

Financial Literacy, Planning and Well-Being of Women Domestic Entrepreneurs in Kerala: Mediating Role of Entrepreneurial Experience

M. Arunkumar^{1,*}, M. N. Anitha²

^{1,2}Post Graduate and Research Department of Commerce, Maharaja's College, Ernakulam, Kerala, India.
523arunkumar@gmail.com¹, anitamaharajas@gmail.com²

*Corresponding author

Abstract: Women in Kerala who are self-employed as domestic entrepreneurs play an important part in the economy of the state, making a substantial contribution to the income of households and the growth of communities. There is a substantial disparity in the financial literacy, financial planning, and overall financial well-being of women domestic entrepreneurs in Kerala, despite their crucial role in their local community's economy. This study aims to examine the unique financial literacy levels, planning habits, and financial well-being of women domestic entrepreneurs in Kerala and to fill this gap by offering an in-depth analysis of these factors. Researchers should also investigate the role that entrepreneurship expertise plays as a mediator. A structured questionnaire was used to collect primary data from 600 self-employed women in Kerala. The data was collected by stratified random sampling. The study's findings demonstrated that their financial literacy and planning techniques strongly influence the financial well-being of female entrepreneurs. These individuals' great financial well-being can be partly attributed to their experience in the entrepreneurial field. In conclusion, it has the potential to offer guidance on theoretical and managerial perspectives for ongoing research and future businesses.

Keywords: Financial Literacy; Women Entrepreneurs; Financial Planning; Financial Well-Being; Entrepreneurial Experience; Domestic Entrepreneurs; Debt Management; Substantial Disparity.

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1. Introduction

The Women domestic entrepreneurs in Kerala are a dynamic and integral part of the state's economy, driving growth, creating jobs, and fostering grassroots innovation. These entrepreneurs, who often run small-scale businesses from home, face unique challenges and opportunities. While their contributions are invaluable, they are frequently impeded by a lack of financial literacy, which is essential for sustainable business operations and personal financial well-being [55]. Financial literacy is the ability to understand and effectively use financial skills, including personal financial management, budgeting, and investing. For women domestic entrepreneurs, financial literacy encompasses knowledge of financial products and services, the ability to make informed financial decisions, and the skills to manage business and household finances efficiently. Despite its importance, financial literacy among women entrepreneurs in Kerala remains insufficient, affecting their capacity to sustain and grow their businesses. The significance of financial literacy for women entrepreneurs cannot be overstated. Financially literate entrepreneurs are better equipped to create and adhere to budgets, manage cash flows, and plan for future financial needs. They can make informed investment decisions, ensuring their businesses grow and remain competitive.

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Moreover, understanding credit and debt management enables them to access the financial resources they need without falling into unmanageable debt. Financial literacy also empowers them to navigate the complexities of the financial system, from understanding interest rates and inflation to making sound decisions regarding loans and savings. In Kerala, women domestic entrepreneurs play a vital role in the local economy, contributing significantly to household incomes and the broader economy. However, despite their contributions, these entrepreneurs often face substantial challenges that hinder their financial well-being. Central to these challenges is inadequate financial literacy, which encompasses the knowledge and skills required to make informed and effective financial decisions. Financial literacy encompasses key concepts such as budgeting, saving, investing, debt management, and financial planning, all of which are crucial for achieving financial stability and growth. Prior research found that the financial literacy gap among women domestic entrepreneurs in Kerala manifests in several ways. Many lack basic financial knowledge, such as how to manage income and expenses, which prevents them from creating and adhering to budgets [44]. This deficiency can lead to mismanaged finances, with earnings not optimally utilized and expenses not effectively controlled. Without proper budgeting skills, these entrepreneurs often struggle to save adequately, leaving them without a financial cushion for emergencies or investment opportunities. Furthermore, investing remains an area where many women entrepreneurs feel uncertain. The principles of investing, including understanding risk and return, diversification, and the types of available investment vehicles, are often poorly understood. This lack of understanding can result in either overly cautious behaviour, which misses potential growth opportunities, or overly risky decisions that jeopardize their financial security [39].

Effective investment strategies are crucial for business growth and long-term financial stability, but without the necessary literacy, many women entrepreneurs remain out of reach. Financial planning, including setting financial goals and developing plans to achieve them, is fundamental for long-term success. However, the lack of financial literacy means that many women entrepreneurs do not engage in effective financial planning [1]. This absence of planning results in a lack of preparedness for future financial needs, such as retirement, business expansion, or educational expenses for their children. Without a clear financial plan, these entrepreneurs are vulnerable to financial instability and are less likely to achieve long-term financial well-being. Compounding these issues is the cultural and socio-economic context of Kerala, where women often have limited access to financial education and resources tailored to their specific needs [57]. Existing financial education programs may not address the unique challenges faced by women domestic entrepreneurs, such as balancing business and household responsibilities or overcoming gender-based barriers in accessing financial services. Additionally, entrepreneurial experience equips entrepreneurs to recognize and respond to emerging opportunities in uncertain, dynamic environments. This adaptive capacity is particularly valuable in resource-constrained contexts, where women entrepreneurs must navigate complex financial systems. Despite the significant contributions of women domestic entrepreneurs to Kerala's economy, there is a notable lack of comprehensive research on the intersection of financial literacy, financial planning, and financial well-being specific to this group.

While general studies on financial literacy and entrepreneurship abound, they often fail to account for the unique socio-economic and cultural contexts that shape the experiences of women domestic entrepreneurs in Kerala. This oversight presents a critical gap in understanding the specific financial challenges and needs of these women [40]. Existing research has extensively examined financial literacy across broader populations and various demographic segments, including gender-specific studies that highlight the financial literacy gap between men and women [3]; [7]. However, few studies focus on women who operate home-based businesses, particularly in Kerala. These entrepreneurs face distinct challenges, including balancing household responsibilities with business operations, limited access to formal financial education, and gender biases in accessing financial resources [34]. The interplay of these factors with financial literacy and planning has not been adequately explored [57]. The research gap lies in the lack of focused studies on the financial literacy, planning, and well-being of women domestic entrepreneurs in Kerala. Addressing this gap requires targeted research that considers their unique socio-economic contexts and develops tailored interventions to support their financial empowerment and business success. Prior literature has examined the mediating role of entrepreneurs' experience in relation to the financial well-being of women entrepreneurs. This study aims to explore the financial literacy levels among these entrepreneurs, understand the challenges they face, and identify effective interventions to enhance their financial capabilities. Based on these research goals, the following research questions have been framed:

- How do financial literacy and financial planning impact the financial well-being of women domestic entrepreneurs in Kerala?
- Does entrepreneurial experience play a mediating effect on proposed causal relationships?

2. Literature Review

Women entrepreneurs' adoption of digital financial instruments and mobile banking platforms can be better understood using the Technology Acceptance Model (TAM) [16]. TAM asserts that perceived utility and usability significantly impact

technology adoption. In terms of financial literacy, women are more likely to engage in prudent financial planning when they believe digital tools are beneficial and easy to use. By incorporating social influence and enabling conditions, the Unified Theory of Acceptance and Use of Technology (UTAUT) builds on TAM and broadens our understanding of technology adoption. Access to supporting infrastructure and community support can be essential for women home entrepreneurs to adopt financial technologies, particularly in semi-urban and rural Kerala. According to Siemens' connectivism theory [19], online communities and digital networks are crucial for learning and knowledge sharing. According to this hypothesis, social media groups, online learning environments, and unofficial peer networks can help women entrepreneurs become more knowledgeable and better able to make better financial decisions [10]. These theories offer a strong foundation for investigating how planning practices and financial literacy change and impact the financial health of female domestic entrepreneurs. They highlight how technology use, social structures, learning networks, and human agency interact to improve the financial situation of Keralan women entrepreneurs [58].

2.1. Financial Well-Being

Financial well-being is defined as a state in which a person can fully meet current and future financial obligations, feels secure about their financial future, and has the freedom to make financial decisions that enhance their quality of life [13]. According to Joo [50], financial well-being is the state of being financially healthy, happy, and free from worry. Millions of people's physical and mental health, especially those of low-income entrepreneurs, have been severely impacted by the economic conditions and financial setbacks following the COVID pandemic [12]. For low-income entrepreneurs and the growth of small firms, financial well-being is essential. On the one hand, self-employed people, small business owners, and micro-entrepreneurs might not be able to access employment-based social benefit programs; therefore, they require an additional safety net for unexpected expenses [9]. For low-income and financially vulnerable groups in particular, a lack of credit and access to a variety of financial services (such as banking, tax and accounting services, insurance, and financial counselling) poses a significant financial obstacle to small-scale/micro-entrepreneurship [48]; [5]. The significance of financial literacy, prudent money management, and the building of personal and collective resilience was underlined. However, people with numerous health conditions who have poor financial well-being can manage their status through investing and saving, rather than simply giving up on changing their circumstances. As a result, people who engage in impulsive-compulsive behaviour frequently experience financial difficulties, which can negatively impact their overall financial well-being [35]. Thus, it is now more crucial than ever to comprehend financial well-being.

2.2. Financial Literacy

Financial literacy is a multidimensional construct encompassing knowledge, skills, attitudes, and behaviours essential to making informed financial decisions. This concept is rooted in various theoretical foundations that explain how individuals acquire financial understanding and apply it in real-life scenarios [18]. At its core, financial literacy is underpinned by Human Capital Theory, which posits that individuals can enhance their productivity and life outcomes through investments in education and skill development. In this context, financial literacy is viewed as a critical form of human capital that equips individuals with the necessary competencies to manage their finances effectively. Financial literacy is the capacity to comprehend and apply a range of financial skills, including investing, budgeting, and personal financial management [56]. Financially literate people are better able to become self-sufficient and attain financial security. The ability to use and apply financial knowledge, such as legal, numerical, and descriptive information, is one of the conceptual terms of financial literacy that have been analyzed in the specialized literature [8]. According to national research, financial literacy indicates that the general public has extremely poor awareness and understanding of financial issues worldwide [8]. Women's economic security may be at greater danger due to their generally lower level of personal finance knowledge compared to men. Research indicates that the gender gap in financial literacy is statistically insignificant in former East Germany and higher in former West Germany; nevertheless, data do not indicate a statistically significant disparity in a former communist nation such as Russia [36]. According to Hu et al. [33], women also had lower levels of financial market awareness, suggesting that lower financial understanding is associated with higher mortgage payments.

2.3. Financial Planning Practices

Financial planning plays a pivotal role in ensuring long-term financial stability and sustainability for women entrepreneurs. The financial planning process among women entrepreneurs generally follows a structured approach. As outlined by Russell et al. [35] and supported by Hallman and Rosenbloom [20], it begins with assessing the current financial position and identifying specific financial objectives. Women entrepreneurs then explore alternative strategies to achieve their goals, implement the chosen course of action, and continually monitor outcomes. This dynamic process ensures flexibility and adaptability in the face of changing market and personal conditions [26]. Financial education helps promote household financial planning [41]. The research findings of Hilgert et al. [30], Robb and Woodyard [11] and Xiao et al. [27] revealed that financial knowledge is strongly linked to personal financial behaviour, as more knowledgeable individuals are found to be more responsible in personal

financial affairs. Lusardi and Mitchell [6] reported a significant positive relationship between retirement planning and financial well-being: those who are confident in their financial knowledge engage in more financial planning. A Person who lacks financial well-being will not be able to make a good retirement plan [6].

2.4. Entrepreneurial Experience

From one perspective, entrepreneurial experience equips entrepreneurs to recognize and respond to emerging opportunities in uncertain, dynamic environments. This adaptive capacity is particularly valuable in resource-constrained contexts, where women entrepreneurs must navigate complex financial systems [32]. Entrepreneurial experience fosters the development of financial competencies by exposing individuals to prior challenges, decision-making scenarios, and budgetary constraints, thus improving their understanding of core financial principles such as cash flow management, investment evaluation, and credit use. As such, accumulated experience supports the development of financial literacy—a critical foundation for sound financial planning [51]. An entrepreneurial experience helps expand social networks with customers, suppliers, financiers, and stakeholders. These networks are vital channels for accessing market information and financial knowledge, thereby further enhancing the entrepreneur's ability to make informed financial decisions [15]. Through experiential learning, women entrepreneurs can refine their planning processes, anticipate financial risks, and implement forward-looking strategies that align with both their short-term operational needs and long-term business goals. Prior studies have consistently recognized that entrepreneurial experience plays a critical role in entrepreneurial success—not only in shaping the trajectory of an entrepreneur's career but also in influencing the long-term sustainability of the ventures they establish [17].

2.5. Hypotheses Development

The relationship among financial literacy, financial behaviour, and investor attitude is mutually reinforcing. Grover et al. [21] found that financial literacy influences investment behaviour, with investor attitude acting as a key mediating factor. Motivations for women to engage in entrepreneurship, such as the desire for financial independence, family security, and self-fulfilment, suggest that financial literacy closely aligns with their entrepreneurial goals. However, despite their potential, women entrepreneurs often encounter systemic challenges [45]; [52]. Empowerment strategies such as entrepreneurship development programs (EDPs), support from self-help groups, and mentorship networks are essential for bridging gaps in financial awareness and access. Studies such as those by Chinen and Endo [29] reported that nearly half of Japanese respondents did not feel confident managing their finances, which correlated with lower financial literacy scores. However, those with higher financial literacy—especially regarding savings accounts, fixed deposits, mutual funds, and public provident funds—were more inclined toward proactive and successful financial planning. Mathivanan and Mohanaranjani [46] noted that women have begun transitioning from traditional saving avenues, such as bank deposits and gold, to more diversified, market-linked investment options, including mutual funds, stocks, and bonds. As emphasised by Oseifuah [14], Huston [49], and McCormick [31], embedding financial literacy and entrepreneurial education in secondary and tertiary curricula can substantially benefit women-led micro, small, and medium enterprises (MSMEs) by promoting long-term financial well-being. Hence, the following hypotheses are proposed:

- **H1:** Financial literacy influence on financial well-being.

The research indicates that financial literacy levels among Indian citizens remain low, posing a challenge to effective financial planning. This literacy gap underscores the importance of regulatory interventions and educational initiatives to enhance financial awareness, especially among women entrepreneurs who may lack formal finance training [38]. As personal incomes rise, the demand for trustworthy investment advice and financial planning services increases, further emphasizing the role of financial consultants in bridging this literacy gap [47]. As financial systems evolve and investment avenues become increasingly complex, the need for structured financial planning is more pressing than ever. Women entrepreneurs, navigating both the professional and personal spheres, benefit significantly from such planning frameworks, which allow them to set clear goals, allocate resources effectively, and mitigate financial risks. The rise of dual-income families and increased female workforce participation has further underscored the importance of financial planning for women [53]. Hair et al. [25] evaluated whether a person's financial literacy influences their retirement planning and, consequently, their financial well-being using basic mathematical finance concepts. Research shows that income alone may have a limited impact on financial well-being. Studies increasingly demonstrate that how people manage their money significantly affects their financial satisfaction. Research has found that financial stress from poor money management directly impacts overall well-being [37]. People who save and invest for their future consistently report greater life satisfaction than those with similar incomes who save less. Hence, the following hypotheses are proposed:

- **H2:** Financial planning impact on financial well-being.

The accumulation and effective use of entrepreneurial experience enhances women entrepreneurs' knowledge base. This expanded knowledge structure becomes especially critical at different stages of business development. In the early stages, women entrepreneurs often rely on tacit knowledge gained from past ventures, informal learning, and trial-and-error. By reflecting on prior entrepreneurial experiences, they are better equipped to manage uncertainty, identify market trends, and seize emerging opportunities—such as accessing microfinance schemes, leveraging digital platforms, or navigating gender-specific financial constraints [42]. Recent studies also point to the role of entrepreneurial competitions and startup activities as meaningful experiential learning platforms that simulate real-world financial decision-making [22]. These experiences can deepen financial knowledge and increase the individual's confidence in applying financial concepts practically, thereby improving the quality and impact of their financial behaviour on long-term financial well-being [54]. According to social learning theory, personal successes in entrepreneurship reinforce self-efficacy and behavioural consistency, while failures can diminish confidence [2]. For instance, individuals who have engaged in entrepreneurship often report stronger financial planning habits, better credit management, and a deeper understanding of financial tools. Their lived experience shapes realistic expectations and strategies that can moderate the impact of their financial behaviours on their perceived financial well-being. Entrepreneurial experience serves as experiential capital that enhances one's ability to manage financial resources effectively [28]. Just as higher education contributes to aspirations for growth and recognition of opportunity, entrepreneurial experience equips individuals with problem-solving skills and decision-making capacity that influence how financial behaviours are translated into positive financial outcomes (Figure 1). Hence, the following hypothesis has been proposed:

- **H3:** Entrepreneurial experience mediates the relationship between financial literacy and financial well-being.
- **H4:** Entrepreneurial experience mediates the relationship between financial planning and financial well-being.

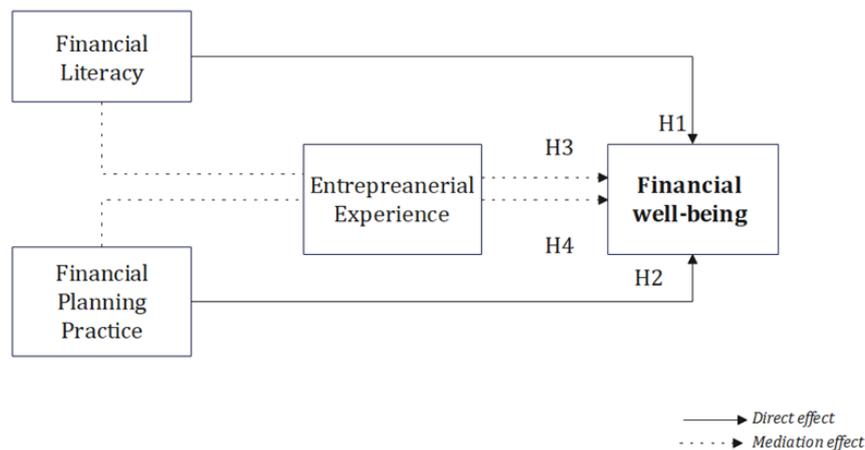


Figure 1: Proposed framework

3. Research Methodology

A quantitative study is a research approach that explains a situation by collecting and analyzing numerical data using statistical methods. This study used a descriptive research design to analyze the demographic characteristics of women entrepreneurs in Kerala. The study employed an explanatory research design to analyse opinions regarding financial behaviours among women entrepreneurs in Kerala. The primary data were collected directly from women domestic entrepreneurs in Kerala using a structured, standardized questionnaire. The questionnaire was designed to capture detailed insights into participants' financial literacy, financial planning practices, and overall financial well-being. The data collection targeted women engaged in home-based or domestic enterprises across different regions of Kerala, including those affiliated with local entrepreneurship networks or industry associations. In both urban and rural locations, these women are involved in small-scale or home-based business ventures. In this study, stratified random sampling was employed to ensure adequate representation across key subgroups of the target population, recognizing the diversity among women domestic entrepreneurs in Kerala in terms of region, sector, and entrepreneurial characteristics. The development of a questionnaire for a study focused on financial literacy, planning, and well-being was a strategic process that involved several steps.

The questionnaire was designed based on the study goals and target population, followed by careful construction of question formats, response options, and phrasing. The final stage involved determining the optimal sequence of questions for coherence and logical flow. The measurement scale for the constructs in the conceptual model (Figure 1) was adapted from existing empirical studies. Respondents were asked to rate statements related to each construct on a 5-point Likert scale ranging from 1

(strongly disagree) to 5 (strongly agree). The scale for assessing financial literacy was based on the previous work of Potrich et al. [4] and included 9 measurement items. Financial planning practices were evaluated using the organisational commitment scale developed by Grable [24], comprising 6 measurement items. Entrepreneurial experience was measured using a scale adapted from Hallak et al. [43]. It consisted of 5 items, while financial well-being was assessed using a 6-item scale from Morris et al. [32]. After completing data collection, the final sample size for the study was determined to be 600, which was deemed valid for analysis. The collected data were cleaned, edited, and analyzed using multivariate statistical techniques in SPSS. These techniques included descriptive statistics, reliability testing using Cronbach's alpha coefficient, confirmatory factor analysis (CFA), and structural equation modelling (SEM).

4. Results

The respondents' demographic characteristics are shown in Table 1.

Table 1: Descriptive analysis

Particulars	Categories	Frequency	(%)
Age	Below 25	70	11.7
	25 -34	202	33.7
	35 – 44	166	27.7
	45 – 54	114	19.0
	Above 55	48	8.0
Education qualification	Primary	90	15.0
	Secondary	225	37.5
	UG	192	32.0
	PG	65	10.8
	No formal Education	28	4.7
Years of Entrepreneurial Experience	< 1 year	64	10.7
	1 – 3 years	235	39.2
	4 – 7 years	195	32.5
	8+ years	106	17.7
Type of Business	Manufacturing and Production	261	43.5
	Trade and Retail	82	13.7
	Service	175	29.2
	Others	82	13.7

Most respondents are young and middle-aged entrepreneurs, with 33.7% aged 25-35 years. Around 37.5% of entrepreneurs have secondary education, and 32% have completed graduation, indicating a moderate level of educational attainment (Table 2).

Table 2: Reliability and validity analysis

Constructs	Cronbach's Alpha (CA)	Composite Reliability (CR)	Average-Variance-Extracted (AVE)
Financial literacy	0.72	0.737	0.667
Financial planning practices	0.77	0.805	0.521
Financial well-being	0.801	0.731	0.516
Entrepreneurial experience	0.719	0.812	0.59

In terms of experience, 39.2% have less than 3 years of entrepreneurial experience, followed by 32.5% with 4-7 years, indicating a dominance of early- to mid-stage entrepreneurs. Manufacturing and production is the most common type of business (43,5%).

Table 3: Discriminant validity

Constructs	FL	FPB	FWB	EE
Financial literacy (FL)	0.685			
Financial planning practices (FPB)	0.269	0.856		

Financial well-being (FWB)	0.412	0.693	0.632	
Entrepreneurial experience (EE)	0.317	0.506	0.442	0.732

The data's reliability was assessed using Cronbach's alpha, average variance extracted, and composite reliability. The values fall within the accepted limits, supporting the reliability of the scales used in the study [23]. Average variance explained, and convergent validity measures are all within the range – AVE is greater than 0.50, Cronbach's greater than 0.7, and CR is greater than 0.70. CR values are greater than AVE (Table 4) [25].

Table 4: Hypothesis testing

Dependent Variable	Predictor	Estimate	S.E.	C.R.	P-value
Financial well-being	Financial literacy	0.503	0.053	9.522	***
Financial well-being	Financial planning practices	0.538	0.068	7.864	***

*Notes: *** denotes p < 0.001 significant value.*

The standardised loadings were all greater than 0.50. Table 3 presents the discriminant validity assessment using the Fornell-Larcker criterion, which compares the square root of the Average Variance Extracted (AVE) for each construct (diagonal values in bold) with the inter-construct correlations (off-diagonal values).

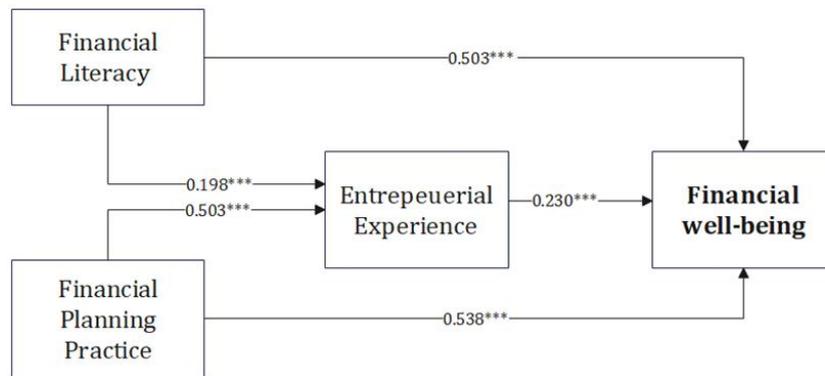


Figure 2: Structural path estimates

For discriminant validity to be established, the square root of AVE should be higher than the correlations between that construct and all others. All constructs meet this criterion, indicating good discriminant validity. For instance, financial planning practices (FPB) have a square root of AVE of 0.856, which is higher than its correlation with other constructs, such as financial well-being (0.693) (Table 5).

Table 5: Mediation analysis

Independent Variable	Mediator	Dependent Variable	Direct Effect (β / p)	Indirect Effect (via Mediator)	Total Effect	Mediation Type
Financial literacy	Entrepreneurial experience	Financial well-being	β = 0.503, p = 0.000	β = 0.198 × 0.230 = 0.0456, p < 0.001	Significant	Partial Mediation
Financial planning practices	Entrepreneurial experience	Financial well-being	β = 0.538, p = 0.000(NS)	β = 0.503 × 0.230 = 0.116, p < 0.001	Significant	Partial Mediation

Table 4 shows the results of hypothesis testing. Financial literacy significantly influences financial well-being (β = 0.503, p < 0.001), suggesting that financially well-literate entrepreneurs achieve higher levels of financial well-being. Financial planning practices significantly influence financial well-being (β = 0.538, p < 0.001), implying that entrepreneurs who are more aware of and follow financial planning practices would achieve higher levels of financial well-being. Hence, H1 and H2 are accepted. Figure 2 shows the path estimates for the proposed causal relationships. The results show that the direct effects of financial literacy and financial planning practices on financial well-being are statistically significant (p-value = 0.000). The indirect

effects, mediated by entrepreneurial experience, are also statistically significant. These results demonstrate partial mediation, indicating that the effects of financial literacy and financial planning practices on financial well-being are partially channelled through entrepreneurial experience. The study emphasises the importance of experiential factors as mediators of financial behaviour, suggesting that a combination of adequate financial literacy and financial planning practices, along with experience, could enhance financial well-being.

5. Discussion

The results of this study provide strong empirical evidence on the role of financial literacy and financial planning practices in enhancing entrepreneurs' financial well-being. The statistical results indicate that financial literacy has a significant positive influence on financial well-being ($\beta = 0.503$, $p < 0.001$), which suggests that entrepreneurs who possess a higher level of financial knowledge, such as understanding budgeting practice, savings, investment, debt management and financial risk, are more capable of making informed financial decisions. This literacy definitely led to improved financial stability and satisfaction. This finding aligns with prior studies that emphasize financial literacy as a critical factor in individual and entrepreneurial financial well-being [7]. Likewise, financial planning practices were found to have a stronger, significant positive effect on financial well-being ($\beta = 0.538$, $p < 0.001$). This result implies that entrepreneurs who actively engage in financial planning activities, such as goal setting, saving and planning, cash flow management, and future-oriented investment decisions, are more likely to achieve higher financial well-being. Financial planning enables entrepreneurs to anticipate uncertainties, manage business and personal finances effectively and maintain long-term financial security. Further analysis of mediation effects reveals that entrepreneurial experience partially mediates the relationships between financial literacy and financial planning practices, and between financial literacy and financial well-being.

The statistically significant indirect effect indicates that while financial literacy and planning practices directly enhance financial well-being, their impact is also partly transmitted through entrepreneurial experience. This partial mediation suggests that experience strengthens the practical application of financial knowledge and planning skills. Entrepreneurs with greater experience are better positioned to translate financial knowledge into effective financial decisions, as they learn from past successes and failures, market fluctuations and real-world financial challenges. Experience enables entrepreneurs to refine their financial judgements, improve risk assessment and adapt financial strategies to changing business environments. Financial literacy and planning practices alone may not fully maximize financial well-being unless they are complemented by hands-on entrepreneurial experience. Hence, this study contributed to the financial well-being literature by demonstrating that entrepreneurial experience acts as a meaningful behavioural mechanism through which financial literacy and financial planning practices influence financial well-being. The results highlight that policies and training programs aimed at improving entrepreneurs' financial well-being should not only focus on enhancing financial knowledge and planning skills but also emphasise experiential learning, mentoring, and practical exposure. Such an integrated approach can lead to more resilient financial behaviour and improved long-term financial well-being among entrepreneurs.

6. Implication and Conclusion

6.1. Theoretical Perspective

This research makes significant contributions to the literature on entrepreneurial financial behaviour and financial well-being. While previous research has independently examined financial literacy and financial planning practices as predictors of financial outcomes, limited attention has been given to the mechanisms by which these factors translate into enhanced financial well-being, particularly in entrepreneurial contexts. Addressing this gap, the present study empirically demonstrated how financial literacy and financial planning practices directly and indirectly influence entrepreneurs' financial well-being, with entrepreneurial experience acting as a partial mediator. By integrating financial knowledge, financial behaviour and experiential learning into a single explanatory framework, this research advances existing research by highlighting the complementary role of experience in strengthening the impact of financial literacy and planning practices. The findings provide fresh empirical evidence that financial well-being is not solely driven by knowledge or planning in isolation but is shaped through their interaction with real-world entrepreneurial experience.

6.2. Managerial Perspective

Based on empirical findings, the study offers several important managerial and policy-related implications. First, the strong positive effect of financial literacy on financial well-being suggests that entrepreneurs who possess sound financial knowledge are better equipped to manage resources, control debt, assess financial risks, and make informed investment decisions. Therefore, policymakers, financial institutions and entrepreneurship development agencies should prioritize financial literacy training programs tailored to the specific needs of entrepreneurs. The stronger influence of financial planning practices on well-being highlights the importance of encouraging disciplined financial behaviour. Entrepreneurs should be guided to actively

engage in goal-oriented financial planning, which includes budgeting, savings, planning, cash flow monitoring, and long-term investment strategies. Business support organizations and incubators could play a key role by offering practical financial planning tools, workshops, and advisory services to help entrepreneurs integrate planning into their daily business operations. The partial mediating role of entrepreneurial experience emphasized the importance of experiential learning. Financial education initiatives should not remain purely theoretical: instead, they should incorporate mentoring, case-based learning, simulations, and real-world exposure. Experienced entrepreneurs can serve as mentors to help less experienced entrepreneurs apply financial knowledge in dynamic, uncertain business environments. Such initiatives can strengthen financial judgement, improve risk assessment and enhance long-term financial resilience.

6.3. Future Directions

The findings of this study open several avenues for future research in the domain of entrepreneurial finance and financial well-being. First, future studies could improve generalizability by examining entrepreneurs from different regions, industries, and stages of business development. Longitudinal research designs may help capture how financial literacy, planning practices, and experience interact over time to influence financial well-being. Second, future research could incorporate additional mediating or moderating variables, such as financial self-efficacy, risk tolerance, access to financial services, or digital financial literacy, to further refine the model's explanatory power. Qualitative approaches, including in-depth interviews and case studies, may also provide richer insights into how entrepreneurs perceive and apply financial knowledge in real-life decision-making contexts. In conclusion, this study provides robust empirical evidence that financial literacy and financial planning practices are crucial for enhancing entrepreneurs' financial well-being. The findings confirm that financially knowledgeable entrepreneurs who actively plan their finances are more likely to achieve higher financial stability and satisfaction. Importantly, the study demonstrates that entrepreneurial experience partially mediates these relationships, indicating that experience strengthens the practical application of financial knowledge and planning skills. Finally, the study contributes to theory and practice by emphasizing that improving entrepreneurs' financial well-being requires an integrated approach that combines financial education, structured financial planning, and experiential learning. Such a holistic strategy can foster more resilient financial behaviour and support sustainable entrepreneurial success.

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