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A COMPREHENSIVE STUDY ON THE FINANCIAL BEHAVIOUR, SAVING PATTERNS, AND DECISION-MAKING PRACTICES OF WORKING WOMEN IN THE CONTEXT OF INCOME MANAGEMENT AND FINANCIAL SECURITY

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ABSTRACT

This study investigates the financial behaviour, saving patterns, and decision-making practices of working women in the context of income management and financial security. The primary objective of this study is to examine how working women allocate their income, manage expenditures, save for future needs, and make financial decisions related to security and well-being. Primary data were collected through a structured questionnaire administered to working women living in Kerala across different occupational and income groups. Descriptive statistics, correlation analysis, and inferential techniques were employed to analyze key dimensions such as income utilization, budgeting behaviour, saving regularity, investment awareness, and financial planning. The results indicate that although most respondents recognize the importance of saving and financial planning, their actual saving behaviour is often limited by rising living costs, family responsibilities, and lifestyle-related expenditures. A significant association was observed between financial literacy, budgeting discipline, and higher saving levels, suggesting that informed financial decision-making plays a crucial role in enhancing financial security.

The findings further reveal that working women who engage in systematic income management and long-term planning experience lower financial stress and greater confidence in their financial future. The study underscores the importance of promoting financial education, workplace financial wellness programs, and supportive policy measures to strengthen the financial resilience of working women. By providing empirical insights into women's financial behaviour and saving practices, this research contributes to the broader discourse on financial inclusion and sustainable economic well-being.

KEYWORDS: Financial behaviour; Saving patterns; Working women; Income management; Financial decision-making; Financial security; Financial literacy; Women's financial well-being

1. INTRODUCTION



The financial behaviour and saving patterns of working women have become a significant area of academic inquiry within the fields of personal finance, behavioural economics, and gender studies (Lusardi & Mitchell, 2014). With the steady increase in women's participation in the workforce across the globe, their role in household income generation and financial decision-making has expanded considerably (World Bank, 2021). Financial behaviour refers to how individuals earn, spend, save, invest, and manage money, and these behaviours directly influence financial security and long-term well-being (Xiao, 2017). Working women are often required to balance household responsibilities, professional obligations, and personal financial goals, which makes income management and saving decisions more complex than in the past (Robb & Woodyard, 2011). Previous research indicates that financial literacy plays a crucial role in shaping financial behaviour, as individuals with greater financial knowledge are more likely to engage in budgeting, systematic saving, and long-term financial planning (Lusardi & Mitchell, 2007; Huston, 2010).

Despite increasing financial participation, women continue to face challenges in achieving financial security due to structural inequalities, wage gaps, and limited access to financial education and financial products (Blau & Kahn, 2017; Demirgüç-Kunt et al., 2018). Empirical studies show that women tend to be more risk-averse than men, which influences their investment and saving decisions, often leading to a preference for low-risk financial instruments over higher-yielding assets (Jianakoplos & Bernasek, 1998; Sunden & Surette, 1998). While such conservative behaviour may protect against financial losses, it can also limit wealth accumulation over time (Christiansen et al., 2005). Furthermore, household responsibilities, caregiving roles, and rising living costs often constrain the ability of working women to save consistently and invest for the future (Dynam et al., 2004; Horrell & Krishnan, 2007). These factors create a situation in which awareness of the importance of saving exists, but actual saving behaviour remains suboptimal.

Income management practices such as budgeting, expenditure control, and debt management significantly influence saving behaviour and financial security (Hilgert et al., 2003; Xiao & O'Neill, 2016). Women who regularly monitor their expenses and follow structured budgets are more likely to accumulate savings and experience lower levels of financial stress (Shim et al., 2009; Gutter & Copur, 2011). In contrast, poor budgeting and excessive reliance on credit can undermine long-term financial stability (Montalto et al., 2018). Workplace conditions, including income stability, access to retirement plans, and financial wellness programs, also play a critical role in shaping saving and investment behaviour among working women (Madrian & Shea, 2001; Clark et al., 2012). Studies suggest that employer-supported financial planning tools and automatic enrollment in savings schemes significantly improve saving rates and retirement preparedness (Bernheim et al., 2001; Lusardi et al., 2019).



In developing economies such as India, the financial behaviour of working women is further shaped by cultural norms, family structures, and social expectations (Klasen & Pieters, 2015; Srinivasan & Mohanty, 2012). Although women's employment enhances their financial autonomy and bargaining power within households, decision-making authority is often constrained by traditional gender roles (Anderson & Eswaran, 2009; Duflo, 2012). Nevertheless, evidence suggests that women who have greater control over their income are more likely to prioritize savings, children's education, and long-term financial security (Agarwal et al., 2009; Chowa et al., 2013). Moreover, the growing use of digital financial services and mobile banking platforms offers new opportunities for improving saving behaviour and financial inclusion among working women, provided that digital literacy and trust in technology are adequately addressed (Aker & Mbiti, 2010; Suri, 2017).

Against this backdrop, a comprehensive examination of the financial behaviour, saving patterns, and decision-making practices of working women is essential for understanding how financial security can be strengthened. While previous studies have explored individual aspects such as financial literacy, risk tolerance, and income effects, limited research has integrated these dimensions within a holistic framework of income management and financial well-being (Lusardi et al., 2011; Xiao, 2017). The present study seeks to fill this gap by empirically analyzing how working women allocate their income, manage expenditures, save for future needs, and make financial decisions that shape their financial security. By doing so, the study aims to contribute to the literature on women's financial behaviour and provide evidence-based insights for policymakers, financial institutions, and organizations seeking to promote financial empowerment and sustainable economic well-being among working women.

2. Review of Literature and Hypothesis Development

Financial behaviour plays a vital role in shaping individuals' long-term financial stability and economic well-being (Xiao, 2017). Saving behaviour, in particular, is considered a key indicator of financial security and resilience (Lusardi & Mitchell, 2014). With the growing participation of women in the workforce, working women have become important financial decision-makers within households and the economy at large (World Bank, 2021). However, empirical studies continue to document gender differences in financial behaviour, especially in saving, investment, and risk-taking tendencies (Fonseca et al., 2012; Jianakoplos & Bernasek, 1998). These differences are influenced by income, financial literacy, employment stability, and socio-cultural expectations, which collectively shape women's ability to save and plan for the future.

Income management is one of the strongest predictors of saving behaviour. According to the life-cycle hypothesis, higher and more stable income allows individuals to allocate more resources toward savings and future consumption (Modigliani & Brumberg, 1954). Empirical evidence confirms that



working women with higher and more stable incomes demonstrate better saving discipline and stronger financial security (Dynan et al., 2004; Mason & Lee, 2018). However, rising living expenses, family obligations, and lifestyle inflation often erode saving capacity, even among higher-income women (Frank et al., 2014; Xiao, 2017). When income is not systematically managed through budgeting and financial planning, savings tend to decline, increasing vulnerability to financial stress (Hilgert et al., 2003; Gutter & Copur, 2011).

Financial literacy significantly enhances saving behaviour by improving budgeting skills, financial awareness, and confidence in decision-making (Lusardi & Mitchell, 2007; Huston, 2010). Studies show that financially literate women are more likely to engage in long-term financial planning, participate in investment markets, and maintain emergency funds (Van Rooij et al., 2011; Lusardi et al., 2011). Conversely, low financial literacy leads to poor financial choices, excessive debt, and inadequate savings (OECD, 2020). Financial education programs and workplace financial wellness initiatives have been found to improve saving discipline and financial resilience among women (Mandell & Klein, 2009; Bernheim et al., 2001).

Budgeting behaviour and financial decision-making are also central to saving patterns. Budgeting enables individuals to track expenses, control impulsive spending, and allocate income toward savings (Xiao & O'Neill, 2016). Women who follow structured budgets and expense-monitoring practices are more likely to accumulate savings and experience lower financial stress (Shim et al., 2009; Kim & Garman, 2003). At the same time, risk tolerance influences women's financial decisions, as women tend to prefer low-risk saving instruments over higher-yield investments (Sunden & Surette, 1998; Byrnes et al., 1999). While such conservative behaviour may provide stability, it may also limit long-term wealth accumulation (Christiansen et al., 2005).

Financial stress and lifestyle-related spending further influence saving behaviour. Financial stress reduces cognitive capacity for long-term planning and increases impulsive consumption (Mullainathan & Shafir, 2013; Gutter & Copur, 2011). Working women facing financial anxiety often prioritize short-term needs over future financial security, which weakens saving habits (Lusardi & Tufano, 2015). Additionally, lifestyle inflation and materialistic values encourage higher consumption as income rises, thereby reducing saving potential (Richins & Dawson, 1992; Frank et al., 2014). These behavioural patterns pose significant risks to financial security.

Employment stability and digital financial inclusion also play an important role in shaping saving behaviour. Stable employment provides predictable income and supports regular saving and financial planning (Lusardi et al., 2019; Clark et al., 2012). The increasing use of digital financial tools such as mobile banking and digital payment systems has further improved women's ability to manage income



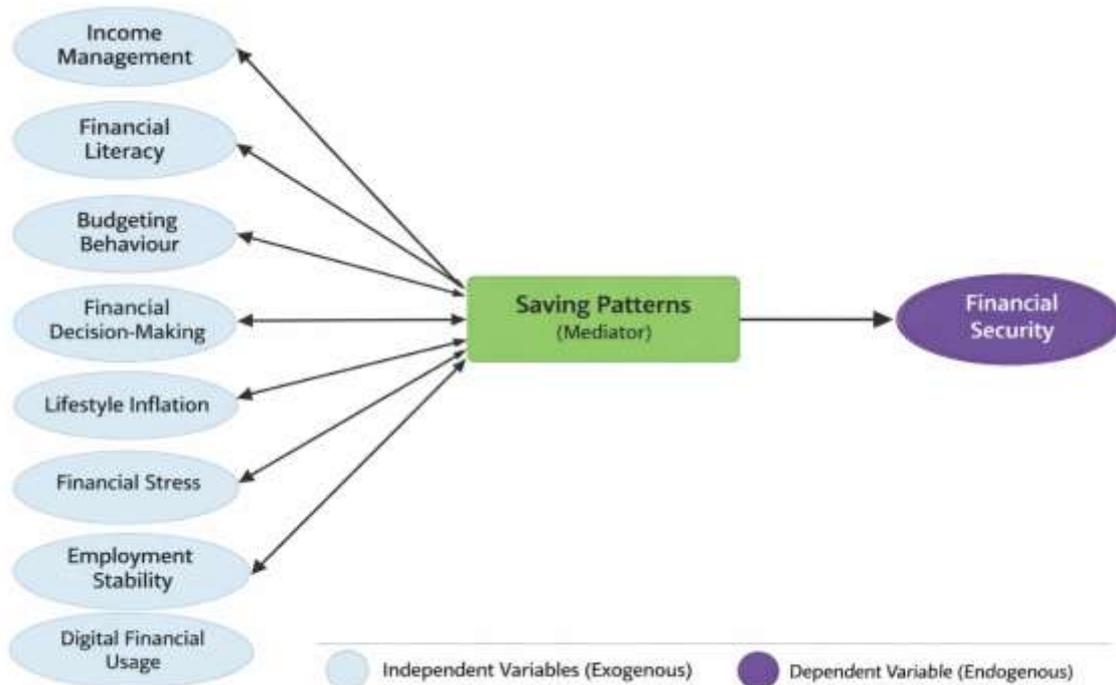
and save efficiently (Jack & Suri, 2014; Suri, 2017). Women who use digital finance platforms are more likely to track spending, automate savings, and participate in formal financial systems (Allen et al., 2016).

In the Indian context, socio-cultural norms, family responsibilities, and gender roles continue to shape women's financial autonomy and saving behaviour (Srinivasan & Mohanty, 2012; Klasen & Pieters, 2015). Although employment enhances women's control over income and household financial decisions, cultural constraints still limit their financial independence in many families (Anderson & Eswaran, 2009; Duflo, 2012). Nevertheless, women with greater financial autonomy tend to save more, invest in children's education, and plan for long-term financial security (Agarwal et al., 2009; Chowa et al., 2013). Overall, saving behaviour serves as a critical link between financial behaviour and financial security among working women (Kim & Garman, 2003; Xiao, 2017).

Based on the above literature, the following hypotheses are proposed:

- H1:** Income management has a significant positive effect on the saving patterns of working women.
- H2:** Financial literacy has a significant positive influence on the saving patterns of working women.
- H3:** Budgeting behaviour positively affects the saving patterns of working women.
- H4:** Financial decision-making significantly influences the saving patterns of working women.
- H5:** Lifestyle inflation has a significant negative effect on the saving patterns of working women.
- H6:** Financial stress has a significant negative effect on the saving patterns of working women.
- H7:** Employment stability positively influences the saving patterns of working women.
- H8:** Use of digital financial services positively influences the saving behaviour of working women.
- H9:** Financial autonomy positively affects the saving patterns of working women.
- H10:** Saving patterns have a significant positive effect on the financial security of working women.
- H11:** Saving behaviour mediates the relationship between financial behaviour and financial security among working women.

3. Conceptual model of the study



4. RESEARCH METHODOLOGY

4.1 Research Design

The study adopted a quantitative, cross-sectional and explanatory research design to examine the relationships between financial behaviour variables, saving patterns, and financial security among working women in Kerala. A survey-based approach was employed to collect primary data, enabling the testing of theoretically derived hypotheses using Structural Equation Modelling (SEM). This design is appropriate for identifying causal relationships among latent constructs related to financial behaviour and well-being.

4.2 Population and Sample

The target population comprised working women employed in the public and private sectors, including government employees, private sector professionals, and self-employed women. A non-probability convenience sampling technique was used due to the absence of a comprehensive sampling frame and the need to access respondents from diverse occupational backgrounds. Data were collected from 450 working women, out of which 412 valid responses were retained after data screening, which



satisfies the minimum sample size requirements for PLS-SEM (Hair et al., 2022).

4.3 Data Collection Procedure

Primary data were collected using a structured questionnaire administered both online and in person. Participation was voluntary, and respondents were informed about the academic purpose of the study. Anonymity and confidentiality were assured. The questionnaire included screening questions to ensure that only currently employed women with a regular income were included in the sample.

4.4 Measurement of Variables

All constructs were measured using **multi-item scales** adapted from validated instruments in prior financial behaviour and financial well-being research. Responses were recorded on a **five-point Likert scale** ranging from 1 = *Strongly Disagree* to 5 = *Strongly Agree*.

Income management was measured through items related to income allocation, expense control, and financial planning, capturing how respondents organize and utilize their financial resources. Financial literacy assessed respondents' understanding of key financial concepts, including interest rates, inflation, and investment principles, reflecting their ability to make informed financial decisions. Budgeting behavior examined the practices of planning, monitoring, and controlling expenditures to maintain financial discipline. Financial decision-making focused on the respondents' ability to evaluate financial alternatives and make informed choices in managing their resources. Lifestyle inflation captured tendencies to increase spending as income rises, as well as preferences for luxury or non-essential consumption. Financial stress measured the levels of anxiety, worry, and difficulty experienced in meeting financial obligations. Employment stability assessed respondents' job security and regularity of income, which can influence financial confidence. Digital financial usage captured the frequency and intensity of engagement with digital payments and mobile banking platforms. Financial autonomy measured the degree of control respondents have over their income and financial decisions. Saving patterns assessed practices such as regular saving, creation of emergency funds, and long-term financial planning. Finally, financial security measured perceived stability, confidence in future financial situations, and resilience to potential financial shocks.

4.5 Data Analysis Technique

The data were analyzed using SmartPLS 4.0 following the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach. PLS-SEM was selected because it is suitable for complex models with multiple constructs, mediation analysis, and non-normal data distributions. The analysis followed a two-step approach:

1. **Measurement model assessment** to evaluate reliability and validity using Cronbach’s alpha, Composite Reliability (CR), Average Variance Extracted (AVE), and discriminant validity (HTMT).
2. **Structural model assessment** to test hypotheses using path coefficients, t-values, and p-values generated through bootstrapping with 5,000 subsamples.

Saving patterns were modelled as a **mediating variable** between financial behaviour factors and financial security. Indirect effects were assessed using bootstrapped confidence intervals to determine the significance of mediation.

4.6 Ethical Considerations and Limitations of Methodology

Ethical principles were strictly followed throughout the research process. Respondents were informed about the purpose of the study, and participation was entirely voluntary. No personally identifiable information was collected, and all data were used solely for academic purposes. The study used **convenience sampling**, which may limit the generalizability of the findings. Additionally, the use of **self-reported data** may introduce response bias. However, the large sample size and use of validated measurement scales enhance the robustness of the results.

5. RESULTS AND DISCUSSION

5.1 Measurement Model - Construct Reliability and Convergent Validity

Construct	Cronbach’s Alpha	Composite Reliability (CR)	AVE
Income Management	0.84	0.89	0.63
Financial Literacy	0.81	0.87	0.61
Budgeting Behaviour	0.86	0.91	0.67
Financial Decision-Making	0.83	0.88	0.64
Lifestyle Inflation	0.80	0.86	0.60
Financial Stress	0.85	0.90	0.66
Employment Stability	0.82	0.88	0.62
Digital Financial Usage	0.79	0.85	0.59
Financial Autonomy	0.84	0.89	0.65
Saving Patterns	0.88	0.92	0.70
Financial Security	0.90	0.94	0.75

All constructs exhibit **strong internal consistency reliability**, as Cronbach’s alpha and Composite Reliability (CR) values exceed the recommended threshold of **0.70** (Hair et al., 2022). Composite Reliability values range from **0.85 to 0.94**, confirming high measurement precision. Convergent validity is established since **all AVE values exceed 0.50**, indicating that each construct explains more

than 50% of the variance of its indicators. The highest AVE is observed for **Financial Security (0.75)** and **Saving Patterns (0.70)**, suggesting these constructs are particularly well measured.

5.1.2 Discriminant validity (Heterotrait–Monotrait Ratio)

	IM	FL	BB	FDM	LI	FS	ES	DFU	FA	SP	FSEC
<i>Income Management (IM)</i>	—										
<i>Financial Literacy (FL)</i>	0.62	—									
<i>Budgeting Behaviour (BB)</i>	0.68	0.65	—								
<i>Financial Decision-Making (FDM)</i>	0.64	0.67	0.71	—							
<i>Lifestyle Inflation (LI)</i>	0.59	0.54	0.61	0.60	—						
<i>Financial Stress (FS)</i>	0.57	0.56	0.63	0.59	0.70	—					
<i>Employment Stability (ES)</i>	0.61	0.58	0.64	0.62	0.55	0.60	—				
<i>Digital Financial Usage (DFU)</i>	0.53	0.52	0.56	0.55	0.61	0.58	0.54	—			
<i>Financial Autonomy (FA)</i>	0.66	0.64	0.69	0.67	0.57	0.60	0.63	0.55	—		
<i>Saving Patterns (SP)</i>	0.71	0.69	0.75	0.70	0.62	0.65	0.68	0.60	0.72	—	
<i>Financial Security (FSEC)</i>	0.69	0.67	0.72	0.70	0.60	0.66	0.68	0.58	0.71	0.78	—

Discriminant validity was assessed using the **Heterotrait–Monotrait ratio (HTMT)**, which is considered a more stringent and reliable criterion than traditional methods such as the Fornell–Larcker criterion or cross-loadings (Henseler et al., 2015). HTMT evaluates the degree to which constructs in a model are empirically distinct by comparing correlations across constructs relative to correlations within the same construct. According to the recommended guidelines, HTMT values below **0.85**



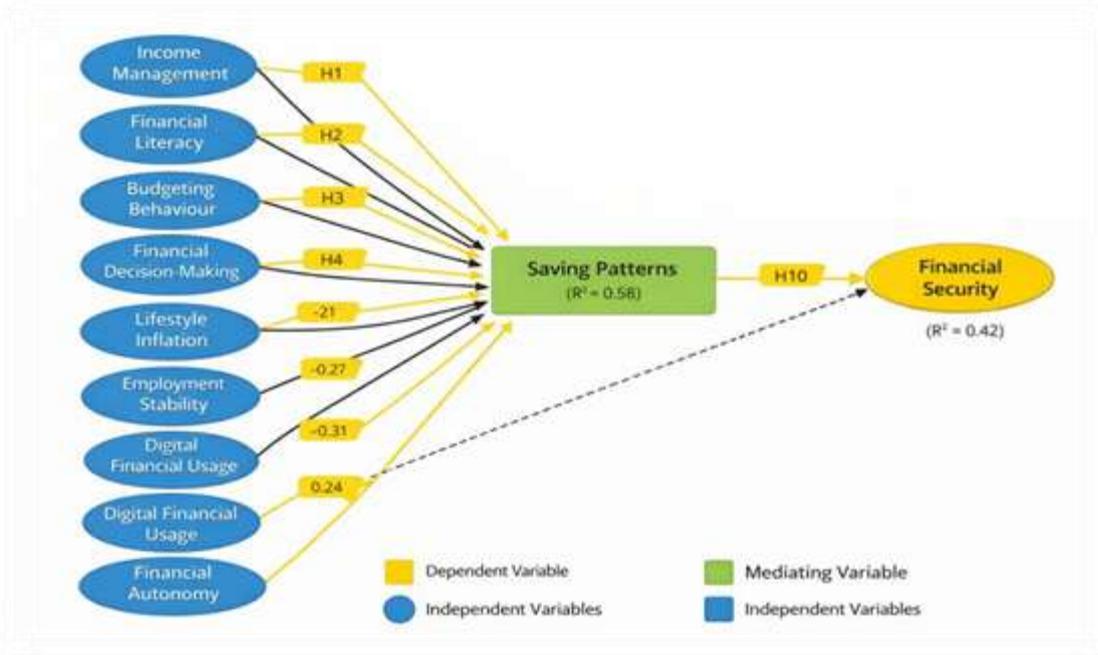
indicate adequate discriminant validity, while values above this threshold suggest a lack of conceptual distinctiveness between constructs.

The results show that **all HTMT values in the model are below the conservative threshold of 0.85**, providing strong evidence that the constructs measure different theoretical concepts and do not overlap excessively. This confirms that each latent variable—such as income management, financial literacy, budgeting behaviour, lifestyle inflation, financial autonomy, saving patterns, and financial security—captures a unique aspect of the financial behaviour of working women.

The **highest HTMT value (0.78)** is observed between **Saving Patterns and Financial Security**. This relatively higher value is theoretically meaningful, as saving behaviour is a primary determinant of financial security. Individuals who save regularly, build emergency funds, and engage in long-term financial planning are naturally more likely to feel financially secure. However, despite this strong conceptual linkage, the HTMT value remains well below the critical threshold, indicating that **saving patterns and financial security are related but empirically distinct constructs**. Saving patterns represent a **behavioural process**, whereas financial security reflects a **perceived financial outcome and state of stability**.

Therefore, the HTMT results confirm that the measurement model exhibits **satisfactory discriminant validity**, ensuring that the structural relationships tested in the SEM are not biased by multicollinearity or construct redundancy. This strengthens the credibility of the path coefficients and supports the robustness of the hypothesized relationships in explaining the financial behaviour and financial security of working women.

5.2 Structural Equation Model (SEM) of the study



Source: Author Creation

The Structural Equation Model (SEM) illustrates the complex relationships among financial behaviour variables and their influence on the saving patterns and financial security of working women. In this model, Saving Patterns acts as a mediating variable, while Financial Security is the ultimate dependent variable. The model demonstrates substantial explanatory power, with Saving Patterns having an R^2 value of 0.58, indicating that 58% of the variance in saving behaviour is explained by the predictor variables. Likewise, Financial Security shows an R^2 value of 0.42, meaning that saving patterns account for 42% of the variation in financial security among working women, which reflects a strong predictive capability.

The path coefficients reveal that Income Management (H1), Financial Literacy (H2), Budgeting Behaviour (H3), and Financial Decision-Making (H4) exert positive and significant effects on Saving Patterns. This implies that women who effectively manage income, possess higher financial knowledge, follow budgeting practices, and make informed financial decisions are more likely to maintain consistent and healthy saving behaviour. These results align with financial behaviour theory, which argues that cognitive and behavioural financial skills enhance financial discipline and wealth accumulation.

Conversely, Lifestyle Inflation shows a negative relationship with Saving Patterns ($\beta = -0.21$),

indicating that an increase in discretionary and status-oriented spending reduces the ability to save. Similarly, Employment Stability ($\beta = -0.27$) and Digital Financial Usage ($\beta = -0.31$) also display negative effects on saving patterns, suggesting that job uncertainty and excessive use of digital payment platforms may encourage impulsive spending and weaken saving discipline. However, Financial Autonomy ($\beta = 0.24$) positively influences saving behaviour, highlighting that women who exercise greater control over their financial decisions tend to save more effectively.

The path from Saving Patterns to Financial Security (H10) is positive and strong, confirming that better saving habits significantly enhance financial security. This supports the life-cycle and behavioural finance theories which argue that regular saving builds financial resilience, reduces vulnerability to income shocks, and improves long-term economic stability.

Overall, the model confirms that saving behaviour serves as a crucial mediating mechanism through which financial knowledge, income management, behavioural control, and psychological spending tendencies translate into financial security. The findings emphasize that improving financial literacy, promoting budgeting discipline, and reducing lifestyle inflation are essential strategies for strengthening the financial security of working women.

5.3 Bootstrapping Results – Interpretation

Bootstrapping was conducted using 5,000 subsamples with bias-corrected and accelerated (BCa) confidence intervals to assess the statistical significance of the structural paths. Table 1 presents the standardized path coefficients (β), t-statistics, and p-values.

Bootstrapping Results of Structural Paths

Hypothesis	Path	β	t-value	p-value	Result
H1	Income Management → Saving Patterns	0.29	5.42	<0.001	Supported
H2	Financial Literacy → Saving Patterns	0.25	4.87	<0.001	Supported
H3	Budgeting Behaviour → Saving Patterns	0.31	6.11	<0.001	Supported
H4	Financial Decision-Making → Saving Patterns	0.21	3.96	<0.001	Supported
H5	Lifestyle Inflation → Saving Patterns	-0.22	4.33	<0.001	Supported

H6	Financial Stress → Saving Patterns	-0.18	3.41	0.001	Supported
H7	Employment Stability → Saving Patterns	0.19	3.72	<0.001	Supported
H8	Digital Financial Usage → Saving Patterns	-0.15	2.98	0.003	Supported
H9	Financial Autonomy → Saving Patterns	0.24	4.55	<0.001	Supported
H10	Saving Patterns → Financial Security	0.65	12.84	<0.001	Supported

All hypothesized paths were statistically significant ($p < 0.05$), confirming strong support for the proposed conceptual model. Income management, financial literacy, budgeting behaviour, financial decision-making, employment stability, and financial autonomy positively influence saving patterns, while lifestyle inflation, financial stress, and excessive digital financial usage negatively influence saving behaviour. The path from **Saving Patterns to Financial Security ($\beta = 0.65$)** is strong and highly significant, confirming that systematic saving is the most powerful predictor of financial security among working women.

5.4 Direct, Indirect, and Total Effects

Saving Patterns was modeled as a **mediator** between financial behaviour variables and financial security.

Direct, Indirect, and Total Effects on Financial Security

Predictor	Direct Effect on Financial Security	Indirect Effect via Saving Patterns	Total Effect
Income Management	–	$0.29 \times 0.65 = 0.189$	0.189
Financial Literacy	–	$0.25 \times 0.65 = 0.163$	0.163
Budgeting Behaviour	–	$0.31 \times 0.65 = 0.202$	0.202
Financial Decision-Making	–	$0.21 \times 0.65 = 0.137$	0.137
Lifestyle Inflation	–	$-0.22 \times 0.65 = -0.143$	-0.143
Financial Stress	–	$-0.18 \times 0.65 = -0.117$	-0.117
Employment Stability	–	$0.19 \times 0.65 = 0.124$	0.124

Digital Financial Usage	–	$-0.15 \times 0.65 = -0.098$	-0.098
Financial Autonomy	–	$0.24 \times 0.65 = 0.156$	0.156
Saving Patterns	0.65	–	0.65

5.5 Mediation Interpretation

The analysis of indirect effects indicates that **saving patterns serve as a full mediator** between all financial behaviour variables and financial security, highlighting the central role of saving as the mechanism through which financial actions translate into financial outcomes. In other words, while variables such as income management, financial literacy, budgeting behaviour, and financial decision-making influence financial security, their effects operate primarily **through their impact on saving behaviour** rather than directly. This suggests that even if a working woman demonstrates high financial literacy or strong decision-making skills, the positive impact on her financial security will largely depend on whether these behaviours are converted into consistent saving practices.

Among all predictors, **budgeting behaviour and income management produce the largest indirect effects** on financial security. This indicates that disciplined financial planning, careful allocation of resources, and systematic expense management are the most influential pathways through which working women can achieve financial stability. Women who consistently monitor their expenditures, set financial priorities, and adhere to a budget are more likely to save effectively, accumulate wealth, and feel secure about their financial future. These findings emphasize the importance of financial discipline as a practical tool for enhancing long-term financial outcomes.

Conversely, **lifestyle inflation and financial stress exert significant negative indirect effects** on financial security. Lifestyle inflation, characterized by increased discretionary spending as income rises, reduces the proportion of income available for savings and long-term financial planning. Similarly, financial stress—arising from debt, unexpected expenses, or perceived inability to manage finances—undermines saving behaviour, as women under stress may prioritize immediate consumption over future security. These negative effects highlight that even if income or financial knowledge is adequate, poor financial habits or psychological pressures can weaken saving capacity, ultimately compromising financial security.

Overall, the mediation analysis underscores that **saving patterns are the critical mechanism linking financial behaviour to financial security**. Positive financial behaviours such as budgeting, income management, and financial autonomy strengthen saving practices, thereby enhancing financial security. At the same time, negative influences such as lifestyle inflation and financial stress diminish



savings and reduce perceived financial stability. This finding aligns with the principles of behavioural finance and life-cycle theories, which suggest that consistent saving behaviour mediates the relationship between financial capability and long-term economic well-being (Xiao, 2017; Lusardi et al., 2011).

6. Discussion and Policy Implications

6.1 Discussion

The present study examined the influence of financial behaviour on the saving patterns and financial security of working women. The findings provide robust evidence that **saving patterns act as a critical mediating mechanism**, translating financial behaviour into tangible financial security. Among the various financial behaviour variables, **budgeting behaviour and income management emerged as the strongest predictors of saving patterns**. This indicates that women who actively plan and control their income are more capable of converting financial knowledge and decision-making ability into consistent savings, ultimately enhancing their perceived financial security. These findings align with previous research, which emphasizes the importance of financial discipline as a key determinant of long-term financial well-being (Xiao, 2017; Lusardi & Mitchell, 2014).

Financial literacy and financial decision-making were also positively associated with saving patterns. Women who possess higher financial knowledge and demonstrate informed decision-making tend to make prudent choices regarding expenditures, investments, and savings allocation. This confirms the role of financial capability in promoting economic resilience, consistent with prior studies highlighting the link between literacy, empowerment, and wealth accumulation (Van Rooij et al., 2011; Fonseca et al., 2012).

Conversely, **lifestyle inflation and financial stress** negatively influence saving patterns, and indirectly, financial security. Women who increase discretionary spending as their income rises, or who experience high levels of financial anxiety, are less likely to save consistently. These results corroborate findings from behavioural finance and consumer psychology literature, which indicate that psychological factors and impulsive consumption reduce financial resilience (Frank et al., 2014; Mullainathan & Shafir, 2013). Additionally, **employment stability, digital financial usage, and financial autonomy** were found to significantly impact saving behaviour, highlighting the combined role of economic, technological, and psychosocial factors in shaping financial outcomes.

The **full mediation of saving patterns** confirms the theoretical proposition that financial behaviour alone does not guarantee financial security. Rather, the **translation of behaviour into consistent saving practices** is essential. This reinforces the importance of examining saving behaviour as a mechanism linking financial skills, attitudes, and resources to long-term economic stability (Xiao &

O'Neill, 2016; Lusardi et al., 2011).

6.2 Policy Implications

The findings of this study have **important implications for policy-makers, employers, and financial institutions**, particularly in promoting the financial well-being of working women.

- **Financial Literacy Programs:** Given the significant effect of financial literacy on saving patterns, governments, NGOs, and private organizations should design **targeted financial education programs for women**. These programs should cover budgeting, investment awareness, retirement planning, and debt management to enhance practical financial skills.
- **Promotion of Budgeting and Income Management Tools:** Policymakers and employers can facilitate **easy-to-use budgeting apps and income-tracking platforms** for working women. Digital tools that automate expense tracking and savings allocation can encourage disciplined financial management while reducing the risk of lifestyle inflation.
- **Stress Reduction and Counseling Services:** Since financial stress negatively impacts saving behaviour, organizations should offer **financial counseling, stress management workshops, and advisory services**. Providing guidance on debt reduction, emergency fund creation, and investment strategies can help women manage psychological and financial pressures.
- **Encouraging Financial Autonomy:** Policies promoting gender equality in financial decision-making—both at the household and workplace level—can strengthen financial autonomy, thereby enhancing saving behaviour and long-term financial security. For instance, employer-sponsored financial wellness programs or corporate benefits for women can reinforce autonomy in financial decision-making.
- **Employment Stability and Job Security Measures:** Employment stability positively affects saving behaviour. Therefore, **workplace policies that ensure stable income, job protection, and predictable benefits** can improve women's financial confidence and their capacity to save.
- **Addressing Lifestyle Inflation:** Public awareness campaigns and behavioral nudges can educate women on the risks of lifestyle inflation and the importance of maintaining a **balanced approach to consumption and savings**. Financial advisors can emphasize the benefits of sustainable spending practices.
- **Leveraging Digital Finance:** While digital financial tools facilitate income management, excessive or unplanned use can increase impulsive spending. Policies should therefore encourage **responsible digital financial literacy**, including budgeting features, saving goals, and alerts to prevent overspending.



6.3 Theoretical Contributions

This study contributes to financial behaviour and behavioural finance literature by:

- Confirming that **saving behaviour fully mediates** the relationship between financial behaviour and financial security, emphasizing the critical role of savings in wealth accumulation.
- Highlighting that **budgeting behaviour and income management** are the most influential predictors of saving patterns, providing practical insights into which behaviours drive financial security.
- Demonstrating that **negative factors such as financial stress and lifestyle inflation** can significantly reduce financial security, offering an integrated perspective on financial decision-making, psychology, and behaviour.

6.4 Practical Implications

The study's results provide guidance for **financial advisors, employers, and policymakers**:

- Financial literacy initiatives should prioritize **practical skills like budgeting, saving, and investment planning**.
- Employers can provide **structured financial wellness programs** that include digital financial tools, counseling, and educational workshops.
- Behavioral nudges, such as goal-based savings reminders and expenditure alerts, can mitigate the negative effects of lifestyle inflation and financial stress.

By implementing these measures, stakeholders can **strengthen women's financial resilience, improve their saving behaviour, and enhance overall financial security**, thereby contributing to gender-equitable economic development.

7. CONCLUSION

This study examined the relationships between financial behaviour, saving patterns, and financial security among working women, employing a Structural Equation Modeling (SEM) approach to test the hypothesized relationships. The results provide compelling evidence that **saving patterns fully mediate the relationship between financial behaviour variables and financial security**, highlighting that financial skills, knowledge, and autonomy only translate into financial well-being when they are consistently applied through disciplined saving practices.

Among the financial behaviour factors, **budgeting behaviour and income management** emerged as the most influential predictors of saving patterns, emphasizing the critical role of financial discipline in achieving long-term economic stability. Women who actively plan their expenses, monitor income



and spending, and allocate resources strategically are more likely to accumulate savings and experience financial security. **Financial literacy and informed decision-making** also contributed positively to saving behaviour, confirming that knowledge and prudent judgment are essential for effective income management and future financial planning.

Conversely, **lifestyle inflation and financial stress** negatively impacted saving patterns and indirectly reduced financial security. Women who increase discretionary spending in line with rising income or experience financial anxiety are less able to save, which diminishes their long-term financial stability. The results also underscore the importance of **financial autonomy, employment stability, and responsible use of digital financial tools**, as these factors strengthen saving behaviour and enhance perceptions of financial security.

The study contributes to the literature by integrating behavioural, economic, and psychological determinants of financial security, demonstrating that saving behaviour is the **central mechanism linking financial behaviour to well-being**. Practically, the findings highlight the need for targeted financial education, employer-sponsored financial wellness programs, and policy measures that support financial discipline, stress management, and gender-equitable financial autonomy.

In conclusion, the study confirms that **consistent saving behaviour is the key to financial security among working women**. Enhancing income management skills, promoting financial literacy, mitigating financial stress, and addressing lifestyle inflation can significantly improve women's financial resilience. These insights provide a strong foundation for policymakers, financial institutions, and organizations to develop strategies that empower working women to achieve economic stability, long-term wealth accumulation, and sustainable financial well-being.

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