Global Management Journal for Academic & Corporate Studies (GMJACS)

Spring 2026, Vol.16, No.1, PP. 107-121

Published by Bahria Business School, Bahria University Karachi Campus

Determinants of Entrepreneurial Financial Well-Being: Does Financial Behavior mediates?

Isma Zaighum [1], Asma Abdul Rehman [2*], Muhammad Tauseeque Raza Qizilbash[3]

ABSTRACT

The purpose of the study is to examine the impact of family financial socialization, social capital, and financial self-efficacy and the mediating effect of financial behavior on the entrepreneurs' financial wellbeing in Pakistan. Using a cross-section survey, sample data is collected from 178 male respondents in Karachi, Pakistan by employing the convenience sampling method. The path analysis reveals that Family financial socialization (FFS) and social capital (SC) are important determinants of entrepreneurs' financial behavior. However, there is no statistical evidence to support their indirect effect via FB on the financial wellbeing of same entrepreneurs'. Additionally, the findings suggest that financial self-efficacy (FSE) and financial behavior (FB) have no significant effect on financial wellbeing (FWB) of entrepreneurs. Thus, there is an opportunity for the government to develop mentorship programs connecting aspiring entrepreneurs with experienced business owners and financial experts for entrepreneur's guidance and support.

Keywords: Financial Behavior (FB); Financial Wellbeing (FWB); Family Financial Socialization (FFS); Social Capital (SC); Financial Self-Efficacy (FSE).

1 Management Sciences Department (FMS), SZABIST University, Karachi, Pakistan,

2 Institute of Business & Management, University of Engineering and Technology, Lahore, Pakistan * Corresponding author email:dr.asma@uet.edu.pk

3 Excide Pakistan Ltd., Karachi.

1. INTRODUCTION

Financial Wellbeing (FWB) has emerged as a matter of contention after increase in poverty, Inequality and financial insecurity of individuals (Bowman et al., 2017). FWB is a priority for both advanced and emerging nations (Qasim & Siddiqui, 2021). This became a priority after the spread for Covid-19 which affected the economy of the world and raised the financial insecurity among households, businessman and nations. The overall economy of Pakistan has faced lockdown and due to which 58% medium size firm and 69% small sized firm were harmed (Khan et al., 2022).The pandemic has disrupted economic activities, increased the unemployment rate, and reduced economic growth, leading to a turndown in the FWB of entrepreneurs (Barrafrem et al., 2020). The double influence of pandemic not only threated the health of entrepreneurs, but also their business income is decrease and the startup firm closed their operation and this not only damaged the financial wellbeing but also psychological wellbeing of entrepreneur (Xu & Jia, 2022). In Pakistan, where SME's and MSME's are more affected from this covid-19 spread (Khan et al., 2022). In this uncertain and dynamic era, the entrepreneur's financial wellbeing becomes a priority as well.

In Pakistan most of the enterprise are family owned. They have the 90% contribution in GDP and 80% contribution in employment generation and also these business are continued by the successor from the family (Afghan & Wiqar, 2007). So, support from family could be one of the factors to figure out financial wellbeing. Parents and friends play critical role during the improvement and development. Parental authority is found to be one and half times more influential than financial education. Also the person is effect in financial decision who involve directly with parent and have clear communication with them (Azhar & Siddiqui, 2023). So, the summary is that the entrepreneur who grooms well by their family can maintain financial wellbeing of themselves as well as the enterprise.

Financial behavior includes the handling of an individual's budget, savings, and spending, in addition to their money-management practices, including cash, savings, and credit behavior. It encompasses many different concepts, including spending patterns, savings patterns, and long-run and short-run investing behavior. Sound financial behavior is essential for achieving and maintaining financial well-being because FWB influences one's financial security and condition. Research reveals that those who demonstrate high FB are more financially successful, and that FB directly affects FWB. (Rahman et al., 2021). FB could be improved with the help of financial skills and FSE which results in better financial conditions for individuals leading towards potential development in their financial wellbeing stated by CFPB (2019).

Pakistan's economic growth declined sharply by 0.6% in the year 2023 as compared to last two years (World Bank, 2023). The economy faces consistent pressure due to natural calamities like flood, tighter global monetary policy, rising global commodity prices, and domestic uncertainty in politics. There has been an increase in domestic pricing pressures, external and fiscal balances, the EX rate, and FX reserves. Likewise, the country faces disruption of economic activities due to persistent strikes. These strikes, whether related to public transport, industrial actions, or other causes, may result in business disruptions, decreased revenues, and increased uncertainty. The sector like the financial intermediation food and beverages and petroleum are adversely affected by the transport strikes in Pakistan (Ali et al., 2021). Coupled with external threats like war tensions with the neighboring countries, Pakistan's economic landscape provides an interesting case to analyze the financial well-being of the entrepreneurs as they provide around 90% employment and contributes 40% to GDP and country's exports (Khan et al., 2022).

This research study seeks to examine the determinants of the FWB of the entrepreneur in Pakistan considering FB as a mediator variable. FWB is being explored in multi-disciplinary dimensions. Financial wellbeing is thoroughly gained attention on several dimensions including Financial Literacy (Anghel & Pochea, 2025; Hu & Meng, 2023; Lusardi, 2008), financial behavior (Griesdorn & Erickson, 2023; Goyal et al., 2021; Sahi, 2017) and financial socialization (Mahapatra et al., 2025; Norvilitis & MacLean, 2010; Shim et al., 2010). The current research study seeks to address the following research questions:

1. What is the effect of FFS, SC, and FSE on the FWB of entrepreneurs in Pakistan?
2. Does the entrepreneurs' financial behavior influence their financial Wellbeing?
3. Does FB mediate the relationship between the entrepreneurs FFS and their FWB?
4. Does FB mediate the relationship between the entrepreneurs SC and their Financial wellbeing?
5. Does FB mediate the relationship between the entrepreneurs FSE and their FWB?

The paper consists of 5 sections, starting with Introduction of the study along with its rationale followed by discussion of the empirical and theoretical underpinnings of the study. Then, section 3 explains the methodology with data analysis in section 4 and conclusion and practical implications presented in section 5.

1. Theoretical background and hypotheses development

In this section, review of prior studies is presented to recognize the relationship between determinants of FWB and FB. The aim of this research is to investigate the effect of FSE, SC and FFS on FWB of the entrepreneurs. The extensive concept of overall living quality, which comprises of income, job security, housing, healthcare, education, environmental and social bonding factors, and so on, is generally referred to as well-being (Hicks et al., 2013). The supervision of FWB is imperative for persons, household units, societies, and government (Xue et al., 2020). Financial wellbeing is vital for every field of life and it has a positive impact on every aspect of life. It reduces stress, improve mental health and enhanced relationship. FWB has an objective and subjective notion that adds to an individual's evolution of their present financial situation (Vosloo et al., 2014).

Wellbeing is a notion that has attracted attention of many researchers and its conceptualization is carried out in various fields from time to time. In terms of financial discipline, Financial well-being (FWB) is defined as having both present-day financial security and future-day freedom of choice in financial decision by the Consumer Finance Protection Bureau (Bureau, 2015). The ability of an individual or family to live a comfortable life with sufficient resources is referred to as FWB. It is possible to evaluate financial well-being using both objective and subjective metrics. Objective indicators that are commonly practiced include income, spending, debt, assets, net worth, and the debt-to-income ratio (Iramani & Lutfi, 2021). Financial well-being, whether individual or collective, can enhance life quality, success, happiness, general well-being, mental health, and the quality of relationships. These components may suffer from differences in financial well-being. (Brüggen et al., 2017).

Theoretical background

The theoretical foundation of the study is grounded on the Family Financial Socialization theory, Social Capital Theory, Social Cognitive Theory and the Prospect Theory. Gudmunson and Danes (2011) suggested theory of FFS, adapted in the research to determine how FFS affects an entrepreneur financial wellbeing. Rea et al., (2019) proposed that the financial socialization process and the financial socialization outcomes are the two dimension of FFS. The theory's initial dimension, known as the financial socialization process, discusses the two different forms of financial socialization that occur in families: purposeful financial socialization, also known as explicit socialization, and implicit socialization, which occurs through family interactions and relationships. It also discusses how family and individual characteristics affect the two forms of socialization. According to the theory's second dimension, financial socialization outcomes, people's FB and FWB are determined with their FFS through their financial attitudes.

According to social capital theory stated by (Berraies et al., 2020; Nahapiet & Ghoshal, 1998), interpersonal relationships are "productive resources." The relationships amongst residents of the same community are mentioned as "social capital". The meaning of SC is as "the sum of the real and prospective resources inherent within, accessible via, and derives from the network of relationships that a person or a social group." Structural social capital, relational social capital, and cognitive social capital are the three dimensions. Speaking with others is one way that structured social capital is utilized "to gather information or access specific resources." Emotions and significant aspects of actor connections are covered in relational social capital. The collective representation, understanding, and significance of actors is known as cognitive social capital actors (Nahapiet & Ghoshal, 1998).

Social Cognitive Theory (SCT) originated in the health sciences, which suggest a “Human agency model” where individual engage in self-reflection, self-regulation and self-organization (Bandura, 1989). "SCT evaluate an individual's capacity to act in a specific behavior by considering internal and external factors and how they interact" explained by (Martin et al., 2014). This concept explains how ethical analysis governs ethical behavior by using ethical and other psycho-social elements, such weather and working environment (Wood & Bandura, 1989). The core of this concept is Triadic Reciprocity, which is the co-relationship between an individual, ecological, and attitude component. It controls and shapes an individual's thought process. thereby, SCT takes an interactionist perspective on moral phenomenon and offers a paradigm in which moral conduct, emotional self-reactions and moral thinking on the part of the individual, and environmental circumstances all function as interacting determinants that impact one another to determine results (Marks & Bandura, 2002).

Prospect theory by Kahneman and Tversky (1979), is crucial to understand the entrepreneurial decisions as they involve decisions under uncertainty. The theory especially works well to explain the behavior in emerging countries like Pakistan, where the entrepreneurs’ financial decisions are subject to constrains like limited financing opportunities, market instability, and uneven income stream (Musah & Adenutsi, 2025). Moreover, in economies with uncertainties, entrepreneurs’ psychological states like optimism, rationale thinking and trust plays a critical role towards their decision making abilities as propagated by the prospect theory.

Hypotheses development

Financial behavior is defined as an individual's observable financial results. Financial behavior is a broad concept that encompasses all types of behavior in the financial market. The literature generally reveals two forms of financial behavior. One that depicts a “Pattern of actions throughout time, such as earning, saving, spending, and gifting." The others comprises event-like financial behavior processes rather than immediate financial transactions (Gudmunson & Danes, 2011). Good financial behavior leads to better retirement planning, fewer debt, and greater accumulated wealth (Iramani & Lutfi, 2021). Responsibly managing finances is linked to objective financial understanding. However, empirical research indicates that while greater financial knowledge is required but inadequate stimulus to create responsible financial behavior plays an adequate role in decision making, (Azhar & Siddiqui, 2023).

According to Utkarsh et al., (2020), Parents' financial socialization has a big influence on their kids' financial independence, which raises their sense of overall financial well-being. Family financial socialization (FFS) states that the ultimate aim of financial socialization is FWB (Danes & Yang, 2014). Falahati & Paim (2011) have analyzed data from Malaysian undergraduate students, discovered that financial well-being was found to be strongly predicted by family financial socialization. Similarly, Rea et al., (2019) have used data from 31 young adults' personal reflections, it was shown that families or parents impact young adults' financial well-being through financial socialization. Financial socialization has a positive impact on financial wellbeing tested by Zhao & Zhang (2020). In addition, Azhar & Siddiqui (2023) examined the effect of financial family socialization in different ethnic groups and classes in Pakistan and found instrumental effect of family socialization on financial wellbeing in different magnitude. Thus, the study postulates the following relationship:

H_1: FFS has a positive significant impact on the FWB of entrepreneurs.

Yeo & Lee (2019) have studied the link between financial wellbeing (FWB) and social capital (SC) and found that it has significant relation with financial wellbeing. The former makes it easier for entrepreneurs to gather information from external environment, find opportunities, and make decisions which benefits from internal contact and sharing information and fostering internal trust. The latter helped entrepreneurs gather information from external environment of the organization, information sharing, and raise internal member trust (Xie et al., 2021). Yao & Meng (2022) examined the relationship between social capital and financial well-being. Their findings showed a substantial association between the two in the mediating influence of intention of entrepreneur and financial intelligence. Also, Thomas & Gupta (2021) studied the research and try to found out the relation between social capital and financial wellbeing and outcomes of their research shown that both relate to each other and had a significant impact and most of the studies are present on structural dimension of social capital. Therefore, in light of the existing empirical evidence, the study hypothesizes the following relationship:

H_2: SC has a positive significant impact on the FWB of entrepreneurs.

Existing studies have investigated the connection between FSE and FWB. A study by Farrell et al., (2016) illustrated that an individual high on self-efficacy expand effort, applied it properly which result in better financial wellbeing and who is on low level give up early and will be unsuccessful. On the other hand, Handayati & Restuningdyah (2023) showed that FWB is directly influenced by FSE. When people are making financial decisions keeping in mind financial knowledge than people with high FSE believe that they have more stable financial future (Netemeyer et al., 2017). One research study by Lone & Bhat (2022) revealed a direct correlation between financial self-efficacy and wellbeing, but it also acts as a partial mediator between financial literacy and financial wellbeing. Individuals who are having high FSE are more inclined to be diligent in their pursuit of long-term financial goals. Therefore, one reason to pursue long-term FWB is financial self-efficacy (Chen et al., 2001) and the hypothesis of the study is:

H_3: FSE has a positive and significant impact on the FWB of entrepreneurs.

Joo and Grable (2004) suggested that financial behavior (FB) is correlated with FWB. Similarly, Brüggen et al., (2017) studied direct effect of FB on FWB. Financial Satisfaction of Individuals' is tied to their FB and financial knowledge

(Potocki & Cierpiał-Wolan, 2019; Santini et al., 2019). Adam et al., (2017) have examined the effects of financial literacy, FB, number of family members, family assistance (monetary kind), and retirement preparation on pensioners' FWB. The analysis indicated substantial strong influences of financial knowledge, family support, and retirement preparation on the FWB of pensioners. Whereas, Hasibuan et al., (2018) have examined how FB and literacy impact the financial satisfaction and well-being of entrepreneurs. According to their findings, FB and literacy have statistically instrumental effects on entrepreneurs' financial satisfaction and wellbeing. Therefore, we postulate the following relationships:

H_4: FB has a significant positive impact on the FWB of entrepreneurs.
H_5: FFS has a significant positive impact on FB.
H_6: SC has a significant positive impact on FB.
H_7: FSE has a significant positive impact on FB.

Likewise, Das and Mahapatra (2023) tested empirically the three component of financial literacy i.e. financial knowledge, behavior, and attitude. Their findings showed that these variables significantly affect individual financial well-being. The relation among financial behavior, locus of control, and financial knowledge and financial well-being is significantly mediated by financial behavior investigated by (Iramani & Lutfi, 2021). According to study by (Rahman et al., 2021), showed that FB, including financial stress and financial literacy, is the most critical predictor of FWB. As a result, balancing revenues and expenditure, controlled financial stress, and boosting financial literacy might be needed to ensure the FWB of persons in the lower earnings category. Thus, the mediating hypotheses are as follows to investigate if FB plays any mediation role in the Pakistani context:

H_8: FB mediates the effect of FFS on FWB of entrepreneurs.
H_9: FB mediates the effect of SC on FWB of entrepreneurs.
H_{10}: FB mediates the effect of FSE on FWB of entrepreneurs.

Thus, the theoretical and empirical discussion on determinants of FWB and the mediating effect by FB is shown in the Figure 1.

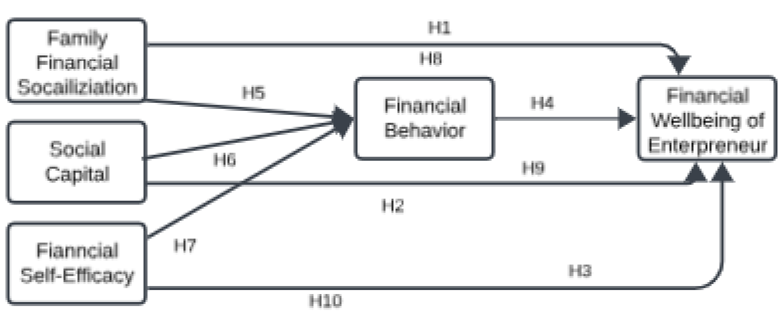

Figure1: Conceptual framework

3. Methodology

3.1 Sample and data collection

The research objectives are achieved by selecting the study target population consisted of Karachi based entrepreneurs. The Global Entrepreneurship Monitor (GEM) report shows that small business possesses the characteristics of entrepreneur based on necessity-based entrepreneurship which defines that starting a business is better option because the employment opportunities are scarce. Therefore, emerging economies limited access to capital provides a unique opportunity to investigate the relationship between entrepreneurial financial well-being and factors like social capital, financial self-efficacy and family's financial socialization. Moreover, entrepreneurs in Pakistan fall in category of less than $25K per annum, therefore, they are placed in factor driven economies (GEM Monitor, 2012, 2024). The data instrument is adapted and translated into Urdu enabling the respondent to understand the questionnaire and reduce the likelihood to misunderstood a question. Likewise, the study used convenience sampling using google form as well as survey forms distributed to entrepreneurs in Karachi, Pakistan. Data was collected from entrepreneur belonging to different business like automotive parts and accessories who are contributor of 3.1% in GDP (PACRA, 2023) and from ceramics industry who contribute 0.1% in GDP (Pakistan Economic Survey, 2023-24) among others.

3.2 Measures

The instrument used for collecting data is adapted from existing FWB literature. The study adapted the five items of FWB and four items of FSE from the study of Lone and Bhat (2022). Likewise, the items for measuring the two independent variables namely the SC adapted from Yeo and Lee (2019) and FFS items are adapted from Zhao and Zhang (2020). Finally, Rahman et al. (2021) studied five items are adapted to measure the mediating variable of FB. Furthermore, all the variables are measured using five-point likert sacle. To ensure the relaibility and validity of the final instrument, it incalcated the suggestions of industry expert. Similarly, for the ease of understanding for our sample, the final version of research instrument is translated into Urdu and validated by a University Professor having Masters in Urdu language.

3.3 Sample characteristics

The descriptive analysis of the sample as shown in Table 1, summarize the demographic profile of final sample of 178 respondents. It shows that all respondents are male with 40% respondents ages between 18-24 years followed by 37% entrepreneurs ageing between 25-34 years and remaining 33% are above 35 years. These respondents are mostly married holding SSC and HSC certificates. Moreover, 41% of businesses earn between PKR 1 million to 2.5 million per annum. Likewise, more than 80% entrepreneurs' have employees between 1-4 people in their businesses. Furthermore, 27% of businesses are operating for less than 5 years, 62% are operating between 5 to 10 years and 11% are operating for more than 10 years. Lastly, 44% are from automotive parts and accessories industry and 56% are from ceramics industry. All the businesses start with their own investment made by the owner.

Table 1. Sample Characteristics (N= 178)

Characteristics	No. of respondents	Percentage
Age		
18-24	72	40%
25-34	66	37%
35-44	31	17%
45-55	9	5%
Marital Status		
Single	54	30%
Married	124	70%
Education		
Secondary school (Schooling)	78	44%
High school or diploma (Matric/Inter or O/A Levels)	75	42%
Undergard’s degree	18	10%
Professional/Master's degree	7	4%
Annual Business Income (PKR)		
Less than equal to 1,000,000	16	9%
1,000,001 - 1,500,000	80	45%
1,500,001 - 2,000,000	53	30%
2,000,001 - 2,500,000	25	14%
2,500,001 - 5,000,000	3	2%
More than 5,000,000	1	1%
Numbers of employees		
1-2	66	37%
3-4	83	47%
5 above	24	13%
None	5	3%
Years of Company Operated		
Less than 5	48	27%
5-10	111	62%
11-15	18	10%
16-20	1	1%
Types of Products		
Automotive Parts and Accessories	79	44%

Ceramics	99	56%
Others	0	0%
What is the primary source of capital for business?		
Own Money	178	100%
Government and non- government agencies	0	0%
Bank Loan	0	0%
Family Relative	0	0%
Other	0	0%

Source: Authors' own

4. Data Analysis

4.1 Measurement model assessment

The measurement model describes the link between the variable and its observed item (Henseler et al., 2015). The measurement model using Smart PLS includes two forms of construct measurement: the composite model, which measures dependability, and the component model, which assesses data reliability. The measure of dependability Composite reliability (CR) refers to a variable's internal consistency. The Fornell-Larcker criteria, HTMT, and average variance extracted (AVE) are applied to assess convergent and discriminant validity, respectively (Henseler et al., 2015).

4.1.1 Reliability, convergent and divergent validity analysis

The internal consistency part of reliability is evaluated by using the CR metric as it is considered to an updated and improved version of traditional Cronbach's alpha (Hair et al., 2014). The internal consistency values are reported in the Table 2, and all latent variables' CR values found to be above 0.7 satisfying the criteria (Hair et al., 2011). Moreover, the interrelationship between different items, i.e. convergent validity is also checked, using the average variance extracted (AVE) (Hair et al., 2011). Thus, the satisfactory criterion is that AVE value should be 0.5 or more (Sarstedt et al., 2022). Looking at the Table 2, convergent validity is established as both AVE values and loadings are above acceptable threshold of 0.5.

Table 2. Composite reliability

Constructs	Items	Items loadings	AVE	CR
FFS	FFS1	0.745	0.523	0.812
	FFS2	0.832		
	FFS4	0.688		
	FFS5	0.609		
SC	SC1	0.767	0.608	0.823

	SC2	0.798		
	SC3	0.774		
FSE	FSE1	0.765	0.694	0.819
	FSE2	0.896		
FB	FB1	0.507	0.589	0.723
	FB2	0.960		
FWB	FWB1	0.808	0.541	0.773
	FWB2	0.531		
	FWB3	0.829		

Note: FFS3 item was dropped due to its item loadings below 0.5 and high cross loadings, however items like FB1, & FWB2 have loadings >0.5, therefore, they are retained followed by their respective constructs' CR of >0.7 & above (Hair et al., 2010). Similar loadings of 0.5 and above are reported in few entrepreneurial studies like Al Mamun et al. (2017) & Hakala (2013).

Source: Authors' own

Furthermore, discriminant validity is analyzed to ascertain that latent variables items must be different than others as seen from their loading values (Hair et al., 2014). Therefore, to establish this criterion, the Fornell and Larcker criteria, and HTMT ratio are used (Henseler et al., 2015). The Fornell and Larcker criterion states that a construct should have greater variance with its own items than with the other constructs (Hair et al., 2014) and HTMT values be less than 0.85 (Henseler et al., 2015). The Table 3, shows that both of criteria are met and its can be inferred that discriminant validity is established in the model.

Table 3. Discriminant validity criterion

Construct	FB	FFS	FWB	FSE	SC
a: Heterotrait-Monotrait ratio HTMT					
FB					
FFS	0.649				
FWB	0.667	0.842			
FSE	0.600	0.517	0.430		
SC	0.500	0.410	0.616	0.216	
b: Fornell–Larcker criterion					
FB	0.767				
FFS	0.403	0.723			
FWB	0.383	0.568	0.735		
FSE	0.260	0.351	0.251	0.833	
SC	0.257	0.282	0.371	0.096	0.780

Source: Authors' own

4.2 Structural model

Now we turn out attention to the hypotheses testing using SEM. The results in Table 4 presents the analysis of both direct and indirect relationships. As depicted in Table 4, the hypotheses H_1, H_2, H_5, and H_6 are supported whereas H_3, H_4, H_7, H_8, H_9, and H_{10} are not supported in the context of Pakistani entrepreneurs'. Among the hypothesized relationships, there is no evidence found that supports FB mediates relationship between the three independent factor i.e. FFS, SC and FSE and the outcome variable, entrepreneurs FWB. Moreover, FFS and SC show positive significant relationship with the FWB, whereas the empirical findings does not support that FSE influence on FWB. But, FFS has a positive impact on the FWB of entrepreneurs. Similarly, FFS, SC and FSE show positive and significant relationship with the entrepreneurs' FB. To conclude, the analysis shows that all direct relationships except for FSE and FB with the FWB, are significant in explaining the FWB of entrepreneurs' in the Pakistani context.

Table 4. Structural relationship and path model

Hypotheses	Relationship	Beta	t-statistics	p-values	Supported
H_1	FFS -> FWB	0.438	5.284	0.000	Yes
H_2	SC -> FWB	0.156	2.310	0.021	Yes
H_3	FSE -> FWB	0.040	0.524	0.600	No
H_4	FB-> FWB	0.143	1.534	0.125	No
H_5	FFS -> FB	0.311	3.265	0.001	Yes
H_6	SC -> FB	0.207	2.743	0.006	Yes
H_7	FSE -> FB	0.136	1.748	0.080	No
Mediation analysis					
H_8	FFS -> FB -> FWB	0.045	1.241	0.215	No
H_9	FSE-> FB -> FWB	0.019	1.193	0.233	No
H_{10}	SC -> FB -> FWB	0.022	0.992	0.321	No

Source: Authors' own

4.3 Discussion

The study found that family plays a pivotal role in fostering the FWB of entrepreneurs in Pakistan, among the studied variables. Similar results are reported by Azhar and Siddiqui (2023) and Zhao and Zhang (2020) studies, as they found that family's financial socialization impacts the financial wellbeing among different ethnic group. Moreover, Sabri et al. (2021) also noticed that FWB of young adults and their family's financial socialization are significantly associated with each other. Likewise, H2 is also supported, indicating that social capital positively affects the financial well-being of entrepreneurs. Thus, the social capital is a significant contributor towards strengthen the FWB of the entrepreneurs as it serves as a channel that provides access to the important networks, resources, information, and support systems normally used for the business growth and stability. Similar results are reported by previous studies like Yeo and Lee (2019) and Xie et al. (2021) stating that the individual exploit the social capital in order to maintain the financial wellbeing. Looking at H_3 and H_4, the empirical analysis does not support the role of FSE and FB towards the financial well-being of entrepreneur. This may be due to the facts that financial self-efficacy is affected by different factors like economic situation and business environment as well. Also, people have different experiences that vary from person to person so it may difficult to inline the financial self-efficacy. Also, similar to Osman and Madzlan (2018) and Goi (2024) studies, our study also found no significant evidence supporting FB impact on financial well-being of entrepreneurs.

Next, we focus our discussion to the roles of FFS, SC and FSE played towards the entrepreneurs'' FB.The results show that all three hypothesized relationships are positive and significant. This shows that the parents being the first mentors and role models, like most of the other aspects of life, significantly impact a person's financial behavior (Azhar & Siddiqui, 2023). Likewise, social capital also found instrumental while studying the financial behavior of entrepreneurs, showing that the information received from friends and peers' influence entrepreneurs' financial behavior and decision (Asyik et al., 2022; Cannon et al., 2024). However, FSE does not significantly explaining entrepreneur's financial behavior. Existing literature also highlights that complicated nature of financial self-efficacy as it depends on different factors normally vary from person to person (Ishtiaq et al., 2019), therefore, at times it become hard to establish its significance from everyone's perspective. Furthermore, our study found no statistical support for financial behavior mediating role between financial family socialization, social capital, financial self-efficacy and outcome variable, financial wellbeing of entrepreneur. However, most of the existing literature support's FB's significant role. In Pakistan's context similar to many emerging economies, the importance of individuals' FB is still in its early phase but its slowly gaining popularity among different stakeholders.

5. Conclusion

This study investigates the sophisticated interplay between family financial-socialization, social capital, financial self-efficacy, and the entrepreneurial FB and FWB in Pakistan. The findings emphasize the significance of family financial-socialization and social capital. Interestingly, previously considered crucial factors like self-efficacy and financial behavior are not significant in explaining the FWB of entrepreneurs. There are several practical steps that can be taken to enhance entrepreneurial financial well-being. The government and PSX can enhance entrepreneurs' understating through workshops on business budgeting, financial planning, and investment strategies with a focus on entrepreneurial dynamics in the family. Moreover, the parents may be given means such as manuals, online classes and interactive games which empower them to teach children about financial management and entrepreneurship efficiently. Likewise, building Social Capital through formation of Community-based Entrepreneurial Learning and Networking Group for peer-to-peer learning and networking. Also, government can develop mentorship programs involving the different generations trained together. Moreover, connecting aspiring entrepreneurs with experienced business owners and financial experts for guidance and support using the local community centers and vocational training institutes. Furthermore, instigate masses awareness campaigns around the critical aspects of entrepreneurship education, social capital, and financial self-efficacy to attract attention without being competitive in nature.

The study is geographically limited to entrepreneurs in Karachi, thus restricts the generalizability of findings to metro cities only. Furthermore, the sample cover the males' entrepreneurs only, thus the findings may differ for the female entrepreneurs. Likewise, the cross-sectional data may impact the study's ability to capture long-term FB and well-being dynamics. Thus, future studies may conduct longitudinal studies to observe the long effect of construct on financial well-being of entrepreneurs. Moreover, including diverse population demography and contexts will be instrumental to understand the impact across different cultures, socioeconomics classes, and geographic location. Moreover, inclusion of factors like psychological traits, and access to financial services as mediators will enrich the literature to understand their role in influencing FWB of entrepreneurs. By considering these factor future researchers can create a comprehensive model that captures the complexities of different financial and non-financial factors and entrepreneur FWB.

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