhorn, 2016).

Complex financial markets and shifting responsibilities of social security from employer to employee has exposed individuals to additional responsibilities of their own financial wellbeing (Van Rooij, Lusardi, & Alessie, 2011). Lusardi and Mitchell (2014) contended that there remains much of a gap in understanding their financial knowledge (about savings, investments, and liabilities) and its impact on significant outcomes during the work life and in retirement. Further, Attridge (2009) asserted that lack of basic financial skills like managing, saving, and investing money leads to financial trouble for employees. Furthermore, financially illiterate employees are more likely not to plan for their retirement compared to financially knowledgeable employees (Lusardi & Mitchell, 2017). Retirement planning is essential for the wellbeing of individuals at the time when their work opportunities decline and their health costs generally increase. Financial wellbeing of individuals post retirement depends on their skills to effectively manage their savings and investments both during the work and retirement years (Schmeiser & Seligman, 2013).

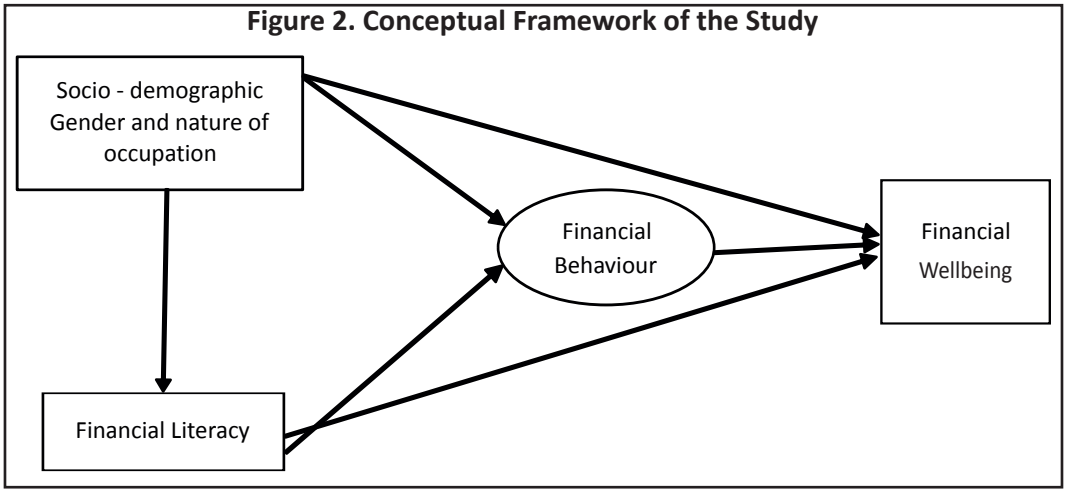
The above discussion highlights the importance of financial literacy to gauge the financial wellbeing of individuals, and we propose the following hypotheses :

- **H3 :** Financial literacy positively influences financial wellbeing.
- **H4 :** Financial literacy positively influences responsible financial behavior.

Financial literacy is low across the globe (Lusardi & Mitchell, 2014). Moreover, women on an average were reported to be more ignorant towards financial affairs (Bhonde-Saraf, 2016) and were found to be less financially knowledgeable than men with only about 43% women compared to 54% men in the G20 countries achieving the minimum target score (i.e. 70% of correct answers) (OECD, 2017). Previous scholarly work suggested gender to be an important demographic factor, among others, impacting the level of financial literacy, which in turn impacts the level of financial wellbeing (Shobha & Chakraborty, 2017).

- **H5 :** Females have low levels of financial literacy.

Figure 2. Conceptual Framework of the Study



Conceptual Model

The conceptual model of the study is depicted in Figure 2. Financial behavior, defined as the individual's ability to undertake responsible behaviors, for instance, active savings and making informed choices, are hypothesized to have a positive impact on the financial wellbeing. Further, individuals with high score on financial knowledge and awareness are expected to have the ability to understand the pros and cons of financial decisions. Hence, they are expected to take responsible financial decisions and avoid behaviors like overspending, which may negatively impact their financial wellbeing. Thus, financial literacy is hypothesized to positively impact financial behavior, which ultimately leads to increased financial wellbeing. Finally, demographic factors like gender and nature of employment are expected to influence the above-mentioned relationships.

Methodology

The respondents of this pre-test study were chosen by convenience sampling from the National Capital Region (India). The survey questionnaire was personally administered during December 2018. The survey included inventories that measured perceived financial wellbeing and financial literacy and collected socio-demographic information.

(i) Financial wellbeing was measured using the Consumer Financial Protection Bureau (CFPB, 2015) abbreviate scale for measuring financial wellbeing, which comprised of five items on a 5-point scale (refer to the Appendix for the detailed scale). Financial literacy is composed of scores from financial knowledge, gauged using Lusardi and Mitchell's (2011) questions on interest compounding, inflation, and risk diversification. Each correct answer was allotted a binary variable equal to 1 and 0 otherwise.

(ii) Awareness: Respondents were asked to choose from a list of 20 financial products and services, the ones they have fair knowledge about. A score of 1 is given from each product or service selected and 0 if no option is selected. Financial behavior is measured using 20 self-reported positive financial behaviors. The study adapted questions from Hilgert et al. (2003), Joo and Grabel (2004), and Dew and Xiao (2011). The included items inquired about financial planning, making informed product choice, spending behavior, credit averse behavior, comfort in meeting day to day commitments, active savings, and monitoring finances on a 5-point Likert scale.

Multiple statistical tools are used for data analysis, including Microsoft Excel, SPSS, and Smart PLS 2.0. From the total of 143 questionnaires received, 38 were incomplete and were thus removed from the analysis, leaving 105 valid responses.

Analysis and Results

The total valid responses of 105 respondents included 53 public sector and 52 private sector employees. The detailed demographic profile of the respondents is presented in Table 1.

In our sample, approximately 61% respondents answered three or more financial knowledge questions correctly, with private sector employees performing around 8% points better than the public sector employees (refer Table 2). However, only 20% of the respondents were aware of the common financial products and services. Again, public sector employees were about 14% behind private sector employees. The results indicate low financial awareness and knowledge among the public sector employees. When directing attention towards financial behaviors, it is observed that on an average, public employees were worse of in monitoring their finances and credit behavior ; whereas, public sector employees were better off when considering savings behavior. The

Table 1. Demographics

Gender	Count of Responses	%
Male	47	44.8
Female	58	55.2
Grand Total	105	100
Age Group	**Count of Responses**	**%**
18–24	4	3.8
25–34	60	57.1
35–44	15	14.3
45–54	19	18.1
55–60	6	5.7
61–64	1	1.0
Grand Total	105	100
Occupation	**Count of Responses**	**%**
Govt./PSU employee	53	50.5
Private sector employee	52	49.5
Grand Total	105	100
Education	**Count of Responses**	**%**
High School Certificate	2	1.9
Graduate/Diploma	23	21.9
Post Graduate	80	76.2
Grand Total	105	100

Table 2. Response Comparisons

	Full Model (in %)	Public Sector EE (in %)	Private Sector EE (in %)
Financial Knowledge (3 or more correct)	60.95	56.60	65.38
Fin Awareness (70%=14)	20.00	13.21	26.92
FinB_Spend1	65.71	67.92	63.46
FinB_Spend2	74.29	75.47	73.08
FinB_Spend3	71.43	73.58	69.23
FinB_Monitor1	65.71	60.38	71.15
FinB_Monitor2	32.38	30.19	34.62
FinB_Plan1	53.33	56.60	50.00
FinB_Plan2	74.29	77.36	71.15
FinB_Informed1	75.24	77.36	73.08
FinB_Informed2	71.43	69.81	73.08
FinB_Credit1	93.33	90.57	96.15
FinB_Credit2	93.33	90.57	96.15
FinB_Credit3	96.19	96.23	96.15
FinB_Ease	79.05	81.13	76.92
FinB_Save3	58.10	64.15	51.92
FinB_Save2	80.00	79.25	80.77

FinB_Save1	68.57	73.58	63.46
FinB_PC1	82.86	81.13	84.62
FinB_PC2	81.90	81.13	82.69
FinB_PC3	68.57	71.70	65.38

Note. Please refer to the Appendix for the complete variable list.

mean subjective FWB score is not significantly different among the two groups with 18.53 for public employees and 18.35 for private employees.

Our model incorporates both reflective and formative constructs. As the assessment criteria for each is different, we first assessed these two separately and then the final model.

(1) Model Assessment - Reflective Construct : For each of the reflective constructs, we tested indicator reliability, internal consistency, convergent validity, and discriminant validity. The summary of the criteria and the test results is presented in Table 3. Further, Table 4 reports the detailed item loadings, composite reliability (CR), and the average variance explained (AVE) of the reflective constructs. All the indicators meet the required thresholds. These results are based on the final list of indicators included in the study. In the preliminary screening of the indicators, *FWB4* with 0.54 and *FinLit5* with 0.4082 outer loading were dropped from the list as the outer loading was below the threshold limit as recommended by Hair, Ringle, and Sarstedt (2011). Internal consistency of the construct is measured using composite reliability as Cronbach's alpha is sensitive to the number of items in the scale and tends to underestimate the internal consistency reliability (McNeish, 2018).

Table 3. Reflective Model Assessment

Test	Criteria	Result
Indicator Reliability	Outer loadings above 0.60 and ideally above 0.70 (Chin, 1998a ; Henseler, Ringle, & Sinkovics, 2009)	All the values are above the required limit.
Internal Consistency	Composite reliability (CR) value of 0.70-0.90 is regarded as satisfactory (Hair, Ringle, & Sarstedt, 2011 ; Nunally & Bernstein, 1994)	All the CR values of our constructs are in the range of 0.75-0.90 indicating high level of internal consistency.
Convergent Validity	AVE scores greater than 0.50 (Fornell & Larcker, 1981)	All our constructs meet the requirement indicating no convergent validity issues.

Table 4. Assessment of Reflective Measurement Model

Construct	Indicators	Outer Loadings	CR	AVE
FinKnowledge	*FC_LM1*	0.709	0.812	0.5208
	FC_LM2	0.721		
	FC_LM3	0.798		
	FC_LM4	0.651		
FWB	*FWB1*	0.774	0.8211	0.5363
	FWB2	0.804		
	FWB3	0.705		
	FWB5	0.635		
Fin Planning	*FinB_Plan1*	0.881	0.884	0.7924
	FinB_Plan2	0.899		

Product Choice	*FinB_Productchoice1*	0.917	0.904	0.7608
	FinB_Productchoice2	0.946		
	FinB_Productchoice3	0.739		
Spending Averse	*FinB_Spend1*	0.853	0.863	0.6787
	FinB_Spend2	0.705		
	FinB_Spend3	0.901		
Credit	*FinB_Credit1*	0.636	0.780	0.6477
	FinB_Credit3	0.944		
Informed Decision	*FinB_Infomed1*	0.683	0.753	0.6069
	FinB_Informed2	0.865		
Active Saving	*FinB_Save1*	0.817	0.823	0.6082
	FinB_Save2	0.745		
	FinB_Save3	0.776		
Monitoring Finance	*FinB_Monitor1*	0.909	0.8214	0.6988
	FinB_ Monitor2	0.756		

Discriminant validity is tested by the Fornell – Larcker criterion (Fornell & Larcker, 1981), that is, the square root of each construct's AVE should be greater than its highest correlation with any other construct. Our model meets the criteria as shown in Table 5 where all the correlations are well below the square root of the construct AVE shown in the diagonal line. Hence, the model reports no discriminant validity issues.

Table 5. Discriminant Validity : Fornell - Larcker Criterion

	FinExp	FWB	Informed	L&M	Planning	Spend	Aware	Credit	Daily Ease	Product Choice	Save
FinExp	**SIC**										
FWB	0.058	**0.692**									
Informed	0.010	0.290	**0.779**								
L&M	0.346	0.250	0.027	**0.722**							
Planning	–0.097	0.315	0.439	–0.092	**0.890**						
Spend	0.118	0.502	0.390	0.199	0.318	**0.824**					
Aware	0.358	0.302	0.216	0.485	0.001	0.231	**SIC**				
Credit	0.336	0.168	0.136	0.133	0.117	0.210	0.053	**0.805**			
Daily Ease	0.053	0.289	0.149	0.009	0.318	0.326	0.034	0.290	**SIC**		
Product Choice	0.108	0.205	0.375	0.097	0.424	0.203	0.184	0.288	0.249	**0.872**	
Save	0.149	0.282	0.437	0.027	0.482	0.387	0.138	0.201	0.346	0.456	**0.780**

Note. In diagonal and bold are the sqrt of AVE of each construct; SIC = Single item construct.

(2) Model Assessment - Formative Construct : Formative construct of the model is analyzed using two step validity, that is, indicator and discriminant validity.

(i) Indicator Validity : All the model's formative constructs indicator weights are higher than 0.1 (refer Table 6), indicating that all the indicators are relevant (Andreev, Heart, Maoz, & Pliskin 2009). Further, bootstrapping report for 2000 bootstraps verifies the significance of all the construct indicators (Table 6) (Hair et al., 2011; Henseler et al., 2009).

Table 6. Reflective Construct

Construct Level			
Second Order Construct	**First Order Construct**	**Weights**	***t***
Financial Behaviour	*Fin Planning*	0.244	7.478*
	Product Choice	0.311	6.949*
	Spending Averse	0.307	5.588*
	Credit	0.109	2.457**
	Informed Decision	0.158	5.935*
	Active Saving	0.278	8.354*
	FinB_dailyease	0.108	5.14*
Fin Literacy	*FC_awaretotal*	0.276	7.781*
	FinKnowledge	0.723	13.55*
	FC_Exp_Total	0.213	5.218*

Note. *Significant at 0.01 level based on 2,000 bootstraps; **Significant at the 0.05 level based on 2,000 bootstraps.

Table 7. Fornell - Larcker Criterion

	FWB	**FinB**	**FinLit**
Financial Wellbeing (FWB)	**0.732325**		
Financial Behavior (FinB)	0.449	**0.51923**	
Financial Literacy	0.3151	0.1651	**0.864639**

(ii) Discriminant Validity : The square root of AVE of each construct (diagonal line of Table 7) is greater than the its highest correlation with any other construct, indicating that the model meets the Fornell-Larcker criterion (Fornell & Larcker, 1981) for discriminant validity.

(iii) Model Assessment - Complete Structural Model : The path analysis (refer Figure 3 and Table 8) of the model demonstrates a significant positive association between FWB and financial literacy and financial behavior based on two-tail test. The significant relationships further elaborate about the relationships between the constructs — good financial behavior ($\beta = 0.4308$) has a larger effect on financial wellbeing than financial literacy ($\beta = 0.226$). Among different financial behaviors, informed product choice ($\beta = 0.2899$), savings ($\beta = 0.2624$), and spending restraint ($\beta = 0.2618$) have the largest effect in explaining higher perceived financial wellbeing. The

Figure 3. Study Model

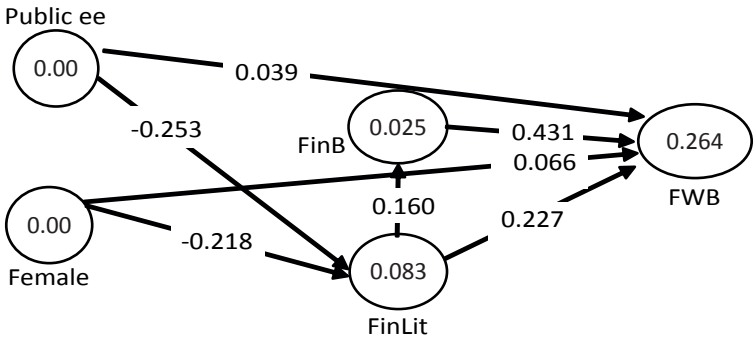


Table 8. Full Model Path Analysis

	Original Sample (O)	Sample Mean *(M)*	Standard Deviation (STDEV)	Standard Error (STERR)	*T* Statistics (|O/STERR|)	Sig. at
FinB -> FWB	0.4308	0.4273	0.0904	0.0904	4.7672	0.01
FinLit -> FWB	0.2265	0.2299	0.09	0.09	2.5159	0.05
FinLit -> FinB	0.1596	0.1599	0.0851	0.0851	1.8742	NS
Female -> FWB	0.0664	0.0665	0.1009	0.1009	0.6583	NS
Female -> FinLit	–0.218	–0.2143	0.1028	0.1028	2.1215	0.05
Public EE -> FWB	0.0387	0.0399	0.0931	0.0931	0.4156	NS
Public EE ->FinLit	–0.2529	–0.2496	0.0986	0.0986	2.5656	0.05

Note. Based on 2000 bootstraps ; NS = Non-Significant.

model also suggests a negative relationship between being female and public sector employee and financial literacy. However, such relationships are not significant. Further, contrary to previous literature, our model does not support a significant positive relation between financial literacy and financial behavior. Chin (1998a) suggested that R^2 values of 0.67, 0.33, and 0.19 are substantial, moderate, and weak, respectively according to which our model shows a weak predictive power at R^2 of 0.264. However, Chin (1998b) noted "the prediction of observables or potential observables is of much greater relevance than the estimator of what are often artificial construct-parameters" (p.320), thus highlighting the need to access predictive relevance over only R^2 value of the model. Our model's Stone-Geisser's Q^2 value for financial wellbeing is 0.1892 (i.e Q^2 >0) ; thus, the model has predictive relevance. Further q^2 (effect size of Q^2) is 0.1927, indicating an effect size above the medium threshold of 0.15 as per Cohen (1988). Furthermore, effect size (f^2) calculations for evaluating the impact of specific predictor (*FinB* and *FinLit*) on endogenous construct (FWB) is calculated. The effect size (f^2) is a measure of the impact of a specific predictor construct on an endogenous construct. In simple words, it measures the change in R^2 when a specific exogeneous construct is omitted from the model. In our model, f^2 for *FinB* is 0.307, indicating a substantive impact on R^2 values and f^2 for *FinLit* is 0.03, indicating a small effect (Cohen, 1988).

(iv) Model Assessment - Path Analysis for Public and Private Employees : To gauge the difference in the path to the perceived financial wellbeing among public and private sector employees, the total data was split into the two groups and the conceptual model was run for each group separately (refer to Figure 4(a) and 4(b)). Further, the detailed path and bootstrapping results are reported in Table 9.

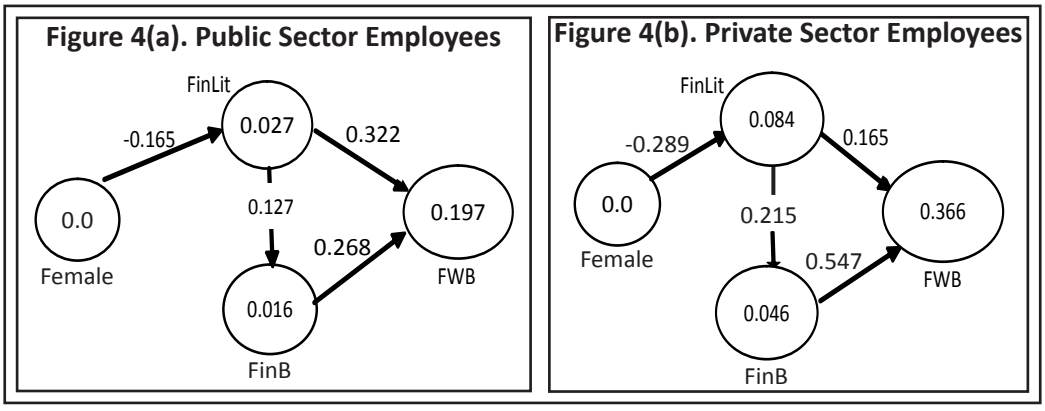


Table 9. Path Analysis

	Public Sector Employees			Private Sector Employees		
Path	**Original Sample (O)**	**Sample Mean *(M)***	***T* Statistics (|O/STERR|)**	**Original Sample (O)**	**Sample Mean *(M)***	***T* Statistics (|O/STERR|)**
Female ->FinLit	–0.1653	–0.1671	1.6344	–0.2895	–0.2929	3.1735**
FinB -> FWB	0.2683	0.2683	2.9067**	0.5471	0.5465	7.4192**
FinLit -> FWB	0.3216	0.3167	3.8075**	0.1652	0.1694	2.2856*
FinLit -> FinB	0.1272	0.1231	1.4152	0.2153	0.2117	2.7158**

Note. Report based on 2000 bootstraps **significant at 0.01 level and *significant at 0.05 level.

Path analysis done after splitting the data demonstrates that financial literacy and financial behaviors are both significant predictors of financial wellbeing, which is consistent with the findings of the total model. Further, financial behavior has a substantial impact on financial wellbeing for private sector employees ($\beta = 0.54$), however, this relation is moderate for public sector employees ($\beta = 0.26$). Financial literacy has a moderate ($\beta = 0.322$) relation with respect to public sector employees, and on the other hand, it is rather weak ($\beta = 0.165$) for private sector employees. Hence, the data indicates that pathways to financial wellbeing for public and private sector employees vary in terms of the construct that impacts the financial wellbeing the most. Furthermore, being a female private sector employee has a significant negative impact on financial literacy ($\beta = -0.289$) ; whereas, the public sector model does show a negative relation, but it is not significant. A significant association between financial literacy and financial behavior is observed only for the private sector employee model.

Conclusion

To address the study's objective to analyze the determinants of FWB, multiple regression model is employed using Smart PLS. The hypotheses tested under the three models (complete, private employee, and public employee) are summarized in Table 10.

The study finds that financial literacy and financial behavior are positively and significantly associated with

Table 10. Summary of Results

Hypotheses	Full Model	Public Employees	Private Employees
H1: Nature of occupation has a significant impact on financial wellbeing of an individual.	Not accepted		
H2: Responsible financial behaviors positively influence financial wellbeing.	Accepted ($\beta = 0.430$ Sig = 0.01)	Accepted ($\beta = 0.268$ Sig = 0.01)	Accepted ($\beta = 0.547$ Sig = 0.01)
H3: Financial Literacy positively influences financial wellbeing.	Accepted ($\beta = 0.226$ Sig = 0.05)	Accepted ($\beta = 0.321$ Sig = 0.01)	Accepted ($\beta = 0.165$ Sig = 0.05)
H4: Financial Literacy positively influences responsible financial behavior.	Not accepted	Not accepted	Accepted ($\beta = 0.215$ Sig = 0.01)
H5: Females have low levels of financial literacy.	Accepted ($\beta = -0.218$ Sig = 0.05)	Not accepted	Accepted ($\beta = -0.2895$ Sig = 0.01)

financial wellbeing. These results are consistent with the previous literature, such as the findings of Shim et al. (2009) and Xiao et al. (2014), who reported that good financial behavior led to higher subjective FWB, while poor financial behavior is negatively correlated to financial well-being (Kim & Garman, 2003).

Our study, however, does not support a positive significant relation between financial literacy and financial behavior except in case of private sector employees. These results imply that financial literacy does not lead to responsible financial behaviors. Possible reasons for such findings can be due to lack of high financial literacy transmission into responsible financial behavior. Further, there may be other factors that guide these financial behaviors — like psychological traits, non-cognitive skills, and other external factors (Dangi & Kohli, 2018 ; Raut & Das, 2015 ; Tang & Baker, 2016). Such other factors were not part of the current study and could be the possible factors that distorted the influence of financial literacy on subjective FWB. Further, other possible reason could be the limitation that the current study incorporates only two dimensions of financial literacy, that is, financial knowledge and financial awareness.

The findings of the study indicate a difference among the predictors of subjective FWB among private and public sector employees. Financial literacy is the main predictor of FWB among public sector employees ; whereas, financial behavior is the main determinant of FWB in case of private sector employees. Further, being a public sector employee is positively related to high subjective FWB. However, this result is not significant in our study.

Research Implications

The study attempts to understand the difference in the perceived financial wellbeing among private and public sector employees and the differences in achieving the same. The results obtained don't show any significant difference in financial wellbeing mean scores among the two sector employees, with public sector employees scoring 18.53 and private employees scoring 18.35 on an average. Thus, the perception of financial wellbeing is not statistically different among the employees of the two sectors. Nevertheless, the results highlight the need for good financial behavior to increase financial wellbeing and the role financial literacy plays in this relation. The results will prompt policy makers and financial education programme developers to work more towards application of the knowledge (i.e. the behavior) rather than only focusing on increasing the objective financial knowledge of the individuals. The results of the study highlight that objective financial knowledge does not impact the perceived financial wellbeing as it is in case of financial behaviors. Thus, any financial education curriculum or policies targeted towards improving perceived financial wellbeing should focus on the relatively significant factors that affect the financial wellbeing, that is, product choice, spending restraint, and active savings. Targeting these high impact factors can help achieve better results. Further, the knowledge of differences in pathways to increased subjective financial wellbeing among the employees of the sector can also serve as an important starting point for organizations while designing the policies for their employees. For instance, in case of private-sector employees, both financial literacy and financial behavior are found to be statistically significant in affecting the subjective financial wellbeing, and hence, private companies can design seminars or workshops that help in improving both behavior and financial literacy to help their employees achieve higher financial wellbeing.

Limitations of the Study and Scope for Future Research

The current study is not free from limitations. First, it is based on self-reported results of respondents from NCT of Delhi, India. For this reason, future research can expand the geographical coverage to get more generalizable results. Further a comparison of any differences, if any, due to place of residence can also be explored. Second, our study incorporates only two dimensions of financial literacy similar to previous studies, however, future studies

can try to incorporate more dimensions. Third, our study is limited to one-time responses to the questionnaire designed, making it difficult to draw causal relations which is possible only in case of longitudinal data. Fourth, we measured perceived FWB incorporating only the subjective measure. Future studies can incorporate both subjective and objective measures of perceived FWB.

Authors' Contribution

Kanchan Sehrawat developed the conceptual framework with inputs from Prof. Madhu Vij. Kanchan Sehrawat collected the data, performed numerical computations, and wrote the manuscript. Prof. Madhu Vij was involved in planning and supervised the work.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest or non-financial interest in the subject matter or materials discussed in this manuscript.

Funding Acknowledgment

The authors received no financial support for the research, authorship, and/or for the publication of this article.

References

Andreev, P., Heart, T., Maoz, H., & Pliskin, N. (2009). *Validating formative partial least squares (PLS) models: Methodological review and empirical illustration.* In, ICIS 2009 Proceedings (p. 193). Retrieved from http://aisel.aisnet.org/icis2009/193

Atkinson, A., & Messy, F. - A. (2012). *Measuring financial literacy: Results of the OECD/International Network on Financial Education (INFE) pilot study* (OECD Working Papers on Finance, Insurance and Private Pensions No. 15). DOI: 10.1787/5k9csfs90fr4-en

Attridge, M. (2009). Measuring and managing employee work engagement: A review of the research and business literature. *Journal of Workplace Behavioral Health, 24*(4), 383 – 398.

Bakar, A. A., Osman, M. M., Bachok, S., & Ibrahim, M. (2016). Investigating rationales of Malaysia quality of life and wellbeing components and indicators. *Procedia-Social and Behavioral Sciences, 222,* 132–142. DOI: 10.1016/j.sbspro.2016.05.202

Bannier, C. E., & Schwarz, M. (2018). Gender- and education-related effects of financial literacy and confidence on financial wealth. *Journal of Economic Psychology, 67*(C), 66 – 86. DOI:10.1016/j.joep.2018.05.005

Beinhocker, E. D. (2007). Tracking the growth of India's middle class. *The McKinsey Quarterly, 3*(3), 51– 61.

Bhonde-Saraf, A. (2016). Are women financially educated ? A study with reference to earning women of Aurangabad District, Maharashtra. *Indian Journal of Finance, 10*(3), 43 – 51. doi:10.17010/ijf/2016/v10i3/89021

Bolaji-Adio, A., Iarossi, G., Perotti, V., & Zottel, S. (2013). *Making sense of financial capability surveys around the world: A review of existing financial capability and literacy measurement instruments.* Washington DC : World Bank. Retrieved from http://documents.worldbank.org/curated/en/220801468323962930/Making-sense-of-financial-capability-surveys-around-the-World-a-review-of-existing-financial-capability-and-literacy-measurement-instruments

Bucher-Koenen, T., Lusardi, A., Alessie, R., & Van Rooij, M. (2016). How financially literate are women ? An overview and new insights. *The Journal of Consumer Affairs, 51*(2), 255 – 283. DOI:10.1111/joca.12121

Chin, W. W. (1998a.). Commentary: Issues and opinion on structural equation modeling. *MIS Quarterly, 22*(1), 7 – 16.

Chin, W. W. (1998b.). The partial least squares approach to structural equation modeling. In G. A. Marcoulides (ed.), *Methodology for business and management. Modern methods for business research* (pp. 295 – 336). Mahwah, NJ, US: Lawrence Erlbaum Associates Publishers.

Cohen, J. (1988). *Statistical power analysis for the behavioral science* (2nd ed.). NJ: Lawrence Erlbaum Associates.

Consumer Financial Protection Bureau. (2015). *Financial well-being : The goal of financial education*. Retrieved from https://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf

Dangi, M., & Kohli, B. (2018). Role of behavioral biases in investment decisions: A factor analysis. *Indian Journal of Finance, 12*(3), 43 – 57.

Dew, J., & Xiao, J. J. (2011). The financial management behavior scale: Development and validation. *Journal of Financial Counseling and Planning, 22*(1), 43 – 59. doi:10.17010/ijf/2018/v12i3/121997

Directorate General of Employment, Ministry of Labour & Employment. (Various years). *Economic Survey of India.* Retrieved from https://www.indiabudget.gov.in/economicsurvey/allpes.php

Disney, R., & Gathergood, J. (2013). Financial literacy and consumer credit portfolios. *Journal of Banking and Finance, 37*(7), 2246 – 2254.

Dunn, L., & Mirzaie, I. A. (2012). *Determinants of consumer debt stress: Differences by debt type and gender* (Working Paper). Ohio State University. Retrieved from https://www.chrr.ohio-state.edu/content/surveys/cfm/doc/DSI-Working-Paper-07-19-12.pdf

Falahati, L., Sabri, M. F., & Paim, L. H. (2012). Assessment a model of financial satisfaction predictors: Examining the mediate effect of financial behavior and financial strain. *World Applied Sciences Journal, 20*(2), 190 – 197.

Fornell, C., & Larcker, D. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*(1), 39 – 50.

Garman, E. T., Sorhaindo, B., Bailey, W., Kim, J., & Xiao, J. J. (2004). Financially distressed credit counseling clients and the incharge financial distress/financial well-being scale. (pp. 71– 81). *Proceedings of the Eastern Regional Family Economics and Resource Management Association Conference.* Retrieved from https://pfeef.org/wp-content/uploads/2016/09/Financially-Distressed-Clients-and-the-Scale.pdf

Garman, T., & Forgue, R. (2014). *Personal finance* (12th ed.). Boston: Cengage Learning.

Gautam, S., & Matta, M. (2016). A study of socio-demographic and attitudinal factors on consumer behavior by individual investors in the Indian context. *Indian Journal of Finance, 10*(7), 48 – 59. DOI:10.17010/ijf/2016/v10i7/97256

Hair, J., Ringle, C., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *The Journal of Marketing Theory and Practice, 19*(2), 139 – 152.

Henseler, J., Ringle, C., & Sinkovics, R. (2009). The use of partial least squares path modeling in international marketing. In R. Sinkovics, & P.Ghauri (eds.), *Advances in International Marketing,* (Vol. 20, pp. 277 – 320). Bingley : Emerald Group Publishing.

Hilgert, M. A., Hogarth, J., & Beverly, S. (2003). Household financial management: The connection between knowledge and behavior. *Federal Reserve Bulletin,* July 2003, 309–332. Retrieved from https://www.federalreserve.gov/pubs/bulletin/2003/0703lead.pdf

Hojman, D. A., Miranda, Á., & Ruiz-Tagle, J. (2016). Debt trajectories and mental health. *Social Science & Medicine, 167*(C), 54–62. DOI: 10.1016/j.socscimed.2016.08.027

Huston, S. J. (2010). Measuring financial literacy. *Journal of Consumer Affairs, 44*(2), 296 – 316.

Joo, S. (2008). Personal financial wellness. In J. J. Xiao (ed.), *Handbook of consumer finance research* (pp. 21– 33). New York, NY: Springer.

Joo, S. H., & Grable, J. E. (2004). An exploratory framework of the determinants of financial satisfaction. *Journal of Family and Economic Issues, 25*(1), 25–50.

Kaur, G. (2014). *Employee attrition in ITeS call centers in selected clusters of North India* (Unpublished PhD Dissertation). L. M. Thapar School of Management, Thapar University, Patiala, Punjab. Retrieved from http://tudr.thapar.edu:8080/jspui/bitstream/10266/3327/4/3327.pdf

Kempson, E., Finney, A., & Poppe, C. (2017). *Financial well-being: A conceptual model and preliminary analysis* (SIFO Project Note No. 3-2017). Oslo : Oslo and Akershus University College of Applied Sciences.

Kim, J., & Garman, E. T. (2003). Financial stress and absenteeism: An empirically derived model. *Financial Counseling and Planning, 14*(1), 31 – 42.

Kim, J., & Garman, E. T. (2004). Financial stress, pay satisfaction and workplace performance. *Compensation & Benefits Review, 36*(1), 69–76. https://doi.org/10.1177/0886368703261215

Lokhande, M.A. (2015). A study of investment awareness and patterns of savings and investments by rural investors. *Indian Journal of Finance, 9* (7), 22–31. DOI: 10.17010//2015/v9i7/72351

Lusardi, A. (2008). *Financial literacy: An essential tool for informed consumer choice ?* (NBER Working Paper No. 14084) . Retrieved from https://www.nber.org/papers/w14084.pdf

Lusardi, A., & Mitchell, O. S. (2011). *Financial literacy and planning: Implications for retirement wellbeing* (Working Paper No. w17078). National Bureau of Economic Research. Retrieved from https://www.nber.org/papers/w17078.pdf

Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature, 52*(1), 5–44.

Lusardi, A., & Mitchell, O. (2017). How ordinary consumers make complex economic decisions: Financial literacy and retirement readiness. *Quarterly Journal of Finance, 7*(03), 1 – 31.

Lusardi, A., & Tufano, P. (2015). Debt literacy, financial experiences, and overindebtedness. *Journal of Pension Economics & Finance, 14*(4), 332–368. DOI: https://doi.org/10.1017/S1474747215000232

Mathur, N. (2010). Shopping malls, credit cards and global brands: Consumer culture and lifestyle of India's new middle class. *South Asia Research, 30*(3), 211 – 231.

McNeish, D. (2018). Thanks coefficient alpha, we'll take it from here. *Psychological Methods, 28*(3), 412 – 433. DOI: https://doi.org/10.1037/met0000144

Mokhtar, N., Husniyah, A. R., Sabri, M. F., & Talib, M. F. (2015). Financial well-being among public employees in Malaysia: A preliminary study. *Asian Social Science, 11*(18), 49 – 54.

Mottola, G. (2013). In our best interest: women, financial literacy, and credit card behavior. *Numeracy, 6*(2), Article 4. DOI: http://dx.doi.org/10.5038/1936-4660.6.2.4

Muleke, V., & Muriithi, J. G. (2013). Financial education on employees' financial wellbeing in academia in Tharaka Nithi County in Kenya. *European Journal of Business and Management, 5*(15), 142 – 147.

Muralidharan, T. (2015, November 16). Why the craze for government jobs ? *The Hindu.* Retrieved from https://www.thehindu.com/features/education/careers/why-the-craze-for-government-jobs/article7877282.ece

Nunally, J. C., & Bernstein, I. H. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.

OECD. (2017). *G20/OECD INFE report on adult financial literacy in G20 countries.* Paris: OECD Publishing. Retrieved from http://www.oecd.org/daf/fin/financial-education/G20-OECD-INFE-report-adult-financial-literacy-in-G20-countries.pdf

OECD. (2018). *OECD/INFE toolkit for measuring financial literacy and financial inclusion.* Retrieved from http://www.oecd.org/daf/fin/financial-education/2018-INFE-FinLit-Measurement-Toolkit.pdf

O'Neill, B., Sorhaindo, B., Xiao, J. J., & Garman, E. T. (2005). Financially distressed consumers: Their financial practices, financial well-being, and health. *Financial Counseling and Planning, 16*(1), 73 – 87.

Pedersen, J. D. (2000). Explaining economic liberalization in India: State and society perspectives. *World Development, 28*(2), 265 – 282.

Prawitz, A., Garman, E. T., Sorhaindo, B., O'Neill, B., Kim, J., & Drentea, P. (2006). Incharge financial distress/financial well-being scale: Development, administration, and score interpretation. *Journal of Financial Counseling and Planning, 17*(1), 34 – 50.

Ramesh, S., Senthil Kumar, A., & Sayyed, N. (2019). Impact of personality measures and investors' biases on decision - making skills of women investors in mutual funds. *Indian Journal of Finance, 13*(4), 7 – 19. DOI:10.17010/ijf/2019/v13i4/143124

Ramli, Z., Masud, J., Haron, S. A., Othman, M., Awang, A. H., & Md Sum, S. (2013). Financial well-being: Financial ratio analysis of married public sector workers in Malaysia. *Asian Social Science, 9*(14), 1–6. https://doi.org/10.5539/ass.v9n14p1

Raut, R. K., & Das, N. (2015). Behavioral prospects of individual investor decision making process: A review. *Indian Journal of Finance, 9*(4), 44–55. doi:10.17010/ijf/2015/v9i4/71457

Sabri, M. F., & Juen, T. T. (2014). The influence of financial literacy, saving behaviour, and financial management on retirement confidence among women working in the Malaysian public sector. *Asian Social Science, 10*(14), 40.Doi: 10.5539/ass.v10n14p40

Schmeiser, M. D., & Seligman, J. S. (2013). Using the right yardstick: Assessing financial literacy measures by way of financial well-being. *Journal of Consumer Affairs, 47*(2), 243 – 262.

Seibert, K., & Meredith, B. (2014). Improving retirement readiness for state and local government employees. *Retirement Insights and Trends*. Retrieved from https://www.retirement-insight.com/improving-retirement-readiness-state-local-government-employees/

Shim, S., Xiao, J., Barber, B., & Lyons, A. (2009). Pathway to life success: A model of financial well-being for young adults. *Journal of Applied Developmental Psychology, 30*(6), 708 – 723.

Shobha, T. S., & Chakraborty, S. (2017). Psychological factors contributing to the financial well-being of an individual: A review of empirical literature. *Indian Journal of Finance, 11*(10), 51 – 66.

Singh, H. P., Goyal, N., & Kumar, S. (2016). Behavioural biases in investment decisions: An exploration of the role of gender. *Indian Journal of Finance, 10*(6), 51 – 62. DOI: 10.17010/ijf/2016/v10i6/94879

Skimmyhorn, W. (2016). Assessing financial education: Evidence from boot camp. *American Economic Journal: Economic Policy, 8*(2), 322 – 343.

Subramaniam, G., Ali, E., & Maniam, B. (2014). Subjective financial wellbeing and incidence of indebtedness among young workers in Malyasia. *Business Studies Journal, 6*(2), 57 – 65.

Tang, N., & Baker, A. (2016). Self-esteem, financial knowledge and financial behavior. *Journal of Economic Psychology, 54* (C), 164 – 176. DOI: 10.1016/j.joep.2016.04.005

Taylor, P., D'Cruz, P., Noronha, E., & Scholarios, D. (2013). The experience of work in India's domestic call centre industry. *The International Journal of Human Resource Management, 24*(2), 436 – 452.

Van Praag, B. M., Frijters, P., & Ferrer - i - Carbonell, A. (2003). The anatomy of subjective well-being. *Journal of Economic Behavior and Organization, 51*(1), 29 – 49.

Van Rooij, M., Lusardi, A., & Alessie, R. (2011). Financial literacy and stock market participation. *Journal of Financial Economics, 101*(2), 449 – 472.

Xiao, J. J. (2008). Applying behavior theories to financial behavior. In, *Handbook of consumer finance research* (pp. 69 – 81). New York, NY: Springer.

Xiao, J. J., Chen, C., & Chen, F. (2014). Consumer financial capability and financial satisfaction. *Social Indicators Research, 118*(1), 415 – 432.

Appendix

Construct	Indicators	Statements
FinKnowledge	*FC_LM1*	Suppose you had ₹ 100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow ?
	FC_LM2	Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account ?
	FC_LM3	Buying a single company's stock usually provides a safer return than a stock mutual fund.
	FC_LM4	A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.
Fin Planning	*FinB_Plan1*	Very organized when it comes to managing my money day to day.
	FinB_Plan2	Know how to plan my spending against my income.
Product Choice	*FinB_Productchoice1*	Compare different options.
	FinB_Productchoice2	Search for information from range of sources.
	FinB_Productchoice3	Check detailed terms and conditions.
Spending Averse	*FinB_Spend1*	Impulsive and tend to buy things even when I can't really afford them.
	FinB_Spend2	Prefer to buy things on credit rather than wait and save up.
	FinB_Spend3	Run short of money because I overspend.
Credit	*FinB_Credit1*	Avoid borrowing money if I can.
	FinB_Credit3	If I borrow money, I want to repay it as soon as possible.
Informed Decision	*FinB_Infomed1*	Always get information or advice when I have to make an important financial decision.
	FinB_Informed2	Try to stay informed about money matters and finances.
Active Saving	*FinB_Save1*	Maintain an emergency savings fund.
	FinB_Save2	Try to save money regularly, even if it is only a small amount.
	FinB_Save3	Plan my savings for long term goals.
Monitoring Finance	*FinB_Monitor1*	Know how much money I spent personally in the last week.
	FinB_Monitor2	Keep a written or electronic record of my monthly expenses.
Financial Wellbeing	*FWB1*	Because of my money situation, I feel like I will never have the things I want in life.
	FWB2	I am just getting by financially.
	FWB3	I am concerned that the money I have or will save won't last.
	FWB4	I have money left over at the end of each month.
	FWB5	My finances control my life.

About the Authors

Kanchan Sehrawat received her M.com and B.com (Hons.) from University of Delhi. She is currently pursuing her doctoral research from Faculty of Management Studies, University of Delhi. Her research interests are financial wellbeing, financial planning, sustainable investments, and gender issues.

Dr. Madhu Vij is a Professor of Finance in the Faculty of Management Studies, University of Delhi with a teaching experience of over three decades. She has published several research papers in international and national journals of repute and has presented papers globally. She has also authored four books in the area of finance. Her research interests include international finance, risk management, and banking and financial services.