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Impact of Financial Literacy on Financial Self-Efficacy and Well-Being by X Generation

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Abstract

This study examines the financial literacy of Generation X, focusing on dimensions such as financial awareness, experience, skills, self-efficacy, and overall financial well-being. The purpose is to understand the financial well-being Status by the X generation through financial literacy. A quantitative research design was employed using practical surveys distributed to a diverse 264 sample of Generation X individuals. Adopting convenience sampling, conducted survey in selected areas in Andhra Pradesh. The Data analysis was performed structural equation modelling, to identify relationships between financial literacy and wellbeing. The results show a significant positive relationship between financial literacy components and financial well-being and highlight that improved financial awareness and skills lead to increased financial self-efficacy. Additionally, the analysis shows that personal financial experiences significantly influence individuals' confidence in managing their finances. The discussion highlights the need for targeted financial education programs that address the unique challenges facing Generation X, particularly in an increasingly complex financial landscape. The implications of this research are far-reaching.

Keywords: Awareness Skill, Financial Literacy, Knowledge and X-Gen, Self-Efficacy Well-Being.

Introduction

Financial literacy, encompassing awareness, experience, and skills, is pivotal for X-Gen individuals' financial empowerment (1–3). Awareness of financial products, experience in managing assets, and skills in financial evaluation collectively enhance self-efficacy, allowing individuals to make informed decisions and take control of their finances (4, 5). Enhanced financial self-efficacy directly contributes to financial well-being, evidenced by secure planning and effective management of expenses (6, 7). The significant link between these factors suggests that heightened financial literacy is a foundational aspect of achieving financial stability and resilience (1, 7, 8). X-Gen faces challenges in financial literacy, especially in adapting to evolving financial products and digital platforms (3, 6, 9). Limited experience in asset diversification and fluctuating economic conditions pose additional obstacles. These difficulties affect their financial self-sufficiency and reduce their confidence in their future financial security (6, 10, 11). In addition to experiencing stress associated with long-term financial planning and emergency preparedness, X-Gen may struggle to develop financial well-being if these gaps are not filled (2, 3, 6, 12). Addressing these particular financial issues requires promoting financial literacy that is especially suited to this generation (1). These difficulties might not give reliable data regarding Generation Xers' general well-being. It has been questioned whether X-Gen financial self-efficacy is influenced by financial knowledge, financial experience, and financial skills (2, 3, 13). Similarly, the financial well-being of members of Generation X is influenced by financial self-efficacy. Financial well-being among X-Gen is also influenced by financial literacy, financial experience, and financial awareness (2, 6, 12, 14). Although much research has been conducted on financial literacy, little is known about how X-Gen's unique financial knowledge, expertise, and skills impact their self-efficacy and ultimately their financial well-being (6, 15). Previous research often ignores Generation

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X's intergenerational financial practices, particularly when it comes to adapting to digital financial tools (6, 12, 16). Closing these gaps can help develop targeted financial literacy initiatives that support financial stability. This research aims to fill knowledge gaps regarding the impact of financial literacy on the self-efficacy and financial well-being of members of Generation X (2, 6, 17). To address this research gap, the study aims to achieve the following objectives: to examine the influence of financial awareness, financial experience, and financial skills on financial self-efficacy among X-Gen individuals; to assess the extent to which financial self-efficacy impacts financial well-being in this demographic; and to analyse how varying levels of financial awareness, financial experience, and financial skills directly affect the financial well-being of X-Gen individuals. This objective focuses on understanding how different aspects of financial literacy influence X-Gen's confidence in effectively managing their finances. This aim examines the relationship between financial self-efficacy and financial well-being and aims to determine whether increased self-efficacy leads to improved financial security and quality of life (2–4). This objective aims to examine whether financial literacy components independently contribute to financial well-being, thereby identifying critical competency areas that improve Generation X's financial stability and resilience. For this study, a literature review was carried out based on research published in national and international journals and an analysis of the documents available in research was carried out that deal with financial knowledge, practices, experience, self-efficacy and well-being. To achieve the study's objectives, this review focuses specifically on the Generation X literature to provide this population with a more general understanding of financial literacy and well-being in adulthood (2, 6, 18). The aim of this study is to explore previous financial behaviour, attitudes and challenges of the generation

Financial Awareness to Financial Self-Efficacy

Research consistently concludes that financial awareness increases the financial self-efficacy of people, especially Generation X, because financial awareness includes knowledge of financial products, interest rates, and personal financial management strategies (2, 6, 16). Financial awareness is emerging at a time when increasing financial literacy is associated with activities in which people compare financial products and discuss financial topics in studies (1, 6, 12). This empowerment creates an active approach to financial planning that promotes higher levels of financial self-efficacy. Therefore, improving financial awareness would be an effective lever for increasing the sense of self-efficacy for financial management among Generation X and therefore particularly desirable. On the other hand, some studies argue that excessive financial awareness leads to stress and poor perception of financial self-efficacy. For some people, a phenomenon sometimes called “analysis paralysis” can cause them to fail to adopt proactive financial behaviours, leading to a perceived decline in self-efficacy (1, 3, 6). This is why financial awareness is essential, but one must be aware of the negative impact it has on self-efficacy, especially when it leads to overwhelm and indecision.

Financial Experience to Financial Self-Efficacy

The results show that financial experience is a key factor in increasing financial self-efficacy among Generation X individuals. Practical financial experiences such as managing personal assets and investing in the stock market lead to confident financial decisions. Self-efficacy, or a stronger belief in one's financial capabilities, is increased as people take on more financial management responsibilities, according to the social cognitive theory (3, 6, 16). Research has also shown that those who have more confidence in their finances are better at solving financial problems (2, 14). Financial experiences therefore predict the extent to which Generation X will be self-effective in achieving financial goals. On the contrary, some studies show that negative financial experiences reduce financial self-efficacy. For example, poor investment results or high levels of debt can weaken confidence in one's financial strength (6, 16). This is a phenomenon that illustrates how adversity can create a Mobius streak of self-doubt, leading to self-doubt and preventing individuals from taking proactive financial steps, thereby limiting financial self-efficacy (3–5).

Financial Skills to Financial Self-Efficacy

Financial self-efficacy has been studied extensively on individuals including Generation X, where research indicates financial skills, the ability of the ability of people to manage financial resources effectively, evaluate financial statements and make properly informed investment decisions, have been found to serve as important determinants of financial self-efficacy (4, 11, 19). As confidence in financial management increases, higher financial abilities also result (14). This confidence is self-reinforcing as it allows proactive financial behaviour's such as budgeting, saving, etc… and create positive financial outcome. For Generation X, who often encounter different financial challenges, improvements in financial skills would significantly raise self-efficacy in terms of financial skills and lead them to manoeuvre past as well as pave their way to financial success (2, 6). By indicating that financial education programs can expect to positively change their financial planning, the positive relationship between financial skills and financial self-efficacy can point to the fact that this demographic can be targeted to gain the means necessary for such a positive shift in their financial planning. But not all literature indicates that financial dependence on financial skills leads to negative financial self-efficacy for generation X. If they over line their finance skills, they can make risky decisions with their money or they can be stressed if the supplies don't meet expectations (1, 3, 6). This can actually lower self-efficacy as individuals may feel that they can't handle financial complexities even though they are capable. For example, financial skills increase self-efficacy, but in the same token they can generate a paradox where more skills induce higher stress and lower sense of confidence about one's financial management (11, 15).

Financial Self-efficacy to Financial Well-being

Financial self-efficacy is a person's belief in her or his ability to manage financial resources effectively. The research suggests that Generation X individuals with higher levels of financial self-efficacy have greater financial well-being (13, 19, 20). Frequently having to manage debt while paying for other living expenses, this group often struggles to either manage their finances or prepare for retirement. Typically, this group is locked in a financial holding pattern, so to speak, that makes it very hard for them to juggle other living expenses like paying off debts and planning for retirement (17, 21). There is research to suggest that X Gen individuals with higher financial competence are more likely to do things like budget, save and invest (3, 14). Additionally, financial self-efficacy increases individuals' ability to withstand financial stress in that it allows them to make informed decisions rather than making decisions in a time of stress, which contributes to long term financial stability and well-being (6, 16). This relationship points towards the potential for education and practical experience instil financial self-efficacy to provide positive financial outcomes for Generation X as the economic climate becomes ever more complex (2, 3). However, financial self-efficacy deficit can adversely impact financial well-being. People of the generation x often find it hard to trust on their financial management skills, they tend to do nothing as far as trying to manage when they lack those skills, which in return leads to poor financial choices and increase on their anxiety (2, 3, 12). Avoidance of this might compound financial uncertainty that fuels the cycle of stress and anxiety (14). Lack of financial self-efficacy leads to feeling helpless, which can lead to discouraging people from taking necessary actions to enhance their financial positioning and in turn affects one's overall financial positioning (6).

Financial Awareness with Financial Self-efficacy to Financial Well-being

Financial awareness is found to be an important determinant of generation X persons' financial self-efficacy. Financial awareness is the knowledge of financial products and market conditions and personal finance management (6, 14). The more people learn about finances, the more confident they are to manage their finances in a good way. Financial self-efficacy, in turn, is found to be associated with better financial well-being as individuals feel able to handle financial undertaking and take decisions (6, 12). Literacy in finance–specifically, financial literacy a link has been made to better financial outcomes (financial savings, investment strategies). Increased self-efficacy has an impact on Generation X's financial security and stability and shows that financial well-being and financial awareness are positively correlated with increased financial knowledge (2, 6, 14).

On the other hand, being too financially aware may result in anxiety and stress that may damage a generation X person's financial self-efficacy. If people are over conscious about what can go wrong (financially speaking) it may reduce their confidence to handle money efficiently (3, 6). Therefore, the opposite of financial literacy and financial awareness that may grow to unmanageable (overwhelming) levels becomes a damaging relationship between financial awareness and well-being (3, 5, 11).

Financial Experience with Financial Self-efficacy to Financial Well-being

There is research that suggests that financial experience is a big player in forming the level of financial self-efficacy especially for the Generation X this is especially true. Individuals who have the foundation to effectively work with personal assets and investment tend to be more confident in their abilities (6, 12, 16). Improvements in financial self-efficacy enable individuals to make more informed choices and better financial well-being (6). The involvement of Generation X in activities such as emergency savings and spending planning increases their sense of self-efficacy and gives them a sense of financial security (2, 16). This positive reinforcement reinforces that financial experience is necessary to develop a proactive way of involving in personal finance which is fundamental for everything about personal finance. On the contrary, negative financial experiences can reduce financial self-efficacy thereby, badly affecting financial well-being of Generation X who are more prone to debt accumulation or lack of proper savings which may decrease their control of their finances (1, 3, 6). The inability to feel confident can lead to avoidance behaviours that only result in worsening financial insecurity and stress that compounds the problem of financial insecurity and, subsequently, the animosity toward well-being (1, 12). Thus, dealing with the negative financial effects must be taken into consideration to protect from distress and favourable financial consequences.

Financial Skills with Financial Self-efficacy to Financial Well-being

The studies have shown that financial skills are important to the development of financial self-efficacy that could facilitate financial well-being of generation X persons. Financial skills include experiencing readiness with evaluations of personal financial statements, risk management and investment diversification (6, 16). Individuals from Generation X who possess strong financial skills are more confident in their ability to manage their finances, which leads to proactive actions concerning financial management and, in particular, improved financial well-being particular (14, 21). Financial self-efficacy results in the ability of an individual to set financial goals and to actually achieve the goals (1, 6). Thus, financial skills become a critical antecedent of financial self-efficacy to exert an indirect effect on overall financial well-being. The other side of the coin, a lack of financial skills tends to lower the financial self-efficacy among Generation X to a point of deterioration of their financial well-being, as an individual may have a less than adequate ability to manage finances and feels helpless and stressed out in their decision-making process (2, 14, 22). The lack of confidence can be the beginning of a cycle, of making poor financial choices out of anxiety, with each poor choice making one increasingly anxious financially and less financially well (2, 6, 19). The role of financial skills and self-efficacy is therefore critical in that inadequate skills can seriously impede attainment of positive outcomes on financial health.

Hypothesis

Gen X needs to feel confident about their financial situation, and they can do so by being financially secure. It is experimentally demonstrable that earlier research yields both positive and negative outcomes. The literature review indicated that X Gen residents of Vijayawada, Andhra Pradesh, require financial wellbeing investments. Based on the literature review, the current study's hypothesis was developed (6, 12).

H1: Financial awareness has a positive effect on financial self-efficacy.

H2**:** Financial experience has a negative effect on financial self-efficacy.

H3: Financial skills have a positive effect on financial self-efficacy.
H4: Financial self-efficacy has a positive effect on financial well-being.
H5: Financial awareness indirectly affects financial well-being through financial self-efficacy.
H6: Financial experience indirectly affects financial well-being through financial self-efficacy.
H7: Financial skills indirectly affect financial well-being through financial self-efficacy.

Conceptual Frame Work

The above hypothesis formulation forms the conceptual model Figure 1. It helps in the analysis of independent variables, mediating variables and dependent variables in this study.

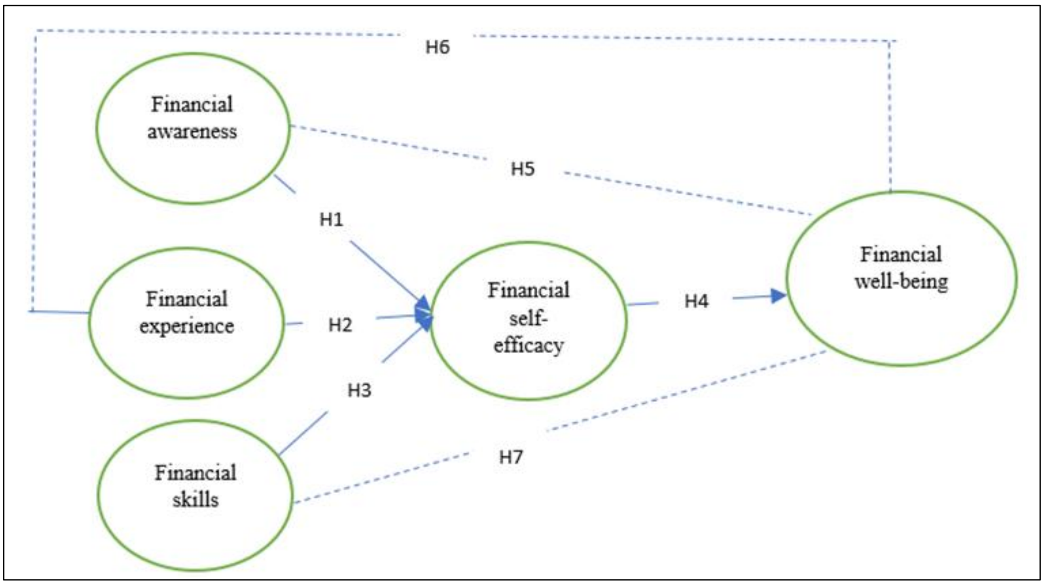

Figure 1: Conceptual Frame Work

The developed hypothesis testing is made easier to understand by the conceptual framework. Financial awareness, financial experience, and financial skills are the three independent verifiable that will make up this assessment. Financial well-being is the dependent variable, and financial self-efficacy is the mediating variable. Two aspects of the hypothesis are examined by the conceptual framework: direct and indirect relationships.

Methodology

In the existing literature, there is particularly little research across the discipline on the importance of financial literacy in improving the overall financial well-being of Generation X individuals (14, 16). Specifically, the present study attempts to expand the existing extensive literature more.

Research Design

This study focused on financial Literacy, inclusion, self-efficacy and wellbeing of X gen women. X-generation women still use traditional financial methods, but many new financial services, products, and procedures are being developed today. Emerging financial markets managing difficulty to x gen women's in the area of financial literacy, inclusions, self-efficacy and wellbeing. The current study uses primary data gathered from surveys to examine the financial self-efficacy and wellbeing of X-gen women.

The study employs Partial Least Squares Structural Equation Modelling (PLS-SEM), which is primarily used for exploratory research. The adopted quandary was distributed to respondents with a conveyance sampling survey. The independent and dependent mediation variables relationships were examined based on theoretical and empirical justifications from prior studies. This study investigated direct relationship and mediating relationship investigation and verifying hypothesis with bootstrapping analysis using SMART PLS. The findings should be interpreted with the path relation and significance of the path relationships.

Questionnaire Adoption

Researchers used a thorough questionnaire study to gather data. In the first section, demographic data was gathered, and in the second, potential bank customers' satisfaction with various deterrent elements was evaluated using a 5-point Likert scale (12, 23). The survey, which had 24 items and five variables taken from earlier research, was based on (6, 14). Present research chosen to X generation respondents in the study as participants.

Sampling and Sample Size

The researcher targeted Tirupati, Vijayawada, and Guntur in Andhra Pradesh using a stratified sampling technique. Self-Employees, private sector and government employed were the subject of the study. Estimation of the sample size taking into account the proposed 1:10 item-to-respondent ratio (24). There were 24 items in the study, making 240 the base sample size. To minimize possible data errors, the researcher added an extra 10%, resulting in a final sample size of 264 respondents. Data from the respondents in the chosen cities in the Andhra Pradesh state was gathered by the researcher using this final sample (6).

Data Collection and Validation

The survey will be carried out in selected areas of Andhra Pradesh between July and September 2024. The researcher distributed 264 structured questionnaires to X-gen women at workplaces, shopping malls, and restaurants. The scholar received 245 responses, some of which were incomplete due to respondents' busy schedules (6). Data from 234 respondents supported the analysis and validation of the study.

Statistical Applications

Therefore, two different approaches can be used to understand the changing dynamics of a relationship between financial literacy and financial well-being. First, a direct connection between financial literacy and financial well-being can be examined. Second, the connection between the two can be understood indirectly through financial self-efficacy. When domain-specific, financial self-efficacy has a direct impact on individual tasks or decisions due to its enhanced predictive potential, and when using SMART PLS, it indirectly facilitates the perception of favourable outcomes that members of Generation X frequently anticipate (25, 26).

Results

The validity and reliability of the study are carefully assessed in the present analysis to ensure the robustness of the results. Reliability assessed metrics such as Cronbach's alpha and composite reliability as well as average variance extracted were used to confirm the consistency of the constructs. The measurement model was validated using validity tests, including convergent and discriminant validity (16, 23). They present a summary of the demographic analysis that describes the profile of the X Gen participants and helps understand the results. Structural path analysis was performed using bootstrapping with Smart PLS to test formulated hypotheses. This enabled variable assessments with the strength of direct and indirect effects between variables represented by path coefficients. Additional bootstrapping with resampling increased both the reliability of the hypothesis tests and the significance of the relationships throughout the model (12, 16, 18). These analyses provide results to provide an overview of the hypothetical evolution and the influence of several factors on the results. The interpretation of the results should be statistically sound and reliable.

Respondent Demographic Profile Summary

The socio-demographic profile of the respondents is summarized in Table 1 and the main characteristics of the sample are described in terms of gender, education, employment, social status, religion and place of residence. The survey was conducted with 234 participants (23).

Table 1: Respondent Socio Demographic Profile Summary

Category	Total respondents	Percent of the Respondents
	Gender	
Male	128	54.70
Female	106	45.30
	Education	
SSC	45	19.23
Intermediate	58	24.79
Degree	62	26.50

Above Degree	69	29.49
	Employment	
Un Employed	77	32.91
Employed	86	36.75
Self-Employed	71	30.34
	Social Status	
SC	24	10.26
ST	34	14.53
BC	56	23.93
OC	67	28.63
Not to say	53	22.65
	Religion	
Hindhu	62	26.50
Cristan	58	24.79
Muslim	55	23.50
Not to say	59	25.21
	City Place	
Vijayawada	75	32.05
Guntur	82	35.04
Tirupati	77	32.91

The sample includes 54.7% male and 45.3% female respondents, which shows that a small proportion of respondents are male. The distribution by educational level shows that the total number of respondents with SSC qualification is 19.23%, followed by 24.79% with intermediate and higher educational qualifications, and 29.49% of the respondents with qualifications also reported their employment status in this study of these, 32.91% were unemployed, 36.75% stated that they were able to work and 30.34% stated that they were self-employed. This shows that the distribution by category was almost equal in Table 1. Socially, the respondents are diverse 10.26% SC, 14.53% ST, 23.93% BC, 28.63% OC and 22.65% of respondents did not want to declare their status. The religious affiliations of the respondents include 26.5% Hindu, 24.79% Christian, 23.5% Muslim and 25.21% of respondents did not want to state their religion. The geographical distribution of respondents is mostly spread between Vijayawada (32.05%), Guntur (35.04%) and Tirupati (32.91%). With a demographic breakdown of diversity based on socioeconomic and cultural dimensions in the sample, the study tends to be more comprehensive and representative in Table 1.

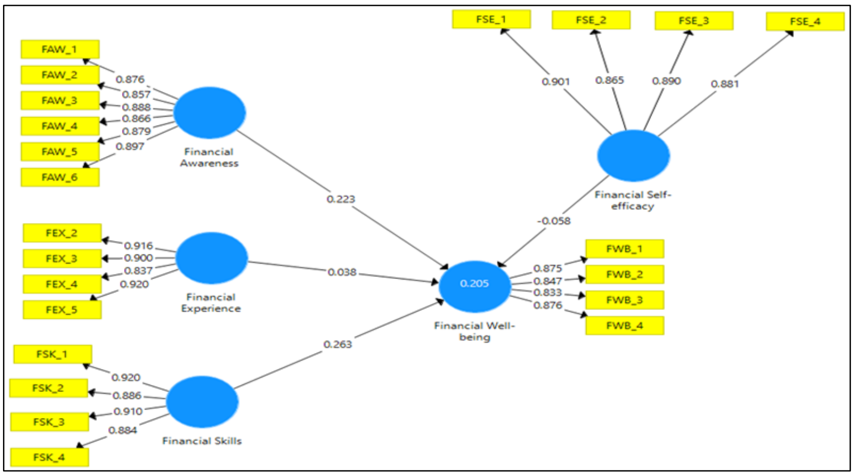

Figure 2: Measurement Model of Financial Well-being by X Gen

The strength of the indicators in representing in figure 2, the corresponding constructs is represented by the external loadings of these indicators, with larger external loadings reflecting greater relevance (24). Financial awareness (0.856 to 0.891), financial experience (0.852 to 0.915), financial self-efficacy (0.869 to 0.900), financial skills (0.889 to 0.919) and financial well-being (0.821 to 0.885) are all well above the reliability indicator threshold is 0 .70, therefore this analysis is based on high indicator reliability. The values for these indicators suggest that each of them is a good indicator of the construct it measures and provides validation for the measurement model. Table 2 Reliability in the form of Cronbach's alpha is used to measure the internal consistency of items in each construct. the larger the value, the more reliable. For financial awareness (0.940), financial experience (0.917), financial self-efficacy (0.907), financial skills (0.922), and financial well-being (0.880), Cronbach's alphas were above 0.70, indicating a minimum acceptable threshold of 0.70 was exceeded. The results confirm that the constructs have good internal consistency, with the items in each construct consistently measuring the same construct (27). In confirmatory research contexts, Cronbach's alpha provides a more conservative estimate of construct reliability for rho_A and, while more conservative, is also relatively more robust (26). As can be seen in this study, all rho_A values, i.e. h. Financial awareness (0.941), financial experience (0.922), financial self-efficacy (0.908), financial skills (0.924) and financial well-being (0.884), greater than 0.70, indicating the internal consistency of the constructs. This further supports the reliability of the constructs and is seen as confirmation of the robustness of the study's measurement model (24).

Table 2: Validity Measurement by X gen Financial Well-being

		Outer Loading	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Financial Awareness	FAW_1	0.882	0.940	0.941	0.953	0.770
	FAW_2	0.862				
	FAW_3	0.891				
	FAW_4	0.856				
	FAW_5	0.884				
	FAW_6	0.889				
Financial Experience	FEX_2	0.908	0.917	0.922	0.941	0.800
	FEX_3	0.902				
	FEX_4	0.852				
	FEX_5	0.915				
Financial Self-efficacy	FSE_1	0.900	0.907	0.908	0.935	0.782
	FSE_2	0.869				
	FSE_3	0.882				
	FSE_4	0.887				
Financial Skills	FSK_1	0.919	0.922	0.924	0.945	0.811
	FSK_2	0.891				
	FSK_3	0.902				
	FSK_4	0.889				
Financial Well-being	FWB_1	0.867	0.880	0.884	0.917	0.735
	FWB_2	0.857				
	FWB_3	0.821				
	FWB_4	0.885				

The reliability of latent constructs on which reliability would be based is the composite reliability, which takes into account the different external loadings of indicators. Typically, a value of 0.70 or greater is used as a reliability threshold (23, 26). All composite reliability values for financial awareness (0.953), financial experience (0.941), financial self-efficacy (0.935), financial skills (0.945) and financial well-being (0.917) are above 0.90 and therefore show very good construct reliability. The model's assumption that the measurement model consistently measures the corresponding constructs in Table 2, its supported by all of these findings (24). The value of the AVE criterion is the amount of variance in the indicators explained by the latent construct in Table 2. Values above .50 indicate that the convergent validity of the latent construct is sufficient (28). The criterion of 0.50 or higher of AVE scores for financial awareness (0.770), financial experience (0.800), financial self-efficacy (0.782), financial skills (0.811) and financial well-being (0.735) validates each construct. Explains that a large part of the variance is taken into account in the respective indicators. This level of convergent validity indicates a high strength of the constructs in representing their theoretical domains.

Table 3: Reliability Measurement by X gen Financial Well-being

	Financial Awareness	Financial Experience	Financial Self-efficacy	Financial Skills	Financial Well-being
Fornell-Larcker Criterion					
Financial Awareness	0.878				
Financial Experience	0.817	0.894			
Financial Self-efficacy	0.779	0.627	0.885		
Financial Skills	0.832	0.770	0.733	0.900	
Financial Well-being	0.424	0.383	0.332	0.432	0.858
Heterotrait-Monotrait Ratio (HTMT)					
Financial Awareness					
Financial Experience	0.878				
Financial Self-efficacy	0.842	0.685			
Financial Skills	0.893	0.834	0.800		
Financial Well-being	0.466	0.422	0.370	0.478	

Calculating the square root of each construct's AVE and comparing it to the correlations between constructs in Table 3 allowed to assess discriminant validity (28, 29). If the value is above the correlations between constructs, it indicates that the construct is more valid than the other constructs. A comparison of the AVEs (square root of the AVE) with the correlations between constructs shows that each construct is different from the other, but each substantive construct meets Fornell and Larcker's criteria. This confirms the suitability of each construct as an independent measure of the underlying concept. Validation based on suggested reported HTMT ratio values, even below 0.90, shows that the constructs have adequate discriminant validity (30). For all inter-constructive relationships, such as financial awareness and financial experience (0.878), financial awareness and financial self-efficacy (0.842), and financial literacy and financial well-being (0.478), these values are below this threshold. The results (Table 3) show that each construct is different and the overall measurement model is robust and reliable (23, 29, 30). One item concerning financial experience was deleted after examining the reliability and validity of those items and found there was insufficient variance and low external loading of the 24 original items, 23 had strong support for validity and reliability, validating them for additional analysis. Results of such evaluation are consistent with model evaluation using Generation X primary data.

Path Measurement Model with Model Validity

Building on this, Table 4 conducts this analysis of a two-stage path model to assess the relationships between financial knowledge, financial experience, and financial skills as independent variables, financial self-efficacy as a mediating variable, and financial well-being as a dependent variable (6, 24).

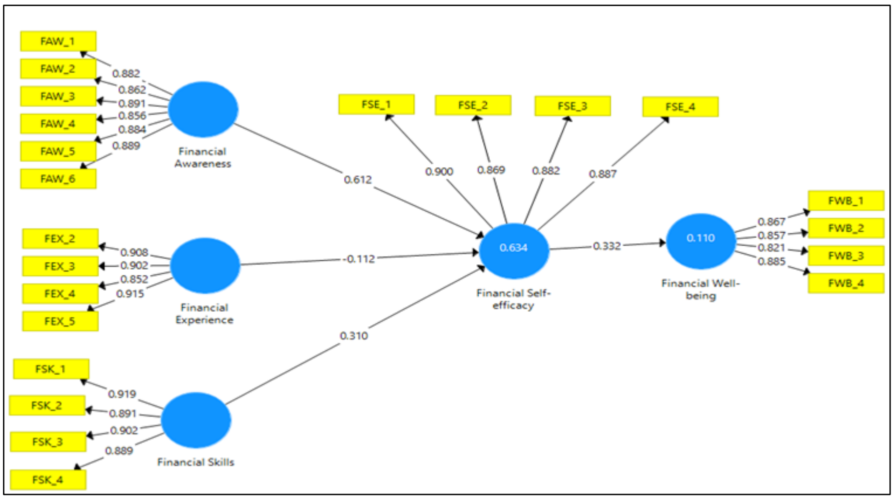

Figure 3: Path Value Analysis of Financial Well-being by X Gen

The model Figure 3 examines how financial knowledge, experience and skills indirectly contribute to financial well-being by influencing financial self-efficacy (23, 24, 27). This path analysis also examines model fit in terms of R-squared, SRMR, Chi-squared, and NFI to assess the adequacy of capturing the relationship of these variables. The path coefficients in Table 4 indicate the strength and direction of the relationships between constructs. The path coefficient of 0.612 leads to a high positive relationship. This means that greater financial awareness significantly increases financial self-efficacy. This path coefficient is -0.112 and has a weak negative relationship. This may suggest that certain types of financial experiences, particularly those with negative or stressful content, may reduce self-efficacy (4, 16). With a path coefficient of 0.310, the result shows a medium positive relationship; therefore, financial skills contribute only slightly to building self-efficacy. The fact that it showed a positive effect at 0.332 shows that self-efficacy itself plays an important role in improving the aspect of financial well-being (24, 27). The R-squared for financial self-efficacy was 0.634; this is interpreted to mean that financial self-efficacy accounts for 63.4% of the variability in financial self-efficacy when accounting for financial awareness, financial experience, and financial skills. The R-squared was pretty strong here. For financial well-being it was 0.110; financial self-efficacy accounts for 11% of the variance in financial well-being (23, 27). This is quite low, which may indicate that other determinants besides self-efficacy also play a larger role in achieving higher financial well-being.

Table 4: Path Value Measurement and Validity

	Path Coefficients					
	Financial Self-efficacy	**Financial Well-being**	**R Square**	**SRMR**	**Chi-Square**	**NFI**
Financial Well-being			0.110	0.049	847.633	0.834
Financial Self-efficacy		0.332	0.634			
Financial Experience	-0.112					
Financial Skills	0.310					
Financial Awareness	0.612					

The model fits acceptably with an SRMR of 0.049 and an NFI of 0.834. Although the model fits adequately, improvement could focus on increasing the positive impact of financial experiences on self-efficacy and further research on other determinants of financial well-being (4, 5). The positive path values for financial awareness and financial literacy indicate that interventions to improve these components can significantly improve financial self-efficacy and, indirectly, financial well-being (6). This analysis suggests to exanimate the hypothesis, while financial awareness and skills are important for improving x gen financial self-efficacy, additional variables may be required to fully account for financial well-being (1, 3, 27).

Hypothesis Testing

This research tested the formulated hypotheses using primary data collected in light of the research objectives and literature review. Primary data enabled the measurement of hypotheses after validating the validity and reliability of the constructs. This study also tests the conceptual model (Figure 3) by analyzing path values and performing model fit analysis. Figure 4 testing the hypotheses with the bootstrapping analysis using SMART PLS and received solid support for assessing the relationships within the model (31). The hypothesis investigated to the direct relation and indirect relation effect in Table 5.

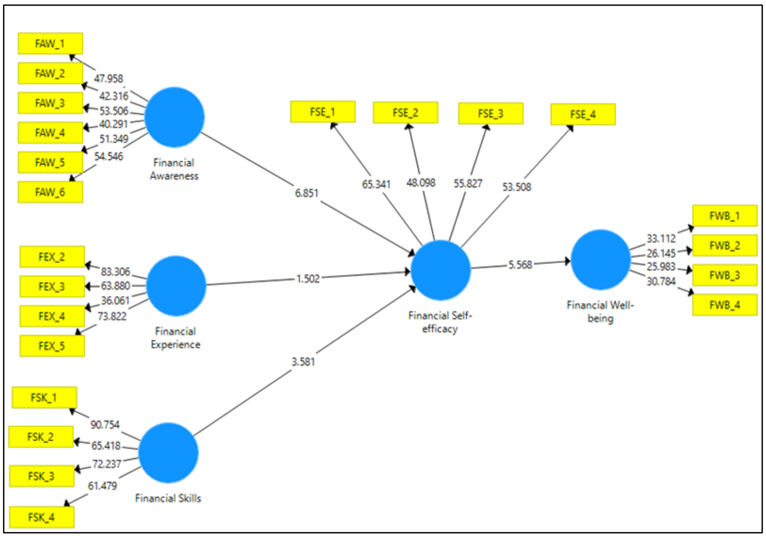

Figure 4: Boot string Analysis of Financial Wellbeing by X gen

Direct Effects

The high positive path coefficient of 0.612 indicates that a high level of financial awareness significantly increases financial self-efficacy. The T-statistic (6.851) and p-value (0.000) show that this is statistically significant at conventional levels ($p < 0.001$). This means that attempts to increase financial awareness can significantly increase individuals' confidence in managing their finances. The negative value of the path score -0.112 means that financial experience has no significant influence on financial self-efficacy. T-statistics (1.502) and p-values show that the relationship is insignificant at $p > 0.05$ in Table 5. This means that financial experience doesn't necessarily boost people's confidence. The path value of 0.310 means that financial skills have a positive and statistically significant influence on financial self-efficacy. Since the T-statistic is 3.581 and the p-value is 0.000, it is confirmed that the relationship is significant, $p < 0.001$ in Table 5. That is, improving financial skills can increase individuals' confidence in managing their finances. The positive path value for this relationship is 0.332, Table 5 showing a significant and positive relationship between financial self-efficacy scores and financial well-being. Both the T-statistic for the relationship (5.568) and the p-value on it (0.000) show a very high statistically significant relationship at values below 0.001 (27). This suggests a stronger relationship between self-efficacy in managing finances and self-efficacy related to financial well-being.

Table 5: Bootstring Analysis of Financial Wellbeing by X gen

	Original Sample	STDEV	T Statistics	P Values
Path Value				
Financial Awareness -> Financial Self-efficacy	0.612	0.089	6.851	0.000
Financial Experience -> Financial Self-efficacy	-0.112	0.074	1.502	0.133
Financial Self-efficacy -> Financial Well-being	0.332	0.060	5.568	0.000
Financial Skills -> Financial Self-efficacy	0.310	0.086	3.581	0.000
Indirect Effects				
Financial Awareness -> Financial Self-efficacy -> Financial Well-being	0.203	0.047	4.313	0.000
Financial Experience -> Financial Self-efficacy -> Financial Well-being	-0.037	0.026	1.443	0.149
Financial Skills -> Financial Self-efficacy -> Financial Well-being	0.103	0.036	2.872	0.004

Indirect Effects

The indirect effect (Table 5) implies that financial awareness indirectly increases financial well-being through financial self-efficacy. The T-statistic is highly significant at 4.313 and the p-value 0.000 and thus confirms this mediation effect, in which an increase in financial awareness indirectly increases well-being by strengthening self-efficacy. The negative indirect path value indicates that financial experience is not significantly correlated with financial well-being via self-efficacy as the p-value is 0.149, which is insignificant. It shows that financial experience alone may not lead to financial well-being. The positive indirect effect means that financial skills improve financial well-being through self-efficacy. The significant T-statistic is 2.872 and the p-value is 0.004, confirming mediation. This means that improving financial skills can indirectly lead to better financial well-being by increasing self-efficacy. However, financial experience is not closely related to self-efficacy or indirectly to well-being (3, 6). Targeted financial education and skills development programs should be of utmost importance for improving people's self-efficacy and greater financial well-being. The positive path value of 0.332 is quite significant and positive for financial self-efficacy and financial well-being. A high T-statistic of 5.568 and the p-value of 0.000 suggest that the statistical significance is quite strong at $p < 0.001$ in Table 5. Therefore, improved self-efficacy in managing finances is closely linked to improved financial well-being.

Discussion

Financial Awareness to Financial Self-efficacy

This research thus shows a strong, significant relationship between financial awareness and financial self-efficacy. The results are consistent with previous literature that reported strong support for the idea that financial awareness contributed to expanding knowledge about financial matters and was also important in developing x gen individuals' financial decision-making skills (2, 32, 33). Well-informed knowledge about financial products, interest rates, and personal financial management principles increases individuals' self-efficacy, thereby ensuring that they make more informed financial decisions (14). Therefore, efforts to improve financial literacy and awareness are necessary as they not only influence responsible financial behaviour but also empower individuals. This improves their financial well-being, as observed by (6, 16, 34). This is evidence for hypothesis H1 that improving individuals' financial performance requires increased financial awareness.

Financial Experience to Financial Self-efficacy

This is done through an analysis of financial experiences and financial self-efficacy. This suggests that, contrary to conclusions, experience in financial life does not increase a person's self-efficacy in managing their finances. Previous work literature suggests that financial experience contributes to the acquisition of practical skills but does not necessarily lead to self-efficacy (14, 16). These factors can then negate the positive influence of financial experience on self-efficacy (4, 6). Additionally, individuals may lack experience without developing the skills to make confident financial decisions, as also reported by (5, 6, 12). Therefore, experience alone may not support the development of an individual's financial self-efficacy unless it is complemented by specific financial knowledge and information that would in turn facilitate the increase in self-efficacy.

Financial Skills to Financial Self-efficacy

The analysis shows a strong positive relationship between financial literacy and financial self-efficacy. This finding supports hypothesis H3, which states that financial literacy significantly increases individuals' confidence in managing their finances. Financial skills include a range of skills such as evaluating financial reports, managing risk and diversifying investments. Stronger financial literacy boosts self-efficacy in financial management since it enables people to make more informed financial decisions (4, 5, 12). Additionally, the ability to evaluate personal financial situations and develop effective strategies increases feelings of control over financial outcomes (7, 16, 17). This creates the need to integrate financial literacy training into curricula so that younger generations can confidently manage their financial environment (4–6). The outcome of these findings would require a call for financial literacy efforts that can promote financial self-efficacy.

Financial Self-efficacy to Financial Well-being

The analysis also shows a positive relationship with a significant relationship between financial self-efficacy and financial well-being. This conclusion confirms Hypothesis H4: That is, financial self-efficacy has a direct positive influence on financial well-being. Such a conclusion is further supported by existing literature reports: those individuals who possess greater self-efficacy regarding their personal financial management are likely to achieve better outcomes regarding their finances (12, 14, 16). Citizens become more financially capable and have more control over their budgets, savings and investments, leading to even greater financial stability and satisfaction (14). The results suggest that educating citizens about personal finance is crucial to equip them with skills and confidence in solving their financial problems and that financial literacy sources would promote personal financial self-efficacy (6, 14, 16). As the financial environment continues to evolve and become more complicated, it must be empowered through financial self-efficacy so that individuals can take full control of their finances and success.

Financial Awareness with Financial Self-efficacy to Financial Well-being

When examining the interaction between financial awareness, financial self-efficacy and financial well-being, this result shows that there is a significant indirect effect of financial awareness on financial well-being and financial self-efficacy as a mediator (7, 17). This means that based on this finding, hypothesis H5 is supported that with a higher level of financial awareness and financial self-efficacy of the individual, the association should aim to develop greater financial well-being in the short term. The T-score is positive and is 4.313 with a p-value of 0.000. Financial literacy includes understanding various financial products, interest rates, and managing personal finances. This knowledge and understanding enables a person to make an informed decision (14). The more a person knows about the financial environment, in which he or she operates, the more confident the person becomes in managing his or her finances and the greater the confidence in what he or she can achieve (6). This self-efficacy leads to a virtuous cycle in which motivated individuals take the appropriate actions.

Financial Experience with Financial Self-efficacy to Financial Well-being

This would therefore reveal a negative indirect path value from financial experience to financial well-being through financial self-efficacy; This is for a p-value of 0.149, which does not provide statistical significance. Financial experience alone doesn't do much to increase financial well-being through financial self-efficacy. Financial experience is also expected to have a positive impact on self-efficacy (1, 4, 15). This may be for a variety of reasons, including because financial decision-making is viewed as a complex process and economic pressures can cloud individual financial experiences (12, 16). X Gen person with experience in finance has practical skills and abilities; However, this does not necessarily mean an increase in self-efficacy or better financial performance (13, 15). For example, a person who has experience in managing personal assets or even investing may still not be able to appropriately apply that experience to achieve stability in their financial future (6). This suggests that financial experience does not have a major impact on financial well-being; therefore, improvements in financial literacy programs should improve experiential knowledge while increasing X Gen individuals' confidence in financial self-efficacy to be competent and healthy in financial matters (11, 14, 16). Future studies need to analyse other pathways and determinants of financial well-being that go beyond these pathways of financial experience and self-efficacy.

Financial Skills with Financial Self-efficacy to Financial Well-being

The results of this study suggest that there is indeed a very significant positive indirect effect of financial literacy on financial well-being through financial self-efficacy. For example, a T-statistic of 2.872 and the corresponding p-value of 0.004 would indicate that there is a possible improvement in self-efficacy, which would result in the individual improving their financial well-being (15). This strengthens financial skills in evaluating personal financial reports and managing risk so that one can better deal with difficult financial situations (6, 7, 15). Self-efficacy also plays an important mediating role, as people who are confident in their financial performance are likely to exhibit prudent financial behaviour and make good decisions (4, 5). This is consistent with the literature showing that financial self-efficacy is one of the determinants of financial outcomes (6). Therefore, improving financial skills can play an important role in increasing people's confidence in their personal financial management, leading to greater financial well-being. This highlights the educational programs based on improving financial skills, thereby increasing people's self-efficacy and improving their financial health.

Implications

Based on the analysis, synthesis and discussion of this research, this study provides valuable social, political, theoretical and practical implications for transforming the current financial situation of Generation X (2, 13). These insights are crucial for the further transformation of financial knowledge and practices into the next generations.

Social Implications

The results of the research showed that financial literacy plays a role in improving the financial well-being of Generation X. Concerns about financial difficulties are constantly changing (11, 20). Therefore, creating financial awareness, skills and confidence in this population is an essential task. Improved financial literacy leads to more responsible decision-making and reduced vulnerabilities, as well as a clear view of the situation in a financial crisis. This brings with it an improvement in the strength of the entire community (2, 6, 12). However, the report highlights the application of educational programs that specifically focus on the financial experiences of generations helpful for their effective management, in order to create a networking environment in which these individuals can actually achieve a better level of financial health.

Policy Maker Implications

This study provides important insights for policymakers regarding the generation's level of financial literacy. Therefore, policymakers should integrate financial literacy into school and community college curricula while establishing community-based workshops tailored to the specific needs of Generation X. Collaborating with financial institutions to provide accessible resources and tools further improves financial literacy outcomes (4, 5). Additionally, to enhance financial literacy and self-efficacy among Generation X, targeted programs should address their unique financial challenges and cognitive biases. Interactive workshops focusing on debt management, investment diversification, and financial planning can be effective. Incorporating digital tools and real-time simulations can help mitigate overconfidence and promote informed decision-making. Additionally, integrating behavioral economics principles into educational initiatives can assist Gen Xers in recognizing and overcoming biases such as status quo and confirmation biases, leading to more proactive financial behaviours. In this way, financial education-based programs create an environment in which more people are well-informed and have a better sense of economic stability, making them less dependent on welfare.

Theoretical Implications

The results of this study shed more light on the financial literacy framework through empirical findings that explain the relationship between financial awareness, experience, skills and self-efficacy in determining the overall financial well-being of Generation X (13, 20, 35). This study strengthens existing financial literacy theories while calling for an approach that takes into account the unique socioeconomic and cultural context of this generation. This research also points to some gaps in current theoretical models that require detailed study of how generational differences may affect the way a person handles money matters or their level of financial literacy (6, 11, 19). The result of the research should therefore be a contribution to the refinement and further development of theories on financial literacy with the help of changed framework conditions in the financial environment.

Practical Implications

It has important practical implications for designing targeted financial literacy interventions for this generation. Accessible resources such as online courses and financial planning tools can help individuals make informed decisions regarding savings, investments and debt management (6, 11, 35). Facilitating financial counselling and tailored guidance of financial practices in emerging financial practices. It enables individuals to navigate complex financial planning and investment decisions effectively. Personalized financial counselling addresses specific financial challenges and enhances financial self-efficacy. Organizations are increasingly recognizing the value of offering financial wellness programs by The government and NABARD, NISM, etc. Such initiatives not only aid in reducing financial stress but also promote proactive financial behaviours, contributing to overall financial well-being. Create the facilities for digital education and financial skills enhancement programs accessibility. These tools often provide interactive experiences, real-time feedback, and personalized content, which can significantly improve financial literacy, self-efficacy, and financial well-being. Additionally, programs based on everyday financial scenarios can make the information more practical and applicable. In doing so, those involved can significantly improve the financial literacy and well-being of Generation X, thereby increasing economic independence and security.

Conclusion

This study attempts to determine the level of financial literacy of Generation X by examining their awareness, experience, skills, self-efficacy and overall financial well-being. This study uses a mixed methods approach to examine this area, using surveys and interviews to collect general data about the financial attitudes and behaviours of this population. The results show that these components of financial literacy have a strong association with Generation X's well-being through self-efficacy and specific practical financial skills. There are large gaps in financial literacy, which is why most subjects in this age group require skills that help them navigate complex financial landscapes. It was highlighted that improving financial literacy leads to better financial decision-making, reduces economic vulnerability and leads to improved quality of life. The implications of this research highlight the need for targeted educational programs and policy interventions aimed at improving financial literacy among Generation X to promote equitable financial outcomes and promote economic stability. Therefore, the study provides valuable insights for further research and intervention efforts to empower Generation X in financial matters. The findings therefore require collaboration between educators, policymakers and financial institutions to work well with this special population and effectively meet their unique needs.

Abbreviations

PLS: Partial Least Squares, SEM: Structure Equation Analysis, TPB: Theory of Planned Behaviour.

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Author Contributions

Each researcher was equally involved in generating ideas, analysing the data, participating in surveys, and writing the article that made this research possible.

Conflict of Interest

The authors wish to make it clear that they have no conflicts of interest to disclose, financial or otherwise.

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