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Financial literacy, FinTech, and self-control in explaining Indonesian MSMEs' financial well-being

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ABSTRACT

Improving the financial well-being of Micro, Small, and Medium Enterprises (MSMEs) remains a significant challenge albeit growing financial literacy initiatives and the widespread adoption of financial technology (FinTech). Previous studies have reported inconsistent evidence regarding the effects of financial literacy, FinTech, and financial performance on MSMEs' financial well-being, particularly in developing economies. This study investigates the effects of financial literacy, FinTech, and self-control on the financial well-being of Indonesian MSMEs while examining whether financial performance moderates these relationships. A quantitative approach was employed using survey data collected from 201 MSME owners in Bekasi Regency and Bekasi City, Indonesia. The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results indicate that financial literacy and FinTech do not significantly influence financial well-being, whereas self-control has the strongest positive effect. Financial performance also has a significant direct effect on financial well-being; however, the hypothesized moderating role is not supported, indicating that it functions as an independent predictor rather than a moderator. These findings highlight the importance of behavioral factors in improving MSMEs' financial well-being and suggest that financial education programs should integrate the development self-control alongside financial literacy and digital financial inclusion initiatives.

Keywords: Financial literacy, FinTech, Financial well-being, MSMEs, Self-control
JEL Classification: D14, G53, L26

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) are the backbone of the Indonesian economy, representing the majority of business entities and serving as a critical driving factor for employment and GDP growth (Kadin, 2024). Despite their vital contribution, the sector frequently experiences inconsistent

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growth trajectories, primarily driven by persistent financial fragility and susceptibility to economic imbalance. While digitalization and financial literacy have been extensively promoted by policymakers as strategic solutions to support MSME competitiveness and financial well-being, empirical evidence regarding the actual impact remains highly contradictory (Saidah & Gitayuda, 2024).

While financial well-being has become an important topic in finance and entrepreneurship research, empirical studies focusing on Micro, Small, and Medium Enterprises (MSMEs) remain relatively limited. Previous studies have mainly examined the relationship between financial literacy and financial outcomes, subsequently concluding that greater financial knowledge improves financial decision-making, financial capability, and business performance (Graña-Alvarez et al., 2024; Lusardi & Messy, 2023). However, empirical findings regarding its direct effect on financial well-being remain inconsistent. While several studies report a positive relationship (Anghel & Pochea, 2025; Lee et al., 2020), others argue that financial knowledge alone does not necessarily improve financial well-being as it is not always translated into appropriate financial behavior (Brüggen et al., 2017; Hasler et al., 2023). This inconsistency indicates the existence of a knowledge-action gap, where possessing financial knowledge does not automatically lead to improved financial outcomes.

Similarly, studies on Financial Technology (FinTech) have predominantly focused on technology adoption, financial inclusion, and MSME performance (Ozili, 2021; Rehman et al., 2023; Sheng, 2021). FinTech enables MSMEs to efficiently access financial services, improve transaction management, and minimize financing constraints (Demirgüç-Kunt et al., 2020; Panos & Wilson, 2020). Nevertheless, previous findings remain inconclusive regarding whether FinTech directly improves financial well-being. Some studies report positive effects through enhanced financial access and operational efficiency, whereas others suggest that digital financial technology alone is insufficient without adequate financial capability and behavioral discipline (Mainardes et al., 2023; Ozturk & Ullah, 2022).

From the perspective of behavioral finance, recent studies increasingly recognize that psychological factors play a crucial role in determining financial well-being. Among these factors, self-control has consistently been associated with responsible financial behavior, disciplined budgeting, and long-term financial stability (Strömbäck et al., 2017; Zahari et al., 2025). Individuals with higher self-control tend to make more rational financial decisions and are better able to resist impulsive spending, thereby improving their financial well-being (Hernandez-Perez & Rambaud, 2025). Despite its importance, self-control has rarely been examined together with financial literacy and FinTech in explaining MSMEs' financial well-being, particularly in developing countries such as Indonesia.

Furthermore, research on MSMEs' financial well-being has primarily emphasized business performance, financial capability, or financial inclusion as antecedents of business success (Hamid et al., 2023; Pradnyani et al., 2025). Limited studies have investigated financial well-being as the outcome by simultaneously integrating financial literacy, FinTech, behavioral factors, and business performance into a comprehensive framework. Moreover, previous studies have conceptualized financial performance mainly as a direct predictor or mediating variable (Purnamasari & Anggraini, 2025; Yahya et al., 2025). Empirical evidence examining financial performance as a moderating variable remains scarce, especially among Indonesian MSMEs. Therefore, this study conceptualizes financial performance as a moderator to examine whether stronger business performance reinforces the effects of financial literacy, FinTech, and self-control on financial well-being.

Accordingly, this study addresses these gaps by integrating financial literacy, FinTech, self-control, and financial performance into a single research model to explain the financial well-being

of Indonesian MSMEs. Specifically, the study investigates whether financial performance moderates the relationships between financial literacy, FinTech, self-control, and financial well-being while also examining the existence of a knowledge-action gap, by which financial knowledge and digital financial technology may not necessarily improve financial well-being without strong behavioral self-control.

This study provides three important contributions. First, from a theoretical perspective, it extends the financial well-being literature by integrating cognitive (financial literacy), technological (FinTech), behavioral (self-control), and organizational (financial performance) perspectives into a unified framework. Second, empirically provides evidence from Indonesian MSMEs regarding the direct and moderating relationships among these variables and demonstrates that self-control is a stronger determinant of financial well-being than financial literacy and FinTech. Lastly, from a practical perspective, the findings suggest that policies designed to improve MSMEs' financial well-being should not only strengthen financial literacy and digital financial inclusion but also incorporate behavioral interventions that promote self-control and financial discipline.

2. Theoretical Framework and Hypotheses Development

This study integrates three complementary theories to explain the financial well-being of Micro, Small, and Medium Enterprises (MSMEs). Financial Capability Theory explains that financial well-being is determined by an individual's capability to transform financial knowledge into effective financial decisions and behaviors (Lusardi & Messy, 2023; Xiao et al., 2022). However, financial knowledge alone is often insufficient to improve financial well-being without appropriate behavioral implementation.

To complement this perspective, the Behavioral Life Cycle Theory (Shefrin & Thaler, 1988) emphasizes that self-control is a critical behavioral mechanism enabling individuals to manage spending, savings, and investment decisions in accordance with long-term financial objectives. Entrepreneurs with stronger self-control are more capable of converting financial knowledge into disciplined financial behavior (Hernandez-Perez & Rambaud, 2025).

Meanwhile, the Technology Acceptance Model (TAM) (Davis, 1989) explains how the perceived usefulness and ease of use of financial technology encourage entrepreneurs to adopt digital financial services, thereby improving financial management efficiency. Taken together, these theories provide an integrated framework in which financial literacy represents the cognitive dimension, FinTech reflects the technological dimension, and self-control captures the behavioral dimension influencing financial well-being (Huong, 2024). Going from this framework, Resource-Based View (RBV) (Barney, 2018) is also employed to explain the moderating role of financial performance, arguing that superior organizational resources enable entrepreneurs to maximize the benefits of financial knowledge, digital technology, and disciplined financial behavior.

Financial Literacy and Financial Well-being

Previous studies have reported inconsistent findings regarding the relationship between financial literacy and financial well-being. Several studies conclude that financial literacy improves financial decision-making and ultimately enhances financial well-being (Graña-Alvarez et al., 2024; Lusardi & Messy, 2023). Conversely, other studies argue that financial knowledge does not automatically improve financial well-being because entrepreneurs frequently fail to translate knowledge into appropriate financial behavior (Brüggen et al., 2017; Hasler et al., 2023). These inconsistent findings indicate that the relationship remains theoretically and empirically inconclusive.

According to Financial Capability Theory, financial literacy enhances an entrepreneur's ability to prepare budgets, manage cash flows, evaluate investment opportunities, and make rational financial decisions (Xiao et al., 2022). Such capabilities reduce financial vulnerability, improve financial security, and strengthen long-term financial well-being. Accordingly, financially literate MSME owners are expected to achieve better financial well-being.

H_1: Financial literacy has a positive effect on the financial well-being of MSMEs.

Financial Technology and Financial Well-being

The impact of Financial Technology (FinTech) on financial well-being has also resulting inconsistent empirical evidence. While several studies report that FinTech improves financial inclusion, transaction efficiency, and business sustainability (Demirgüç-Kunt et al., 2020; Ozili, 2021) others argue that digital financial services alone do not necessarily improve financial well-being without sufficient financial capability and behavioral readiness (Mainardes et al., 2023). FinTech integration in MSMEs acts as a catalyst for productivity and access to capital, fostering entrepreneurial prosperity. Digital payments and peer to peer lending help bypass traditional financial barriers, improving fiscal management (Wang, 2025). By streamlining transactions and offering efficient financing, FinTech strengthens financial health, stabilizes cash flow, and enhances security. These advantages ultimately drive superior business performance and sustainability (Serang et al., 2025). .

This relationship is explained by the Technology Acceptance Model (TAM) (Davis, 1989), which suggests that entrepreneurs are more likely to adopt FinTech when they perceive digital financial services as useful and easy to use. FinTech enables MSMEs to improve financial monitoring, simplify transactions, increase access to financing, and reduce operational costs. Consequently, greater FinTech utilization is expected to improve entrepreneurs' financial well-being.

H_2: Fintech has a positive effect on the financial well-being of MSME players.

Self-Control and Financial Well-being

Although self-control has received increasing attention in behavioral finance research, most previous studies have focused on household financial behavior rather than MSMEs. Consequently, its role in explaining entrepreneurs' financial well-being remains insufficiently understood (Hernandez-Perez & Rambaud, 2025). Conversely, weak self-control often leads to hardship and lower well-being. For Indonesian MSMEs, self-efficacy and discipline are key success factors (Pratama et al., 2026).

The Behavioral Life Cycle Theory (Shefrin & Thaler, 1988) argues that self-control enables individuals to prioritize long-term financial goals over immediate gratification. Entrepreneurs possessing higher self-control are more capable of controlling impulsive spending, maintaining budgeting discipline, allocating financial resources efficiently, and sustaining business resilience. These behaviors contribute directly to improved financial well-being. Previous studies also demonstrate that self-control positively influences financial behavior and financial well-being (Strömbäck et al., 2017; Zahari et al., 2025).

H_3: Self-control has a positive effect on the financial well-being of MSME players

Financial performance and Financial Well-being

Financial performance serves as a key driver of MSME sustainability, reflecting profitability, cash flow stability, and resource efficiency. Strong financial outcomes not only ensure business success

but also enhance the personal financial well-being of MSME owners (Sumastuti et al., 2024). From a theoretical perspective, the relationship between financial performance and financial well-being can be explained through Resource-Based View (RBV) (Barney, 2018).

Financial performance represents the financial capacity of MSMEs to generate profits, maintain liquidity, and sustain business growth. Previous studies consistently indicate that financially healthy businesses provide greater financial security and improve entrepreneurs' overall financial well-being (Hidzir et al., 2023; Yahya et al., 2025).

H_4: Financial performance has a positive effect on the financial well-being of MSME owners.

Moderating Role of Financial Performance

While financial literacy, FinTech, and self-control are expected to improve financial well-being, their effectiveness may depend on the financial condition of MSMEs. According to the Resource-Based View, organizational resources determine whether valuable knowledge and capabilities can be transformed into superior outcomes (Barney, 2018). Financial performance therefore provides the financial capacity necessary to maximize the benefits generated by financial literacy, FinTech, and self-control.

Entrepreneurs with higher financial literacy are expected to achieve greater financial well-being when their businesses demonstrate stronger financial performance, because sufficient financial resources enable effective implementation of financial knowledge. Likewise, the positive effects of FinTech are expected to become stronger when MSMEs possess adequate financial performance, allowing entrepreneurs to invest in and optimally utilize digital financial services. Similarly, disciplined financial behavior resulting from self-control is more likely to generate sustainable financial well-being when supported by healthy business performance characterized by profitability, liquidity, and financial stability. Therefore, the following hypotheses are proposed.

H_5: Financial performance positively moderates the relationship between financial literacy and financial well-being.

H_6: Financial performance positively moderates the relationship between financial technology and financial well-being.

H_7: Financial performance positively moderates the relationship between self-control and financial well-being.

3. Methodology

This study employed a quantitative research design using a cross-sectional survey to examine the relationships among financial literacy, financial technology (FinTech), self-control, financial performance, and financial well-being of Micro, Small, and Medium Enterprises (MSMEs). A quantitative approach was selected since it enables the testing of causal relationships among latent constructs using statistical analysis (Hair et al., 2022). The study was conducted within Bekasi Regency and Bekasi City, West Java, Indonesia, between March and June 2025.

The target population including active MSMEs operating in Bekasi Regency and Bekasi City. These regions were selected because they represent one of Indonesia's largest concentrations of MSMEs and have experienced rapid adoption of digital financial services. The sampling frame was obtained from the local Office of Cooperatives (*Koperasi*) and MSMEs, which holds a database of registered MSMEs.

This study employed simple random sampling, in which each registered MSME had an equal probability of being selected. The minimum sample size was determined following the recommendations of Hair et al. (2022) for Partial Least Squares Structural Equation Modeling (PLS-SEM), considering the complexity of the structural model. A total of 215 questionnaires were distributed, and 201 valid questionnaires were returned, yielding a response rate of 93.5 percent.

Respondents were selected based on the following criteria: (1) The respondent is the owner or manager of an MSME; (2) The business has been operating for at least one year; (3) The respondent is responsible for financial decision-making within the business; and (4) The business has used digital financial services (FinTech) in its operations.

The research instrument was developed by adapting measurement items from previously validated studies. All questionnaire items were translated into Bahasa Indonesia using a translation and back-translation procedure to ensure semantic equivalence. Prior to the main survey, the questionnaire was evaluated by three experts in accounting, finance, and entrepreneurship to assess content validity. A pilot test involving 30 MSME owners was subsequently conducted to evaluate item clarity, reliability, and readability. Minor wording revisions were made before the final questionnaire was distributed. All variables were measured using a 5-point Likert Scale, ranging from 1 = strongly disagree to 5 = strongly agree.

Table 1. Operational definition of variables

Construct	Indicators	Measurement Scale	Instrument Source
Financial Literacy (X_1)	Knowledge of budgeting, saving, investment, debt management, cash-flow planning, and financial decision-making	5-point Likert Scale (1 = Strongly Disagree to 5 = Strongly Agree)	Adapted from Lusardi & Messy (2023)
Financial Technology (X_2)	Ease of use, accessibility, transaction efficiency, digital payment adoption, frequency of FinTech usage	5-point Likert Scale	Adapted from Panos & Wilson (2020)
Self-Control (X_3)	Ability to resist impulsive spending, budgeting discipline, financial planning consistency, and long-term orientation	5-point Likert Scale	Adapted from Strömbäck (2020)
Financial Performance (Z)	Revenue growth, profit growth, liquidity, and financial stability	5-point Likert Scale	Adapted from Yahya et al. (2024), Yahya et al. (2025)
Financial Well-being (Y)	Ability to meet financial obligations, financial security, confidence in future finances, satisfaction with business financial condition	5-point Likert Scale	Adapted from Abdurrahman & Nugroho (2024)

This study proposes a structural model consisting of four direct relationships and three moderating relationships. Financial literacy, financial technology, self-control, and financial performance are hypothesized to directly influence financial well-being. Financial performance is specified as a moderating variable that is expected to strengthen or weaken the effects of financial literacy, financial technology, and self-control on financial well-being. Moderation effects were estimated using the product indicator approach implemented in SmartPLS 4. The proposed structural model can be expressed as in Equation 1 (Eq. 1).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 Z + \beta_5 (X_1 \, x \, Z) + \beta_6 (X_2 \, x \, Z) + + \beta_7 (X_3 \, x \, Z) + e_1 \quad \text{(Eq. 1)}$$

Where:

Y : Financial Well-being

β_0 : Constant/intercept

X_1 : Financial Literacy

X_2 : FinTech

X_3 : Self-Control

X : Financial Performance

X_1 x Z : Interaction variable X_1 and Z

X_2 x Z : Interaction variable X_2 and Z

X_3 x Z : Interaction variable X_3 and Z

β_1 : Path coefficient for the direct effect of X_1 on Y

β_2 : Path coefficient for the direct effect of X_2 on Y

β_3 : Path coefficient for the direct effect of X_3 on Y

β_4 : Path coefficient for the direct effect of Z on Y

$\beta_5, \beta_6, \beta_7$: Moderation effect coefficient

e_1 : Error

The proposed model was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 (Hair et al., 2022). PLS-SEM was selected because the research model contains multiple latent constructs measured using reflective indicators and includes moderation effects.

The analysis was conducted in two sequential stages. First, the measurement model (outer model) was evaluated by assessing indicator reliability (outer loadings), internal consistency reliability using Cronbach's Alpha and Composite Reliability (CR), convergent validity through Average Variance Extracted (AVE), discriminant validity using the Fornell–Larcker criterion and Heterotrait–Monotrait Ratio (HTMT), and multicollinearity using Variance Inflation Factor (VIF).

Second, the structural model (inner model) was assessed by examining path coefficients, t-statistics, p-values, coefficient of determination (R^2), effect size (f^2), predictive relevance (Q^2), and the significance of direct and moderating effects through the bootstrapping procedure with 5,000 resamples.

Since the variables were collected using a single questionnaire, the potential for Common Method Bias (CMB) was also considered. Following Kock (2015), the Full Collinearity Variance Inflation Factor (Full Collinearity VIF) was examined to ensure that common method bias did not risk the validity of the findings. In addition, the robustness of the model was evaluated through collinearity diagnostics and predictive relevance analysis to ensure the stability and reliability of the estimated structural relationships.

4. Results

This study focuses on business owners in Bekasi Regency and Bekasi City; the sample comprised 201 business owners. Table 2 is an overview of the respondents.

Table 2. Overview of respondents

Category	Number	Percentage (%)
Business duration (years)		
<3 years	70	34.9
>3 – 5 years	55	27.2
>5-10 years	39	19.5
>10 years	37	18.3
Business domicile		
Bekasi Regency	147	73
The City of Bekasi	54	27
Gender		
Women	84	42
Man	117	58
Owner's age		
<25 years	22	11.2
>25-30 years	49	24.3
>30 – 35 years	37	18.3
>35-40 years	45	22.5
>40 years	48	23.7
Sales monthly (Rp)		
<1.5 million	20	10.1
>1.5 – 5 million	98	49.1
>5 – 10 million	42	20.7
>10 – 15 million	17	8.3
>15 million	24	11.8

Table 2 presents a concise profile of the businesses and their owners. Most enterprises are established relatively recent, with 34.9 percent operating for less than three years, while only 18.3 percent have been in business for more than a decade. The majority are located in Bekasi Regency (73 percent), with the rest in Bekasi City (27 percent). Male owners dominate at 58 percent, compared to 42 percent female owners. Age distribution is fairly balanced, though the largest groups fall within the productive range of 25-40 years, alongside 23.7 percent aged over 40. In terms of monthly sales, nearly half (49.1 percent) earn between Rp1.5–5 million, while only 11.8 percent achieve more than Rp15 million. Overall, the data highlight that most businesses are young, located in Bekasi Regency, owned by owners in productive age groups, and generate moderate monthly sales.

The data distributed to respondents has been tested; however, several indicators in the results suggested that the data was invalid. Therefore, some part of the data that did not meet the criteria were excluded, which could have caused the Average Variance Extracted value to fall below the standard of >0.5 (Hair et al., 2021). Based on the data analysis, the factor loadings are ranged from 0.589 to 0.981, as results from the construct validity test through the factor loadings for each research variable. The Financial Literacy variable (X_1) has indicators with loading values ranging from 0.673 to 0.775, indicating that all items are valid and sufficiently strong in representing financial literacy. The Financial Technology variable (X_2) comprises indicators with loading values from 0.714 to 0.807, signifying high consistency in measuring the utilization of financial technology. The Self-Control variable ($X_{3)}$ has indicators with loading values from 0.589 to 0.785; most items are valid, although there is one indicator with a relatively low value (0.589), resulting in a weaker contribution. The Financial

Well-Being variable (Y) is measured by indicators with values ranging from 0.654 to 0.774, indicating a reasonably good measurement despite some items having moderate strength. Meanwhile, the Financial Performance variable (Z) has indicators with very high loading values, ranging from 0.911 to 0.981, indicating very strong reliability and validity. Overall, this table shows that all research variables have valid indicators (above 0.5), with Financial Performance being the strongest variable, whilst Self-Control has one relatively weak indicator.

Based on the preliminary analysis, all research constructs demonstrate robust convergent validity and instrument reliability. The Average Variance Extracted (AVE) for each variable (X_1, X_2, X_3, Y, and Z) exceeds the recommended 0.50 threshold, with the Financial Performance construct achieving a peak value of 0.917. These results confirm that each latent variable accounts for more than 50 percent of the variance in its corresponding indicators. Furthermore, the evaluation of internal consistency reveals that both Cronbach's Alpha and Composite Reliability (CR) scores for all dimensions surpass the conventional 0.70 benchmark. Such high values verify the excellent reliability and consistency of the measurement scales, ensuring that the instruments are statistically sound for the subsequent stages of structural equation modeling.

Table 3. HTMT test result

	M1	**M2**	**M3**	**X_1**	**X_2**	**X_3**	**Y**	**Z**
M_1								
M_2	0.574							
M_3	0.514	0.641						
X_1	0.049	0.129	0.082					
X_2	0.128	0.109	0.158	0.639				
X_3	0.079	0.157	0.232	0.565	0.642			
Y	0.187	0.173	0.218	0.291	0.298	0.449		
Z	0.070	0.178	0.182	0.169	0.261	0.405	0.292	

Notes: HTMT: Heterotrait-Monotrait Ratio; M1: Moderating effect 1; M2: Moderating effect 2; M3: Moderating effect 3.

The discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) in Table 3 showed that all correlation coefficients between variables in the research model were below the conservative threshold of 0.85, with the highest value recorded at 0.642. These results confirm that each construct, ranging from financial literacy to financial well-being, possesses adequate discriminant validity, indicating that respondents can clearly distinguish between these variable concepts without any issues of construct overlap. Consequently, this research model possesses good construct distinctiveness and is deemed stable, thereby providing a reliable basis for hypothesis testing at the inner-model stage.

Inner Model

The inner model evaluation was conducted to assess the explanatory power, predictive relevance, collinearity, effect size, and overall model fit of the proposed structural model. Specifically, the assessment includes the coefficients of determination (R^2 and Adjusted R^2), predictive relevance (Q^2), variance inflation factor (VIF), effect size (f^2), and model fit indices (SRMR and NFI). These statistics provide evidence regarding the model's ability to explain the endogenous construct and evaluate whether the proposed structural relationships are statistically acceptable. The results of the inner model assessment are presented in Table 4.

Table 4. Inner model test result

	R Square	R Square Adjusted	Q^2
Financial Well-Being	0.205	0.176	0.082
	Saturated Model	**Estimated Model**	
SRMR	0.060	0.060	
NFI	0.818	0.818	
	VIF	**F^2**	
	Financial Well-Being	Financial Well-Being	
M_1	1.609	0.012	
M_2	2.026	0.001	
M_3	1.860	0.003	
X_1	1.469	0.005	
X_2	1.667	0.000	
X_3	1.661	0.064	
Z	1.184	0.019	

The results of the internal model analysis on Table 4 indicate that Financial Literacy, Financial Technology, Self-Control and Financial Performance collectively account for 20.5 percent of the variance in Financial Well-Being (R Square = 0.205), whilst the remainder is influenced by external factors. Although the R Square and Q^2 values (0.082) are relatively weak, the stable Adjusted R-squared value (0.176) and VIF values (1.184-2.026) below 5.0 confirm the model's stability and the absence of multicollinearity. Furthermore, the f-square value indicates a very small effect of the independent variables, with Self-Control being the highest contributor (0.064). Finally, the Model Fit test confirmed the model's validity, as evidenced by an SRMR value of 0.060 which is below the threshold of 0.08 and an NFI value (0.818) that remains acceptable for studies of complex social behavior.

The total effects analysis was conducted to evaluate the significance and direction of the proposed relationships in the structural model, including both direct and moderating effects. The analysis reports the path coefficients together with their statistical significance based on bootstrapping results. The complete results of the total effects analysis are presented in Table 5.

Table 5. Total effects

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Decision
X_1: Financial Literacy -> Y: Financial Well-Being	0.079	0.090	0.878	0.380	H_1 Rejected
X_2: Financial Technology -> Y: Financial Well-Being	0.015	0.079	0.196	0.845	H_2 Rejected
X_3: Self Control -> Y: Financial Well-Being	0.291	0.084	3.480	0.001	H_3 Accepted
Z: Financial Performance -> Y: Financial Well-Being	0.135	0.063	2.132	0.034	H_4 Accepted
X_1Z -> Y: Financial Well-Being	-0.121	0.072	1.673	0.095	H_5 Rejected
X_2Z -> Y: Financial Well-Being	0.031	0.085	0.369	0.712	H_6 Rejected
X_3Z -> Y: Financial Well-Being	-0.059	0.082	0.729	0.466	H_7 Rejected

The comprehensive results of the direct and moderating effect analyses are detailed in Table 5. Among the independent variables, only Self-Control (X_3) demonstrated a statistically significant impact on Financial Well-Being (Y), evidenced by a P-value of 0.001 and a T-statistic of 3.480. Conversely, both Financial Literacy (X_1) and Financial Technology (X_2) failed to reach significance, with P-values exceeding the 0.05 threshold. This suggests that Self-Control serves as the primary driver of Financial Well-Being within this study. While Financial Performance (Z) significantly influenced Y as an independent predictor (P-value 0.034), the interaction terms (X_1Z, X_2Z, and X_3Z) indicate that Z does not function as a moderator. All interaction P-values remained above 0.095, confirming the absence of a moderating effect.

5. Discussion

The results reveal that financial literacy does not significantly influence the financial well-being of MSME owners, leading to the rejection of H_1. This finding provides empirical support for the "knowledge-action gap" highlighted in the literature. While Financial Capability Theory propose that knowledge improves decision-making, the results indicate that possessing financial expertise is insufficient to independently guarantee financial security among the sampled entrepreneurs. This suggests that cognitive understanding alone does not necessarily translate into improved financial well-being if it is not accompanied by the capacity to implement that knowledge through disciplined behavior (Brüggen et al., 2017; Philippas & Avdoulas, 2020).

Similarly, the adoption of financial technology (FinTech) shows no significant direct impact on financial well-being, resulting in the rejection of H_2. The Technology Acceptance Model (TAM) explains how perceived usefulness drives the adoption of digital platforms; however, the empirical data suggest that mere access to or utilization of these digital tools does not inherently improve an individual's financial well-being. The lack of significance implies that while FinTech may provide operational convenience and accessibility, it does not alter financial well-being without the underlying behavioral discipline required to manage digital financial resources effectively. The study contributes to FinTech literature by demystifying the direct impact of digital financial services. Empirically, it shows that FinTech adoption provides operational tools but does not independently secure financial well-being without the user's self-regulation.

The statistical analysis confirms that self-control exerts a strong, significant positive influence on financial well-being, supporting H_3. This result aligns closely with the Behavioral Life Cycle Theory, which identifies self-control as a critical behavioral mechanism enabling individuals to prioritize long-term financial goals over immediate gratification. The data demonstrate that the internal capacity to regulate financial behavior, such as maintaining budgeting discipline and resisting impulsive spending, is the most dominant determinant of financial well-being in this study. This finding empirically validates psychological attributes are being more critical for achieving financial well-being than having access to financial knowledge or digital platforms alone (Mainardes et al., 2023).

The findings support H_4, demonstrating that financial performance significantly and directly improves an MSME owner's financial well-being. Consistent with the Resource-Based View (RBV), strong financial outcomes, such as profitability and liquidity, provide the necessary capacity and resources to enhance an entrepreneur's overall economic security. This finding further confirms that objective business success remains a fundamental prerequisite for subjective personal financial well-

being, emphasizing the inextricable link between sound corporate financial management and the personal financial well-being of MSME owners (Strömbäck, 2020).

The analysis further reveals that financial performance lacks potential to moderate the relationships between financial literacy, FinTech, self-control, and financial well-being, leading to the rejection of H_5, H_6, and H_7. These results indicate that financial performance operates strictly as an independent predictor rather than a reinforcing mechanism within this model. The effectiveness of self-control, as well as the limitations of financial literacy and FinTech, remain consistent regardless of whether the business exhibits high or low financial performance. As a result, the findings suggest that tangible business outcomes and individual behavioral traits function on parallel, independent tracks rather than interacting synergistically to shape the financial well-being of MSME owners. By integrating the Resource-Based View (RBV), the research confirms business financial performance independently supports the entrepreneur's well-being; however, it does not synergize with or moderate personal financial literacy, technology use, or self-control. These findings holistically suggest that future MSME development policies must prioritize psychological and behavioral interventions alongside digital and financial literacy.

6. Conclusion

This study demonstrates that self-control is the most dominant factor in enhancing the financial well-being of MSME owners, whereas financial literacy and financial technology (FinTech) adoption do not exert a significant direct influence. Theoretically, this study contributes to financial management and behavioral finance literature by validating the "knowledge-action gap," proving that cognitive financial expertise and technological access alone are insufficient to guarantee financial security without the underlying behavioral discipline to implement them. Furthermore, it extends the Resource-Based View (RBV) by confirming that while healthy business financial performance directly improves an entrepreneur's well-being, it functions strictly as an independent predictor rather than a synergistic moderator for literacy, technology, or self-control. Empirically, the research provides evidence from Indonesian MSMEs, suggesting that psychological attributes, specifically the capacity to regulate financial behavior, are far more critical to achieving financial well-being than mere access to digital platforms or financial knowledge.

Despite these contributions, this study identified several limitations that serves as clear directions for future research. First, the predictive power of the structural model is relatively lacking, as the examined variables account for only 20.5 percent of the variance in financial well-being, indicating that the construct is heavily influenced by other unexamined external factors. Consequently, future studies should expand the current model by incorporating socio-demographic variables, macroeconomic conditions, or additional psychological traits to improve its explanatory power. Second, the cross-sectional survey design captures data at a single point in time, limiting the ability to observe dynamic behavioral changes; thus, future research is encouraged to employ longitudinal designs to track long-term causal effects. Lastly, the sample is geographically concentrated on 201 MSME owners within Bekasi Regency and Bekasi City, which potentially limit generalizability. Therefore, expanding the sampling frame to include a broader and more diverse geographic area across Indonesia or other developing economies would help validate the generalizability of these empirical findings.

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