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FINANCIAL BEHAVIOR MEDIATES MONEY ATTITUDE AND FINANCIAL WELL-BEING: EVIDENCE FROM SMES IN WEST SUMATRA

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Abstract

Financial well-being is essential for ensuring the sustainability of small and medium enterprises (SMEs), particularly in emerging economies such as Indonesia. In West Sumatra, where SMEs play a dominant role in regional economic activity, understanding the determinants of financial well-being becomes increasingly important. This study empirically examines the effect of money attitude on financial well-being, with financial behavior serving as a mediating variable. The study employed a purposive sampling technique and collected data from 178 SME owners in West Sumatra. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that money attitude significantly affects financial well-being and that financial behavior partially mediates this relationship. These findings highlight the importance of behavioral mechanisms in translating positive attitudes toward money into improved financial well-being among SMEs. The study contributes to the behavioral finance literature by providing empirical evidence from an emerging regional context.

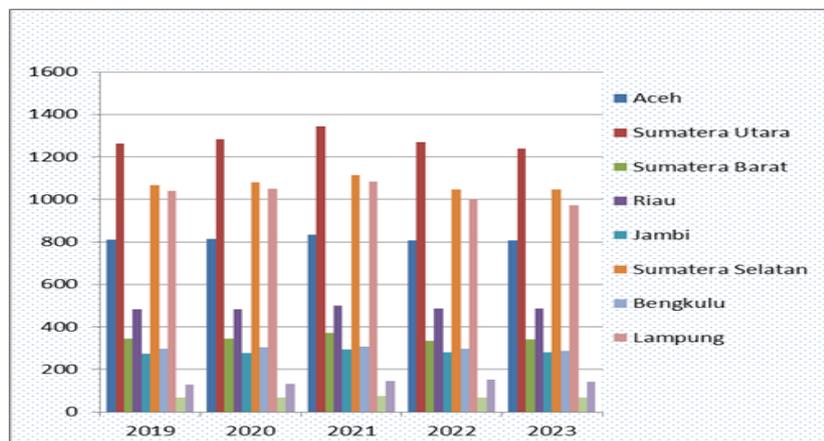
INTRODUCTION

The phenomenon of financial well-being among small and medium enterprises (SMEs) reflects complex challenges and opportunities within the context of the global economy (Mahdzan et al., 2023; Anggraini et al., 2022). Dynamic changes in markets, regulations, and technology continuously influence SMEs' capacity to survive and grow. Castro-González et al. (2020) argue that, on the one hand, governments and supporting institutions have intensified efforts to provide SMEs with financial resources, training, and market access. On the other hand, SMEs remain vulnerable to market volatility, intense competition, and shifting consumer behavior. Therefore, enhancing SMEs' financial well-being requires comprehensive strategies encompassing innovation, adaptability, and strong partnerships with multiple stakeholders (Sabri et al., 2024; Anggraini et al., 2023).

This phenomenon aligns with the empirical condition of SMEs in Indonesia, where the financial well-being of business owners remains relatively low. According to the National Financial Literacy and Inclusion Survey conducted by the Otoritas Jasa Keuangan (OJK, 2022), the financial literacy rate among SME owners reached only 49.5%, lower than the national average of 65.6%, while the financial inclusion rate stood at 83.9%. These figures indicate that although most SME owners have access to formal financial services, they have not fully utilized



them to manage their finances effectively and sustainably. At the regional level, data from Badan Pusat Statistik (2023) show that approximately 65% of SMEs in West Sumatra still rely on informal financing sources, and only 23% maintain regular financial records. This condition reflects the weak implementation of sound financial behaviors, including financial planning, budgeting, and record-keeping practices. Consequently, many SME owners struggle to maintain stable cash flows and cope with economic uncertainty, which directly constrains their financial well-being. Thus, the claim that financial well-being has not been effectively implemented among SMEs in West Sumatra is supported by strong empirical evidence.



Source: <https://sumbar.bps.go.id/2019-2023>

Figure 1.
Number of Poor People on the Island of Sumatra

According to the national survey conducted by Badan Pusat Statistik (BPS), as illustrated in Figure 1, the number of people living in poverty in West Sumatra Province reached approximately 340 thousand in 2023. This figure declined from 371 thousand in 2021 but remained slightly higher than the 335 thousand recorded in 2022. These fluctuations highlight persistent socio-economic vulnerabilities that directly affect the growth and sustainability of small and medium enterprises (SMEs), positioning SMEs as a strategic instrument for poverty alleviation in Indonesia, particularly in West Sumatra. Sabri et al. (2020) emphasize that achieving financial well-being requires disciplined and prudent financial management. Developing positive financial behaviors such as consistent saving habits, rational expenditure allocation, and responsible money management is essential for improving financial stability, especially among individuals of productive age (15–64 years).

The improvement of SME financial well-being is influenced by several supporting factors, including money attitude (Sabri et al., 2020; Anggraini et al., 2024). Money attitude refers to individuals' psychological orientation toward money, which shapes financial decision-making and consumption patterns, ultimately affecting economic stability. Prior studies indicate that attitudes toward money significantly influence spending habits, saving behavior, and the achievement of long-term goals (Sabri et al., 2021). A disciplined financial mindset is closely associated with effective financial control and sound financial management practices (Castro-González et al., 2020; Kamaliah et al., 2024). Financial behavior, in turn, represents the observable actions through which individuals manage and allocate financial resources, including budgeting, planning, and responsible decision-making (Dilasari, 2020; Chavali et al., 2021). Consequently, financial behavior functions as a critical determinant of SME financial well-being.

This study is important because no prior research in Indonesia has explicitly positioned financial behavior as a mediating variable in the relationship between money attitude and financial well-being. Existing studies have primarily examined the direct effects of these

variables on financial well-being, without investigating the underlying behavioral mechanisms that link them. For instance, Elgeka and Querry (2021) explored the formation of financial well-being among migrant students in Surabaya, while Renaldo et al. (2020) identified determinants of financial well-being in Pekanbaru. Similarly, Margarita Ekadjadja (2021) analyzed the effects of financial attitude, financial behavior, and financial literacy on financial well-being in Jakarta. In North Sumatra, Artha Aulia and Wibowo Adi (2023) examined the influence of financial literacy, financial planning, financial behavior, and financial inclusion on financial well-being. However, none of these studies conceptualized financial behavior as a mediating mechanism linking money attitude to financial well-being, particularly within the SME context. Therefore, this study contributes to the literature by offering a theoretically grounded explanation of how self-regulation and an entrepreneurial mindset shape attitudes toward money and ultimately enhance financial well-being among SME owners in West Sumatra.

From a theoretical standpoint, a research gap persists because most prior studies have examined the direct relationship between money attitude and financial well-being without incorporating the behavioral mechanism that connects the two constructs. Drawing upon Theory of Planned Behavior, individual behavior is shaped by attitudes, subjective norms, and perceived behavioral control. In financial contexts, financial behavior can be conceptualized as the practical manifestation of money attitude, translating psychological orientation into concrete financial actions such as saving, budgeting, and financial planning. Similarly, the Behavioral Life Cycle Hypothesis posits that financial well-being depends on how individuals regulate consumption, savings, and asset allocation over their life cycle processes fundamentally driven by financial behavior. Therefore, financial behavior is theoretically justified as a mediating variable that explains how money attitude contributes to financial well-being.

This study addresses an important gap in the Indonesian context, as no prior research has explicitly positioned financial behavior as a mediator in the relationship between money attitude and financial well-being among SMEs. While previous studies in various Indonesian cities have explored direct relationships among these variables, they have not tested the mediating mechanism. By focusing on SMEs in West Sumatra, this study contributes to the literature by providing a theoretically grounded and empirically tested explanation of how entrepreneurial mindset and self-regulatory financial behavior enhance money attitudes and ultimately improve financial well-being.

Hypothesis Development

Money Attitude and Financial Well-Being

According to Castro-González et al. (2020), money attitude refers to an individual's psychological orientation toward money. It is not a unidimensional construct; rather, it consists of multiple psychological dimensions that shape how individuals perceive and behave toward money. For instance, the power prestige dimension reflects the view that money symbolizes social status and personal power (Tang et al., 2018). In contrast, the anxiety dimension captures feelings of worry and insecurity regarding one's financial condition. Individuals with higher levels of financial anxiety tend to be more motivated to save and to avoid excessive risk, such as speculative investments, in order to maintain long-term financial security (Lim et al., 2020).

Furthermore, Khalisharani et al. (2022) demonstrate that the combination of a positive power–prestige orientation and a strong retention–time orientation significantly enhances responsible financial behavior. The retention time dimension, which reflects future orientation, is associated with disciplined saving behavior and long-term investment preferences. Planned financial strategies further strengthen this orientation (Khraim, 2022). Thus, money attitude causally shapes the cognitive and emotional framework that guides financial behavior, including saving habits, investment decisions, and debt management practices.



These attitudes vary across individuals and significantly influence financial well-being by shaping the level of financial stability they ultimately achieve (Elgeka & Querry, 2021). Sabri et al. (2024) argue that a positive attitude toward money motivates individuals to improve their financial well-being through greater diligence and financial discipline. Individuals with a positive financial attitude tend to have a deeper awareness of their personal financial condition, which influences their decisions about saving and investing. Utkarsh et al. (2020) further suggest that individuals who demonstrate confidence and perceived control over their finances are more likely to make rational spending and investment decisions. A positive financial attitude significantly enhances individuals' intention to engage in financial planning, thereby improving financial literacy and financial resilience. Therefore, individuals who exhibit constructive money attitudes, particularly in careful budgeting and disciplined financial management, are more likely to achieve higher levels of financial well-being. Empirical evidence supports this argument, as Sabri et al. (2020) found that money attitude significantly influences financial well-being.

H₁: Money attitude positively influences financial well-being among SMEs.

Money Attitude and Financial Behavior

The relationship between money attitudes and financial behavior is a central focus in behavioral finance. Khalisharani et al. (2022) emphasize that a positive attitude toward money contributes to more responsible financial behavior, such as consistent saving, prudent debt management, and planned investment decisions. Conversely, a negative attitude toward money may lead to excessive consumption patterns and difficulties in financial management (Abdullah et al., 2019). Conceptually, money attitude encompasses a set of psychological dimensions that influence individuals' financial behavior. The power–prestige dimension reflects the perception of money as a symbol of social status and power, which may encourage conspicuous consumption in order to maintain social image (Yamauchi & Templer, 1982).

However, the power–prestige dimension may also serve as a motivational driver to increase income through hard work or productive investment (Sabri et al., 2020). Meanwhile, the anxiety dimension reflects the degree of concern individuals experience regarding uncertain financial conditions. Individuals with high levels of money anxiety tend to adopt cautious financial management practices, such as excessive saving or restricted spending. Nevertheless, at extreme levels, financial anxiety may hinder rational financial decision-making (Shih et al., 2022). Furthermore, the retention time dimension is associated with long-term orientation and the ability to delay financial gratification. Individuals characterized by this orientation are more likely to demonstrate disciplined and structured financial behaviors, including budgeting, saving for future goals, and engaging in sustainable investment practices (Khalisharani et al., 2022). Thus, each dimension of money attitude activates distinct psychological mechanisms that shape financial behavior, whether through consumptive motivation, risk avoidance, or self-control in long-term financial decision making.

Understanding these relationships enables individuals and financial professionals to design more effective strategies to achieve financial goals and enhance financial well-being (Shih et al., 2022). Sabri et al. (2020) further underscore that changes in money attitudes may produce more substantial long-term effects than financial literacy interventions alone, particularly in influencing everyday financial behavior. This suggests that individuals who exhibit positive financial attitudes are more likely to engage in responsible financial management practices, including budgeting and avoiding excessive consumer debt.

H₂: Money attitude positively influences financial behavior

Financial Behavior and Financial Well-Being

Financial behavior refers to observable actions related to managing personal or business

finances, including budgeting, debt management, saving, and investment decisions. Disciplined financial behavior promotes cash flow stability, reduces financial stress, and enhances individuals' sense of security and financial satisfaction (Sabri et al., 2022). From a causal perspective, sound financial behavior functions as a control mechanism against economic uncertainty. For instance, individuals or SME owners who regularly prepare budgets and monitor expenditures are better able to maintain liquidity and avoid default risk (Setiawan & Iramani, 2023). In the SME context, disciplined financial behavior strengthens business capacity through effective working capital planning, cost efficiency, and the ability to allocate funds for business innovation (Rahman et al., 2021).

Sabri et al. (2022) define financial behavior as the manner in which individuals manage and utilize money, encompassing daily financial decisions that generate satisfaction from responsible action. In this study, financial behavior is treated as a mediating variable because it reflects how individuals use their financial resources, forming the behavioral foundation of financial well-being (Setiawan & Iramani, 2023). Positive financial behavior has been shown to produce significant benefits for financial well-being (Sabri et al., 2021). Practices such as prudent money management, careful debt control, strategic investment, and income enhancement contribute directly to improved financial well-being (Chavali et al., 2021).

Empirical evidence from Indonesia supports this relationship. Handayati et al. (2023) in Malang found that healthy financial behaviors, such as budgeting and disciplined saving, significantly improve students' financial well-being. Margarita Ekadjadja (2021) demonstrated that expenditure control and rational financial decision-making strongly influence financial satisfaction among young adults in Jakarta. Similarly, Renaldo et al. (2020) in Pekanbaru reported that young employees' financial well-being is shaped by their financial behavior patterns, particularly in financial planning and debt management. International evidence further confirms that financial behavior is a critical determinant of individual financial well-being, as demonstrated in Malaysia (Rahman et al., 2021). These findings provide a strong foundation for promoting financial literacy enhancement and behavioral interventions in public policy and financial education programmes.

H₃: Financial behavior positively influences financial well-being

Attitude Towards Money Affects Financial Well-Being with Financial Behavior as a Mediating Variable

Money attitude plays a crucial role in shaping individuals' cognitive frameworks and behavioral patterns in financial management. A positive attitude toward money reflects a rational and planned approach to managing financial resources, including spending decisions, debt management, and investment strategies (Mahdzan et al., 2023). Within the conceptual framework, financial behavior serves as a mediating variable that explains how money attitudes influence financial well-being. Individuals who hold positive money attitudes are more likely to develop sound financial behaviors, such as consistent saving, avoiding excessive consumption, and investing for future goals. These financial practices ultimately enhance personal economic stability and strengthen perceptions of financial well-being (Sabri et al., 2022).

Empirical findings support a strong causal relationship among money attitudes, financial behavior, and financial well-being. Kamaliah et al. (2024) demonstrate that financial well-being is determined not only by income level but also by individuals' perceptions and management of money. Furthermore, Khalisharani et al. (2022) and Shih et al. (2022) find that financial behavior serves as a significant mediator in the relationship between money attitude and financial well-being. These findings confirm that the effect of money attitude on financial well-being operates indirectly through financial behavior. Therefore, strengthening positive attitudes toward money and promoting responsible financial behavior should become a central



focus of financial education interventions to foster sustainable financial well-being (Sabri et al., 2020; Mahdzan et al., 2023; Kamaliah et al., 2024).

H4: Financial behavior mediates the relationship between money attitude and financial well-being.

RESEARCH METHOD

Data and Sample

The population of this study comprised all small and medium enterprises (SMEs) operating in West Sumatra. The sample was selected using purposive sampling, a non-probability method based on specific criteria aligned with the research objectives. The inclusion criteria were as follows: (1) the SME has been operating for at least three years; (2) it employs a minimum of three permanent employees; (3) it maintains regular financial records, either manually or digitally; and (4) it is willing to participate in the study.

Data were collected using a structured questionnaire with a five-point Likert scale. The questionnaire was administered through two distribution methods: (1) direct distribution to respondents in locations accessible to the researchers, and (2) online distribution via Google Forms for respondents in geographically hard-to-reach areas. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS version 3.0 software. SmartPLS 3.0 was selected because it provides intuitive model visualization, bootstrapping procedures to test the significance of mediation paths, and the ability to generate model fit and quality indicators, including Average Variance Extracted (AVE), Composite Reliability (CR), and R^2 values to assess convergent validity and construct reliability. Therefore, the use of SmartPLS 3.0 enhances the robustness and accuracy of the analysis of relationships among variables in the proposed research model.

Operational Definition

This study uses three main constructs: attitudes toward money, financial behavior, and financial well-being. All instruments were adapted from previous empirically tested research and then modified to suit the context of Small and Medium Enterprises (SMEs) in Indonesia. The adaptation process involved translation and back translation, expert judgment, and an initial validity test (pilot test) with 30 SMEs to ensure item clarity and contextual suitability.

Money Attitude

Kamaliah et al. (2024) define money attitude as a consistent and enduring behavioral tendency exhibited by individuals in matters related to finance, encompassing evaluations, perceptions, and responses toward money. The measurement instrument used in this study was adapted from Pranaditya and Raharjo (2022), consisting of eight items assessed using a Likert scale. The variable was measured on a five-point scale ranging from strongly agree (5) to strongly disagree (1).

Financial Behavior

Chong et al. (2021) defines financial behavior as a series of financial decisions made by individuals, including how they manage cash flow, regulate credit usage, save, and invest. In this study, the measurement was adapted to incorporate the context of business cash flow management and the use of simple financial record-keeping practices commonly applied in SMEs. The questionnaire instrument assessed financial management behavior, expenditure control, saving habits, and debt management practices. The adaptation included additional items reflecting business cash flow management and basic financial record-keeping relevant to SMEs. The instrument was adopted from Dew and Xiao (2011) and Perry and Morris (2005), consisting of nine items measured using a five-point Likert scale ranging from strongly agree (5) to strongly disagree (1).

Financial Well-Being

Chong et al. (2021) defines financial well-being as the ability to meet one's living needs, enjoy life, and cope with unexpected future demands. The adaptation in this study was conducted by adjusting indicators to reflect SME owners' well-being, such as their ability to maintain business cash flow and manage income fluctuations. The research questionnaire was adapted from Chong et al. (2021) and comprises eight items, measured on a five-point Likert scale.

Validity and Reliability Testing

All constructs were examined through outer model analysis using SmartPLS 3.0. The results indicate that all indicators achieved loading factors greater than 0.70, Average Variance Extracted (AVE) values above 0.50, and Composite Reliability (CR) values exceeding 0.70, thereby confirming convergent validity and construct reliability (Hair et al., 2021). Discriminant validity was also established, as the square root of the AVE for each construct was higher than the inter-construct correlations. Accordingly, the research instrument is considered valid and reliable for measuring the variables within the context of SMEs in Indonesia.

RESEARCH RESULTS AND DISCUSSION

The details of the questionnaire collection are presented in Table 1, which indicates that the number of questionnaires used in this study represents 100% of the total respondents.

Table 1.

Questioner Collection Details

Description	Total	Persen
Number of questionnaires distributed	178	100
Number of unreturned questionnaires	0	0
Number of questionnaires collected	178	100
Number of damaged/incomplete questionnaires	0	0
Total questionnaires processed	178	100

Source: Data Observation, 2024

Based on Table 1, 51.1% of respondents are business owners, while 48.9% hold staff positions. In terms of gender, 42.7% of the respondents are male, and 57.3% are female. The majority of respondents are aged 20-25 years (39.9%), followed by those aged 26-35 years (26.4%), 36-45 years (22.5%), and 46-60 years (11.2%). Regarding educational background, most respondents are senior high school graduates (65.2%), followed by bachelor's degree holders (16.3%), junior high school graduates (15.2%), master's degree holders (6%), and diploma (D3) graduates (2.8%). Based on these data, it can be concluded that the majority of respondents in West Sumatra are business owners with a senior high school education level and are predominantly female. In terms of business duration, 32.6% of respondents have operated their businesses for 3-5 years, while 20.2% have been in business for less than 2 years. The most common type of business is culinary (46.6%), followed by other categories (22.5%). The least represented business types are creative products, beauty, and electronics, each accounting for 2.2% of respondents.

Table 2.

Demografi Responden

Demographics	Total (N)	Presentase
Business Position		
Owner	91	51.1
Staff	87	48.9
Length of Business		



Demographics	Total (N)	Presentase
< 2 years	36	20.2
3 to 5 years	58	32.6
6 to 8 years	38	21.3
9 years or more	46	25.8
Education Level		
Junior High School	27	15.2
High School	116	65.2
Diploma 3	5	12.55
Bachelor's Degree	29	16.3
Master's Degree	1	6
Age		
20 to 25 years	71	39,9
26 to 35 years	47	26,4
36 to 46 years	40	22,5
46 to 60 years	20	11,2
Gender		
Male	76	42,7
Female	102	57,3
Type of Business		
Culinary	83	46,6
Fashion	23	12,9
Agribusiness	8	4,5
Automotive	6	3,4
Tour & Travel	6	3,4
Creative Products	4	2,2
Beauty	4	2,2
Electronics	4	2,2
Others	40	22,5

Source: SmartPLS Processing Results, 2024.

Based on the results of the validity and reliability testing presented in Table 2, all questionnaire items exceed the cut-off value of > 0.70 , indicating that all items used in this study are valid and adequately represent each variable. Furthermore, as shown in Table 3, the Cronbach's alpha values are above > 0.50 , suggesting that all variables meet the reliability criterion. Therefore, it can be concluded that all variables in this study are reliable.

Table 3.
Results of Validity and Reliability Testing

Variable	Factor Loading	Cronbach Alpha	Composite Reliability	AVE	Information
<i>Financial Well-being</i>		0,893	0,918	0,594	Realibel
KK 2	0,871				Valid
KK 3	0,907				Valid
KK 4	0,737				Valid
KK 5	0,744				Valid
KK 6	0,784				Valid
KK 7	0,866				Valid
<i>Attitude toward money</i>		0,904	0,899	0,534	Realibel
SU 3	0,723				
SU 4	0,744				
SU 6	0,781				
SU 7	0,863				

Variable	Factor Loading	Cronbach Alpha	Composite Realibility	AVE	Information
SU 8	0,880				
<i>Financial Behavior</i>		0,917	0,931	0,600	Realibel
PK 1	0,787				Valid
PK 2	0,749				Valid
PK 3	0,787				Valid
PK 4	0,708				Valid
PK 5	0,755				Valid
PK 6	0,839				Valid
PK 7	0,759				Valid
PK 8	0,839				Valid
PK 9	0,759				Valid

Source: SmartPLS Processing Results, 2024.

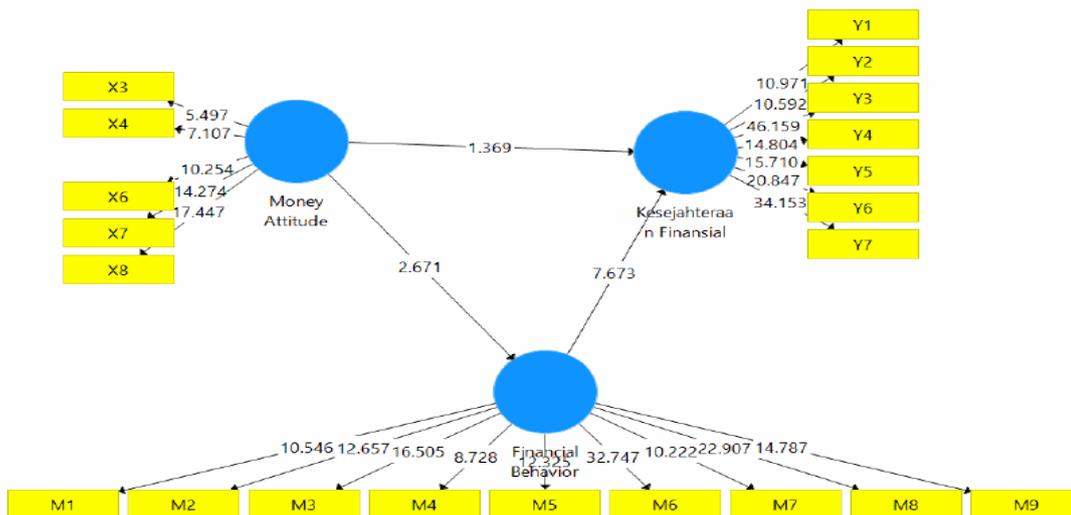


Figure 1.
 SmartPLS 2024 output

Figure 1 presents the results of data processing using SmartPLS, in which the structural model assessment was conducted to examine the relationships among the latent variables specified in the research model. This analysis includes the evaluation of path coefficients, t-statistics, and p-values to determine the significance of the relationships between constructs.

Table 4.
 Hypothesis Testing Results

DEscription	Original Sample	Mean	Standart Deviation	p-statisic	P Values	Hypothesis
PK → KK	0.54	0.54	0.07	7.67	0.00	H ₁ Accepted
SU → FK	-0.24	-0.27	0.09	2.67	0.00	H ₂ Accepted
SU → KK	-0.10	-0.11	0.07	1.37	0.17	H ₃ Rejected
SU → FK → KK	-0.13	-0.14	0.05	2.52	0.00	H ₄ Accepted

Description: PK = financial behavior; KK = financial well-being; SU = attitude towards money

Source: SmartPLS Processing Results, 2024.

The test of the first hypothesis in Table 4 yields a T-statistic of 7.673 and a p-value of 0.000, indicating statistical significance. This finding demonstrates that financial behavior significantly affects financial well-being. The result is based on data collected from 178 SME



respondents in West Sumatra. The analysis reveals that financial behavior has a positive and significant influence on financial well-being. In other words, the better an individual's financial behavior, the higher the level of financial well-being perceived. By implementing sound financial practices, SME owners can achieve a higher level of financial well-being. Appropriate financial decision-making and the selection of suitable financial products are key determinants of enhanced financial well-being. This finding is consistent with Sabri et al. (2024), who demonstrate that financial behavior mediates the relationship between self-control and financial well-being, strengthening the effect of self-control among young adults. Robert Kiyosaki (2020) argues that young adults with strong self-control tend to exhibit better financial behavior, enabling them to manage their finances more effectively and achieve financial well-being. Similarly, Daniel Kahneman (2020) emphasizes the importance of self-control in achieving financial goals.

Furthermore, Magli et al. (2021) find that sound financial behavior among SME owners contributes positively to financial well-being. Accurate financial decision-making and the appropriate choice of financial products are also identified as critical factors in improving financial well-being. Research conducted by Setiyani & Solichatun (2019) supports this conclusion, indicating that financial behavior mediates the relationship between financial knowledge and perceived financial well-being, thereby linking financial literacy to SME owners' financial well-being. However, this result contradicts the findings of Handayati et al. (2023), who argue that financial behavior cannot offset the influence of financial self-efficacy on SMEs' financial well-being in West Sumatra. Likewise, Rahahleh (2023) suggests that although financial behavior is important, its effect on financial well-being may be contingent upon other variables, such as financial self-efficacy and financial inclusion, and therefore may not always function as a direct predictor of financial well-being.

The test of the second hypothesis reports a T-statistic of 2.671 and a p-value of 0.000, indicating statistical significance. This finding is based on data collected from 178 SME respondents in West Sumatra. The result demonstrates that money attitude has a significant effect on financial behavior. The findings indicate that attitudes toward money substantially influence how individuals manage and use money in their daily lives. This suggests that money attitude is not merely a matter of perception or feeling, but also shapes concrete decisions in financial management. A positive attitude toward money positively impacts financial behavior. Therefore, when individuals have a constructive attitude toward money, they tend to manage their finances more effectively, particularly in personal financial management. These findings are supported by Adiputra & Patricia (2020) and Stella et al. (2020), who find that money attitude plays a crucial role in influencing financial behavior through psychological understanding of financial management, such as saving behavior, expenditure control, and sound financial planning. Qamar et al. (2020) also demonstrate a positive effect of money attitude on financial behavior in financial management, a finding reinforced by Herdjiono & Damanik (2020) and Ameliawati & Setiyani (2019), who conclude that a positive attitude toward money leads to improved financial management. However, Tang et al. (2021) report that the influence of money attitudes on financial behavior may vary by educational level and debt status. Similarly, Potrich et al. (2021) find that money attitude is not always a strong predictor of financial behavior.

The testing of the third hypothesis reports a T-statistic of 1.369 and a p-value of 0.173, indicating that the hypothesis is not supported. This means that money attitude does not have a significant effect on financial well-being. The finding is based on data collected from 178 SME respondents in West Sumatra. The results suggest that although money attitude may have potential implications, its effect is not sufficiently significant to support the hypothesis that money attitude directly influences financial well-being. This indicates that other factors such as financial management practices, income level, and external conditions may play a more

substantial role in determining financial well-being than money attitude itself. While money attitude remains important, its influence on financial well-being appears to be significantly shaped by other variables, including financial self-efficacy and financial inclusion. This finding implies that the relationship between money attitude and financial well-being is not entirely direct.

These results are consistent with Castro-González et al. (2020), who demonstrate that money attitude affects several aspects of financial behavior; however, the direct effect of money attitude on financial well-being may be weaker than expected. Other factors, such as social support and economic conditions, also play important roles in determining financial well-being. Furthermore, Rahahleh (2023) emphasizes that although money attitude is important, its impact on financial well-being is strongly influenced by other factors, such as financial self-efficacy and financial inclusion. This further supports the argument that the relationship between money attitude and financial well-being is not entirely direct.

The test of the fourth hypothesis reports a T-statistic of 2.519 and a p-value of 0.013, indicating statistical significance. This finding demonstrates that financial behavior mediates the relationship between money attitude and financial well-being. The result is supported by data obtained from 178 SME respondents in West Sumatra. The findings indicate that individuals who hold positive attitudes toward saving and investing are more likely to engage in prudent financial behaviors, such as saving regularly and investing wisely. These sound financial behaviors ultimately contribute to improved financial well-being. Individuals who demonstrate a constructive attitude toward money have greater potential to enhance their financial condition by implementing efficient budgeting techniques. Moreover, individuals' perceptions of money influence their spending and saving behavior and strengthen their motivation to seek higher income in order to meet future financial needs.

These results are supported by Saurabh & Nandan (2019) and Setiyani & Solichatun (2020), who demonstrate that financial behavior mediates the relationship between money attitude and perceived financial well-being among SMEs in West Sumatra. Sabri et al. (2020) also find that a positive attitude toward money improves financial conditions through efficient budgeting and influences spending behavior, saving habits, and motivation to increase income. Furthermore, Kamaliah et al. (2024) and Sabri et al. (2020) support the conclusion that money attitude significantly affects financial well-being, both directly and indirectly through financial behavior. However, these findings differ from those of Castro-González et al. (2020), Comeig et al. (2022), and Rahahleh (2023), who indicate that in certain contexts—such as credit contracts, gender differences, and access to financial services—factors other than financial behavior may exert a stronger influence as mediators between money attitude and financial well-being. This suggests that financial behavior does not always function as a strong mediator in this relationship, as the influence of money attitude on financial well-being may also depend on other factors, such as financial self-efficacy and financial inclusion.

CONCLUSION

This research empirically demonstrates that financial behavior is a key mechanism bridging the influence of attitudes toward money and the financial well-being of SMEs in West Sumatra. These results confirm that financial well-being is determined not only by a positive attitude toward money, but primarily by the ability of entrepreneurs to translate that attitude into measurable financial actions, such as budgeting, managing cash flow, and separating personal and business funds. Thus, financial behavior becomes a strategic intervention area for stakeholders to improve the financial resilience and sustainability of SMEs. From a policy perspective, local governments and financial institutions are advised to design financial literacy programs that emphasize not only improving knowledge or attitudes toward money but also focusing on implementing actionable financial behaviors.



Behavioral actions such as mentoring in creating weekly financial plans, training in simple transaction recording, or a digital-based financial monitoring system will be more effective in improving the financial well-being of SMEs. This behavior-based approach is expected to strengthen the competitiveness and sustainability of SMEs in West Sumatra in the face of regional economic dynamics. However, this study is limited by its sample size and data collection methods, which are still limited to online surveys. Therefore, further research is recommended to expand the scope of respondents across sectors and regions, and employ mixed approaches such as in-depth interviews or longitudinal studies. These efforts are crucial for gaining a more comprehensive understanding of how financial behavior interventions can be optimized to sustainably improve the financial well-being of SMEs.

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