



The role of cognitive and Non-cognitive factors on individual financial well-being: A conceptual framework and future research agenda

Reetika Jain¹, Sunita Singh Sengupta²

¹ Research Scholar Faculty of Management studies, University of Delhi, Delhi, India

² Professor Faculty of Management Studies, University of Delhi, Delhi, India

Abstract

The paper uses the theory of control, theory of planned behavior and Behavior Life Cycle (BLC) with an aim to propose an integrated conceptual model of an individual financial wellbeing. The study explores the impact of cognitive factor, such as financial literacy and non-cognitive factors namely mindfulness and self-control on FWB. The present study will help to understand the process by which an individual able to regulate and control his temptations and planned his behavior to achieve the financial wellbeing. The article reviews the findings from the existing literature and proposes an integrated model that incorporates mindfulness, financial literacy, self-control and financial wellbeing into a single financial well-being model. The study develops several propositions that may lead to empirical research in the domain of financial wellbeing. Further the study also discusses the practical implications for who can positively improve the ability of individuals in financial matters by practicing mindfulness along with financial knowledge.

Keywords: Financial wellbeing, financial literacy, self-control, mindfulness

Introduction

Mental illness is significantly a global concern in contemporary times (Blair *et al.*, 2022). Studies have shown that 50% of the population from the middle- and high-income countries will face at least one mental disorder during their lifetime (Trautmann & Wittchen, 2016). Financial instability is a significant contributor of mental health (Blair *et al.*, 2022). Research by (McCloud Tayla, 2019) [31] and (Richardson *et al.*, 2018) indicates that higher debt leads to higher anxiety and alcohol dependence. (Ross *et al.*, 2006) also conducted a study and found that the students who worry about money, have debts and perform less well in the examinations. There is a strong correlation between financial stress, mental and physical health (Roberts *et al.*, 1998). Additionally, the financial worries also impact the employees in their performance of work/productivity (R. C. Brown, 1999; Vosloo *et al.*, 2014) [47] and their cognitive abilities (Mani *et al.*, 2013).

The state of financial instability has further consequences on individuals, their families and society at large, which significantly impact overall welfare (Abrantes-Braga & Veludo-de-Oliveira, 2019 [1]; Blair *et al.*, 2022; Trautmann & Wittchen, 2016). Many previous studies have highlighted the crucial role of finances in the overall wellbeing of an individual (Brüggen *et al.*, 2017 [8]; CFPB, 2015; Dolan *et al.*, 2008; Netemeyer *et al.*, 2018) [32]. For instance, (Strömbäck *et al.*, 2017) [44] also found the financial desire discrepancies are associated with poor subjective well-being. And, to have a positive attitude in the life there should be lack of financial worries and commitments which leads to better financial wellbeing (Hagerty & Veenhoven, 2002). Thus, the FWB is described as feeling of being financially healthy and free from worries, based on subjective evaluations or perceptions of one's financial situation in the present and future (Campara, 2017).

In recent times, with the historically low savings rates the concept of financial wellbeing has gained importance for

individuals, households, societies and countries (Brüggen *et al.*, 2017) [8]. Over the past three decades, individuals are becoming increasingly responsible for their own financial security (Lusardi, 2008). However, it is generally found that people are bad financial decision makers (Strömbäck *et al.*, 2017) [44]. Now the changing economic scenario demands for sound financial decision making ability (Sinha *et al.*, 2021) [43]. While individuals have knowledge that they need to save but still they are not able to manage it (Vosloo *et al.*, 2014) [47]. Even with the increasing complexity and availability of huge basket full of extensive variety of financial products and services, the task of managing money has become even more difficult (Garg & Singh, 2018).

Previous researches in the field of Financial Well-Being (FWB) have mostly focused on the influence of cognitive factors such as financial literacy and numeracy skills, (Fernandes, Lynch, *et al.*, 2014; Lusardi, 2008; Lusardi *et al.*, 2011) [30] on financial behavior while relatively less research has focused on examine the influence of non-cognitive factors. Therefore, our present study aims to study the effect of both cognitive factors such financial literacy and non-cognitive factors such mindfulness and self-control on FWB. As, there are many benefits associated with mindfulness like reducing cognitive vulnerability to stress and emotional distress (Bishop, 2004) [6]. It serves as antidote for the volatile, uncertain, complex and ambiguous (VUCA) environment. By developing mindfulness skills, individual can free themselves from distraction and enhance attention to focus (Chapman-clarke, 2017) [9]. Even, mindfulness helps to promote the perception of having enough (Warren *et al.*, 2009). Similarly, self-control is the ability to control impulses and crucial key factor for long-term success in many areas of life (Strömbäck *et al.*, 2017) [44].

Thus, the present framework captures the holistic view by capturing both cognitive (financial literacy) and non-cognitive factor (mindfulness, self-control) within the framework of financial wellbeing.

Our study is divided into several parts. Firstly, we provide an introduction, followed by the concept of financial wellbeing in the second section. The methodology used to gather the literature along with tabular representation of some of the important studies. The fourth section comprises with the propositions developed and conceptual framework. The fifth section discusses theoretical and practical implications along with scope for future research. Lastly, the sixth section summarizes the study in concluding paragraph.

Concept FWB

Financial Wellbeing (FWB) is a relatively new and evolving concept, with limited models developed primarily in developed countries (Sehrawat *et al.*, 2021). Despite its importance in the financial literature, there is no universally accepted definition of FWB (Netemeyer *et al.*, 2018) [32]. There is very limited research in the area of FWB and it is spread out among various disciplines remains scarce like economics, developmental psychology, services marketing financial counseling and planning and consumer decision making. As a result, there is a lack of consensus regarding its conceptualization and components (Brüggen *et al.*, 2017) [8].

The existing definitions can be categorized into three groups: those that consider both objective and subjective characteristics, and those focus either on objective or subjective measures to define financial well-being. The initial category comprises studies of (Vosloo *et al.*, 2014) [47] who characterized financial well-being as a blend of both objective and subjective aspects that collectively influence to a person’s assessment of his/her current financial situation. Even (Shim *et al.*, 2009) [42] include amount of debt as objective measure and financial satisfaction as subjective measure for financial well-being. Similarly (Porter and Garman, 1992) included income level as objective measure and perceived satisfaction as subjective measure. The second group mainly focuses on objective measures of FWB. Like (Kahneman & Deaton, 2010) [25] used income as objective measures of financial well-being. Similarly, (Greninger, 1996) [17] used financial information and financial ratios as objective measures of financial well-being. Third group emphasizes more on subjective approach and less on objective approach for defining financial well-being. For example (Lusardi, 2003) examined people perceptions and reactions for the financial wellbeing. And, studies have shown that individuals with same financial

situation may interpret FWB in distinct ways (Norvilitis *et al.*, 2003 [34]; O’Neill *et al.*, 2005).

Even (Brüggen *et al.*, 2017) [8] encompasses the perception of maintaining both present and future desired living standard with financial autonomy as a part of financial wellbeing. The most commonly used definition for FWB by CFPB (2015) is “a state in which an individual can meet their present ongoing financial obligations, feel confident about their financial future, and can also make choices that enable them to enjoy life”. Further (Netemeyer *et al.*, 2018) conceptualizes two components current money management stress and expected future financial securities as financial wellbeing. Similarly, (D’Agostino *et al.*, 2021) [10] incorporate five dimensions which are inner well-being, relative assessment, time dimension, financial security and financial freedom as a part of FWB.

Thus, FWB is still evolving with new definitions and measurements across different studies.

Methodology

The present article provides a conceptual framework by doing a comprehensive literature review. Previous studies have mentioned that conceptual models are created by using existing literature (Chaudhary *et al.*, 2021). To achieve this objective we identify various articles from google scholar and Scopus database. The search began by using word such as financial wellbeing, financial wellness and financial satisfaction. We followed the specific criteria mentioned by (Kaur & Singh, 2022) [26] in her review which is as follows.

1. Exploring articles with variables financial wellbeing, Financial Behavior, Financial satisfaction
2. Exploring various factors influencing financial behavior and financial wellbeing.
3. The text must be available in English.

The main journals involved in the study are Journal of Consumer Affairs, Journal of Financial Counselling and Planning, Social indicators research, International Journal of Bank Marketing, Journal of Economic Psychology, International Journal of Consumer Studies and Journal of Family and Economic Issues. The articles are analyzed using the steps taken by (Rana *et al.*, 2020). First, Understanding and defining financial wellbeing. Second, analyzing the literature on FWB by studying various factors influencing it which is presented in the table (1). Finally, identifying the various antecedents and developing a conceptual model.

Table 1

Author	Theories/Model	Factors	Findings
(Sinha <i>et al.</i> , 2021) [43]	(Netemeyer <i>et al.</i> , 2018) [32] Model of FWB which includes Current money management and Financial Anxiety	Mindfulness, Materialism and FwB	FWB has positive association with mindfulness even after controlling for several demographic variables. Further, the above relationship is also mediated by materialism.
(Fan & Babiartz, 2019) [13]	Social role theory and social exchange theory	1)Demographic, socioeconomic, and behavioral determinants of financial satisfaction. 2)Moderating roles of gender and marital status in these associations.	Results shows single women and divorcees of both genders reported significantly lower financial satisfaction than married people.
(Limbu & Sato, 2019) [29]	Self-determination theory	Credit card literacy, FWB and self-efficacy	Credit card literacy has positive association with financial well-being through self efficacy. Further, this effect is seen strong when the college students has few credit cards.
(Barbić <i>et al.</i> , 2019) [4]	Family management system and the theory of	Financial consumption behavior, financial literacy, Responsible financial attitudes,	The results indicate the formation of responsible consumption behavior with the six formative elements

	planned behavior.	and Behavioral control.	namely planning for the future, education, self-control in spending, seeking information, rational decision - making and solvency
(Ponchio <i>et al.</i> , 2019) [37]	(Netemeyer <i>et al.</i> , 2018) [32] model for FWB	Personal Saving (PSO), time perspective (TP), financial knowledge (FK), Consumer spending self-control (CSSC), materialism	The result shows that financial well-being is influenced by TP and CSSC. Future financial security is also influenced by PSO. Additionally, TP also moderates the relation of materialism on current money management stress, and spending self-control further mediates the above relationship.
(Riitsalu & Murakas, 2019)		Objective and subjective knowledge of finance, personal managing behavior and socio-economic status	The result indicates that subjective knowledge has a stronger relation as compare to objective knowledge on financial well-being.
(Wagner & Walstad, 2019)		Financial education, the short- and long-term financial behaviors	financial education has relatively minimal effect on short-term behaviors such a money or credit management tasks for which there is regular feedback and adverse consequences in the form of penalties and high interest charges if mistakes are made.
(Raue <i>et al.</i> , 2020) [38]	Social norms approach to		Social comparison approach has the potential to motivate people to start saving for retirement or increase their current savings.
(Hoffmann & McNair, 2019) [20]		Positive and negative financial outcomes (e.g., savings levels, paying credit card balances in full each month, being in arrears) as well as relevant psychological characteristics (e.g., personal savings orientation [PSO], money management skills, financial self-efficacy).	People with high Financial Vulnerability leads to unfavorable outcomes mediated by psychological characteristics
(Weisfeld-Spolder <i>et al.</i> , 2018) [49]	value-attitude-behavior hierarchy	1)antecedents of financial planning behavior 2) Role of cultural values in financial decision.	The findings shows that financial attitude, knowledge, and perceived control have an effect on consumers intentions to purchase financial planning products or services.
(Saurabh & Nandan, 2018) [40]		Financial knowledge, Financial satisfaction, socialization with financial behavior and financial risk attitude as a mediator in after demonetization and introduction of GST	The study shows that both financial behaviour and financial risk attitude act as a mediator between financial socialization and financial satisfaction and financial knowledge and financial satisfaction
(Xiao & Porto, 2017) [50]		Financial literacy, financial behavior, and financial capability as mediating factors between financial education and financial satisfaction.	The result shows that factors such as objective financial literacy, subjective financial literacy, perceived financial capability, desirable financial behavior and the financial capability index mediates the relationship financial education and financial satisfaction
(Farrell <i>et al.</i> , 2016)		Financial self-efficacy in explaining their personal finance behavior,	Women with higher financial self-efficacy have greater self-assuredness in their financial management capacities. And, they are likely to have investment in savings products then debt-related products.
(Tang <i>et al.</i> , 2015)		Financial Knowledge, parental influence, individual characteristics (self-discipline and thoroughness) on financial behavior	The findings show a weak correlation between financial knowledge and behavior by parallely testing the roles of financial knowledge, individual psychological characteristics (Self-discipline and thoroughness) and parental influence in young adults financial behaviours. It is seen that self-discipline and parental influence have positive association with responsible financial behaviour. Further, investigating the moderating effect on gender showed that parental influence and financial knowledge improve women's financial behaviour then men.
(Allgood & Walstad, 2016) [2]		Perceived and actual financial literacy on Financial Behavior	Both actual and perceived financial literacy appear to influence financial behaviors and that perceived financial literacy may be as important as actual financial literacy.
(S. Brown & Gray, 2016)		Household Finances and Individual level of financial wellbeing	Financial position of households in the comparison group is an important determinant of an individual's level of overall life satisfaction and financial well-being, with information effects generally dominating comparison effects.
(Parrotta & Johnson, 1998) [36]	Deacon and Firebaugh Family Resource Management Model,	Financial knowledge and attitude on financial satisfaction and financial management with financial status	The relationship between attitudes and practices is not moderated by Financial Knowledge. The relationship is consistent despite higher financial Knowledge. Further, higher income and using financial practices are related to higher satisfaction with financial status.

Proposed Integrated Conceptual Framework for Individual FWB

Theoretical Background

This study proposes a model based upon the following theories. It includes (a) control theory (b) Behavior Life cycle (c) Theory of Planned Behavior. Combination of these theories will enhance our understanding in the relationship among variables in better way

Cybernetic control theory as suggested by (Carver & Scheier, 1981) states that attention plays a key role the communication and control processes that leads to regulation of behavior. It provides a model for the self-regulation of human behavior. Attention is the main component of mindfulness. An individual whose attention towards his behavior he is able to regulate it better.

Further BLC hypothesis proposed by (Shefrin & Thaler, 1988) which highlights an ongoing conflict within a person There is a “planner” who thinks for the long-run and a there is “doer” who is focused in the current situation. It further states the ability to control impulses and doing mental budgeting by categorizing the money in various accounts will determine the self-control of an individual and effect the people’s financial behavior of a person over the life time.

Moreover, the theory of planned behavior developed by (Ajzen, 1991) emphasizes on the significance of intention to perform a given behavior. Intentions reflect the motivational factors which directly influence the behavior. It indicates how hard people are willing to try, and how much an effort they are planning to exert, in order to perform the behavior. It is seen the stronger the intention to engage in a behavior, the more likely should be its performance. And the mindfulness provides clarity of thoughts which improves the person intention.

In summary, the integration of these theories provides a comprehensive understanding of the relationships between variables in the proposed model. Control theory emphasizes attention and self-regulation, the behavior life cycle hypothesis considers the interplay between long-term planning and immediate impulses, and the theory of planned behavior highlights the role of intentions in motivating behavior. Mindfulness enhances the effectiveness of these theories by improving attention and clarity of thought.

Proposed Constructs and Propositions Development

Mindfulness

The concept of mindfulness has its roots in Buddhist culture but it has been also explored in philosophy, psychology and other disciplines (K. W. Brown & Ryan, 2003; Kirk Warren Brown, 2017) ^[27]. Mindfulness is deeper awareness and enhanced attention to the present reality (K. W. Brown & Ryan, 2003). It involves non-judgmentally experiencing every moment and paying attention what is happening to the present moment (Kabat-zinn, 2003). Mindfulness is also linked with slowing down and paying attention without judgment (Chapman-clark, 2017) ^[9]. It is also associated with self-regulation of attention, openness, curiosity, acceptance, values clarification, cognitive, emotional, behavioral flexibility, and exposure (Bishop, 2004 ^[6]; Shapiro *et al.*, 2006) ^[41]. Researches has shown that mindfulness is related to subjective wellbeing and ecological behavior(K. W. Brown & Kasser, 2005) ^[7].

Mindfulness is connected to FWB because of the several reasons. Firstly, there is clarity of awareness of one’s inner

and outer world and seeing thoughts, emotions, sensations, actions or surroundings non-judgmentally (Kirk Warren Brown, 2017) ^[27]. This aspect of mindfulness have helped individual to look every situation neutrally. Thus, mindfulness help individuals to distinguish between what is relevant and what irrelevant. Secondly, mindfulness brings clarity of thoughts by viewing each moment as unique without interference from past experience (Nilsson & Kazemi, 2016) ^[33]. This also reduces financial anxiety (Fu & Wang, 2009 ^[15]; Nolen-hoeksema *et al.*, 2008). Thirdly, the non-judgmental component of mindfulness leads to better understanding of once emotion and regulation of it (Giluk, 2009). As the regulation of emotion leads to satisfaction with the present financial condition and a sense of well-being (Gyurak & Levenson, 2010). Further, mindfulness leads to non-reaction which promotes self-regulation of behavior (Evans *et al.*, 2009), which is important for mental budgeting and subsequent allocation of money management (Antonides *et al.*, 2011) ^[3]. It is also observed that individuals with high levels of mindfulness level rarely engage in adverse financial behaviors like late credit card payment (Fernandes, Jr, *et al.*, 2014), which leads to current money management stress (Netemeyer Richard G, Warmath Dee, Fernandes Daniel, 2018). Fourth, mindfulness improve self-discipline (Bishop, 2004 ^[6]; Giluk, 2009) which leads to positive financial behavior (Strömbäck *et al.*, 2017a) ^[44] and also it influences people intentions financial decisions (Howlett *et al.*, 2008) ^[21]. Fifth, also through living and experiencing present moment an individual dissociate themselves from thoughts and gain clarity of awareness (Shapiro *et al.*, 2006) ^[41], which reduces the future related to worry (Kirk Warren Brown, 2017) ^[27]. Whereas mind wandering leads to unreasonable occupation about the future (Baumeister, 1990) ^[5].

Thus, to achieve FWB, Mindfulness is associated with self-regulation of attention, including flexibility, sustaining and switching of attention (Bishop, 2004) ^[6], allowing individuals to operate in a temporal mode appropriate to the situation (Stolarski *et al.*, 2015).

To the date, however we are aware that there is only one study which have established the relationship between mindfulness and FWB which is (Sinha *et al.*, 2021) ^[43]. (Sinha *et al.*, 2021) ^[43] examined the relationship between mindfulness and FWB and meditating role of materialism on it. The results shows that higher mindfulness was significantly associated with less financial anxiety, less current money management stress and more perceived financial security. Further Mindfulness is related negatively to materialism and positively related to financial anxiety and current money management stress and was the negative predictor of perceived financial security. (Fernandes, Jr, *et al.*, 2014) conducted meta-analysis in 168 papers covering 201 studies and found that there is 0.1 per cent variations in financial behavior because of financial literacy.

Thus, Mindfulness predicted FWB indices with the mediating effect of self-control.

Hence the following Proposition is proposed:

P1a: Mindfulness positively influence the financial Wellbeing

P1b: Mindfulness positively influence the self-control

Financial Literacy

Recently, it is experienced that money has become difficult to manage because there is increasing complexity in

financial products. Therefore, it is important to have understanding of finances to avoid any wrong choices (Garg & Singh, 2018). Even the policy makers have considered financial literacy interventions is important in increased complex financial world (Fernandes, Jr, *et al.*, 2014). However, there is no consensus on the definition of financial literacy among different researchers and organizations (Hung *et al.*, 2011) [22]. (Remund, 2010) conducted a review and found that there are five categories under which definition of financial literacy falls 1. knowledge regarding financial concepts, 2. Ability to communicate regarding financial matters 3. Aptitude in managing personal finances 4. Making appropriate financial decisions 5. Confidence in planning future financial needs. According to (Lusardi, 2015) financial literacy is an important element for financial stability for an individual and economy. (M. C. J. Van Rooij *et al.*, 2009) also found that individuals with strong financial knowledge are able to plan well for retirement planning. Similarly, (Struckell *et al.*, 2022) [45] also found financial literacy is very much important self-employment. As the self-employed individuals require financial skills to prepare business budgets, payment of taxes, assessing insurance needs, and to make decisions about healthcare. Further, through financial literacy an individual develops confidence, knowledge and skills to manage financial products and services which bring more control in their present and future situations (RBI, 2012).

Studies have shown that financial literacy has improved financial decision (Agarwalla *et al.*, 2015) and lack of it leads to problem regarding how to save for retirement (M. C. J. Van Rooij *et al.*, 2009) and low participation in stock market (M. Van Rooij *et al.*, 2011) [39]. Even (Gathergood, 2012) examines the relationship between self-control, financial literacy and over- indebtedness and found lack of self-control and financial illiteracy lead to financial burdens of debt. (CFPB, 2015) recognizes the success of financial literacy can be measured through financial wellbeing. Further government of various countries have started recognizing the need of financial literacy as an important skill because it will help in freedom from exploitation, promotes entrepreneurship, deeper participation in financial market and behavioral change by understanding the implications of financial product (RBI, 2012).

Thus, on the basis of literature review we propose the following propositions:

P2a: Financial literacy positively influences financial wellbeing.

P2b: Financial literacy positively influences Self-control.

Self-Control

Self-control is the ability to control our current actions in consideration of our future (Strömbäck *et al.*, 2017) [44]. It refers to as change in one’s inner responses, which stop undesired behavioral tendencies. Studies have shown that high levels of self-control leads to broad range of positive outcomes in life (Tangney *et al.*, 2004) [46].

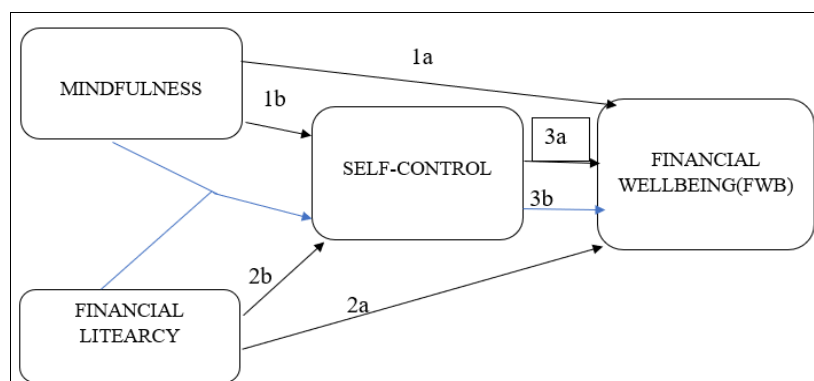
Several studies have explored the relationship between self-control and financial wellbeing. Like (Chhatwani, 2022) examined the linkage between a sense of personal control and financial well-being among the elderly during COVID-19. It was found that personal control and financial wellbeing have positive relation. Self-control influences people’s financial behavior as well as their subjectively perceived financial well-being. (Strömbäck *et al.*, 2017) [44] found that individuals with good self-control were more likely to regularly save money from their pay-checks, which means that they are better prepared to manage unforeseen expenses and more likely to have enough money for their retirement. Furthermore, (Achtziger *et al.*, 2015) examined the self-control, compulsive buying, and debts. The result shows that self-control was negatively related to debts while compulsive buying was positively related to debts. (Gathergood, 2012) found that there is positive connection between self-control and over-indebtedness. It is seen that people with low self-control will face financial shocks and other adverse financial behavior due to impulsive buying. Also, (Antonides *et al.*, 2011) [3] used mental budgeting as an instrument for self-control and found that it has a positive effect on the financial management. (Moffitt *et al.*, 2011) examined 1,000 children from birth to the age of 32 y and found self-control improves physical health, personal finances, and low criminal offending outcomes. Moreover, (BAUMEISTER*, 2002 [5]; Friese & Hofmann, 2009) [14] also found self-control failure leads to impulsive purchasing. (Shefrin & Thaler, 1988) examined and found self-control is necessary because immediate consumption is always an attractive alternative to retirement saving.

Hence, we proposed the following propositions:

P3a: Self-control positively influences financial wellbeing

P3b: Self-control mediates the relation of mindfulness and Financial Literacy on FWB

The past studies established the relation between financial wellbeing and age, gender, income, occupation. We have included them as control variables in model estimation to gain more nuanced estimates of the partial effects.



Control Variables: Age, Gender, Income, Martial Status, Occupation Source: Author

Fig 1: Conceptual Framework

Contribution and implications for future research

Theoretical implications

The present study makes novel contributes to the literature. To our knowledge, the current study is the second research examining the relationship between mindfulness and FWB construct after (Sinha *et al.*, 2021) ^[43]. The theoretical foundation shows mindfulness leads to acceptance of the internal and external stimuli (Wang *et al.*, 2017) which leads to greater self-regulation (Bishop, 2004 ^[6]; Shapiro *et al.*, 2006) ^[41]. With this an individual will have a sense of control over their finances and experience less stress. As mindfulness leads to living in the present moment and responding to stimuli with proper attention as a result mindful individuals are less likely to react to greedy malpractice. Further, such orientation is also very important for setting financial goals, within the household budgets and to achieve these goals while facing financial challenges. Since mindful people have better awareness of themselves which leads to clarity of thought so they are able to distinguish between needs and wants and likely to focus on realistic goals. Thus, mindful individuals likely to live simple life preferences and are not obsessed money-related thoughts. Even (Hafenbrack *et al.*, 2014) ^[19] exhibited that mindful decision-makers are less preoccupied with past decision and therefore no regret on giving up previous which reduced negative thoughts. As Mindful awareness promotes clarity of thoughts and living in the present, individuals are not occupied by fearful thoughts of the future.

These mindfulness mechanisms leads to satisfaction with the present financial condition which lead to with financial conditions and positive subjective assessment of financial lives (Rosch, 2007). Whereas, less mindful decision-makers generally experience post-decision regret. Because less mindful people don't have clarity regarding the objectives while making a decision, therefore they change their decision frequently. Such people may not be confident regarding their financial decisions and may experience stress and anxiety. An empirical study, (Papies *et al.*, 2015) ^[35] demonstrated that mindful people make rational judgment and take action with low materialistic intentions (Warren *et al.*, 2009). And, individuals with lower materialistic desires not to be engage in poor financial decisions in the form of carrying excessive debt and impulsive buying behaviors (K. W. Brown & Kasser, 2005; Dittmar, 2005) ^[11].

Practical Implications

The present study establishes the relationship between mindfulness, financial literacy, self-control and FWB which has implications for individuals, households and organizations. Theoretically, Mindfulness is positively associated with self-control. Thus, a mindful person may attain higher financial wellbeing by increasing the self-control. It is a guidance for policymakers, organizations and financial institutions for enhancing FWB through other means than perks, income, allowances. Mindfulness can be facilitated through a range of mindfulness practice. Banks can also develop tools to promote mindfulness within for customers' control over their daily spending through enhancing mindful awareness of present financial actions and their impact on the financial future. Thus, institutionalizing will help employees to cultivate greater FWB. Mindfulness along with financial literacy leads to less

anxiety related to financial decisions. Further, the study findings have important implications for public policy framing. As the importance of well-being, including financial well-being and mental health now recognized by the various government and society at large. It should target children during their formative years to improve their self-control which will help them in their financial planning. Further, (Brüggen *et al.*, 2017) ^[8] pointed out that supporting financial well-being contributes to the corporate social responsibility (CSR) goals of organizations.

Conclusion

Overall, there is an increase in the studies related to financial well-being. But most are done from the perspective of cognitive skills. There present article shows the importance of cognitive and non-cognitive skills in achieving the state of individual financial wellbeing. Considering, the important role of finances in the mental health and the overall wellbeing of an individual. The presents article aims to provide a conceptual model by extracting various factors from past studies. The model contributes towards the understanding of personal factors such as mindfulness and self-control as responsible for achieving financial wellbeing

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