

# Financial Well-Being and Self-Efficacy in Sandwich Generation: The Role of Mindfulness

Yuyun Karystin Meilisa Suade <sup>(1\*)</sup> Wirawan Endro Dwi Radianto <sup>(2)</sup> Murpin  
Josua Sembiring <sup>(3)</sup>

<sup>(1)</sup> PhD student in Management Program, School of Business and Management, Universitas Ciputra, Surabaya, Indonesia

<sup>(2)</sup> Department of Accounting, School of Business and Management, Universitas Ciputra; Surabaya, Indonesia

<sup>(3)</sup> Department of Accounting, School of Business and Management, Universitas Ciputra; Surabaya, Indonesia

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\* Corresponding author.

E-mail addresses: [yuyun.suade@ciputra.ac.id](mailto:yuyun.suade@ciputra.ac.id)

KEYWORDS	ABSTRACT
<p><b>Keywords:</b> financial self-efficacy, financial mindfulness, financial well-being</p> <p><b>Conflict of Interest Statement:</b> The author(s) declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.</p> <p><b>Copyright</b> © 2026 AMAR. All rights reserved.</p>	<p><b>Purpose:</b> Financial mindfulness is essential for complementing self-confidence in the management of personal finances and the attainment of financial well-being. This study examines how individuals' self-efficacy shapes their mindfulness in making prudent financial decisions and, in turn, their financial well-being. The respondents are members of the sandwich generation, who bear the dual financial burden of caring for aging parents and supporting children, and who frequently experience stress and complexity in managing their finances.</p> <p><b>Research Design and Methodology:</b> This study adopts a quantitative design based on a sample of 281 respondents from the sandwich generation in Indonesia. The data were analyzed using partial least squares structural equation modeling (PLS-SEM) with SmartPLS version 3.</p> <p><b>Findings and Discussion:</b> The findings indicate that financial self-efficacy positively influences financial mindfulness, that financial mindfulness positively affects financial well-being, and that financial self-efficacy positively affects financial well-being. In addition, financial mindfulness positively mediates the effect of financial self-efficacy on financial well-being, which represents a novel contribution of this study.</p> <p><b>Implications:</b> These findings offer practical guidance for financial planners, financial institutions, and policymakers concerned with the financial well-being of the sandwich generation in Indonesia.</p>

## Introduction

Financial well-being has become a central concern in finance and economics because of its profound effect on individuals' quality of life. In an era shaped by globalization and rapid advances in financial technology, a thorough understanding of the determinants of financial well-being is increasingly important (Philippas & Avdoulas, 2020). Financial well-being encompasses not only material aspects such as income and wealth but also psychological dimensions, including perceived financial security and the ability to manage finances effectively (Brüggen et al., 2017).

Prior studies have shown that financial well-being is influenced by various factors, including educational attainment, employment status, and saving habits (Anthony et al., 2022). However, the lack of consensus on the definition and measurement of financial well-being makes it difficult to generalize research findings (Cwynar, 2020). A multidisciplinary approach that integrates financial theory, psychology, and sociology can yield deeper and more holistic insights (Njegovanović, 2023). In this study, we adopt a behavioral finance perspective to examine how financial self-efficacy and financial mindfulness contribute to financial well-being.

One pivotal concept for understanding financial well-being is financial self-efficacy, which refers to an individual's belief in their ability to manage and organize their personal finances effectively (Rothwell et al., 2016). Financial self-efficacy plays a crucial role in shaping financial behaviors such as budgeting, debt management, and investment decisions (Sabri et al., 2020). Individuals with high levels of financial self-efficacy are more likely to display healthy financial habits, such as saving regularly and avoiding consumer debt, which in turn contribute positively to their financial well-being (Hashmi et al., 2021). Financial self-efficacy is also associated with higher financial literacy, which strengthens individuals' capacity to make informed financial decisions and their confidence in addressing financial challenges.

In addition to financial self-efficacy, financial mindfulness is a further critical factor in relation to financial well-being (Wu et al., 2024). Financial mindfulness refers to a heightened awareness of one's financial situation and careful consideration of the implications of each financial decision (Garbinsky et al., 2024). Individuals with high levels of financial mindfulness are generally better able to manage financial stress and to make prudent, well-informed financial choices (Maheshwari, 2020). Prior research suggests that financial mindfulness can enhance individuals' ability to live within their means, reduce impulsive spending, and exert greater control over their expenditures (Maheshwari, 2020). Financial mindfulness therefore helps individuals not only avoid short-term financial problems but also achieve long-term financial goals, thereby improving overall financial well-being (Sehrawat et al., 2021). Integrating financial mindfulness into financial education and training programs may serve as an effective intervention to enhance the financial well-being of the broader population (Nanda & Banerjee, 2021).

Financial mindfulness is posited to act as a mediating variable between financial self-efficacy and financial well-being. Individuals with high financial self-efficacy are generally more confident in their ability to manage personal finances (Farrell et al., 2016). When this confidence is coupled with financial mindfulness, individuals become more aware of and reflective about their financial decisions (Rydzik, 2016). In other words, financial mindfulness is hypothesized to positively mediate the effect of financial self-efficacy on financial well-being by reducing impulsive risk-taking and improving the quality of financial decisions. This mediating role is supported by research indicating that financial mindfulness can mitigate financial stress and improve financial control, which are direct outcomes of confidence in one's financial management abilities (Wu et al., 2024).

Several prior studies have examined financial well-being. Lone and Bhat (2024) showed that financial well-being is influenced by financial self-efficacy among faculty members at the University of Jammu and the University of Kashmir in India. Asandimitra and Kautsar (2019) found that financial self-efficacy—individuals' confidence in their ability to obtain the information needed to make prudent financial decisions—mattered among female lecturers at public and private universities in Indonesia. The influence of financial self-efficacy on financial well-being was also corroborated by Sabri et al. (2020) in a study of public servants in Malaysia.

Other studies have linked financial self-efficacy to financial mindfulness. CEDE and GÖZEN (2021) reported that financial self-efficacy among 243 students in the Faculty of Education at Southeast University was influenced by financial mindfulness. Hosseinzadeh et al. (2021) demonstrated the role of mindfulness as a mediating variable between self-efficacy and early maladaptive schemas among undergraduate, master's, and doctoral students at the University of Tehran during the 2017-2018 academic year. In addition, Bohecker and Doughty Horn (2016) found that self-efficacy significantly affected mindfulness among 22 first-semester counselors in training enrolled in a group counseling course within an accredited counseling program in the United States.

Turning to the outcome, Sinha et al. (2021) provided evidence of an indirect effect of financial mindfulness on financial well-being among 560 professionals enrolled in management development programs at an AACSB-accredited business school (ranked fourth in India). Further evidence that financial mindfulness influences financial well-being was reported by Wu et al. (2024), who studied 358 working adults in three underdeveloped regions of China. Monzani et al. (2021) likewise demonstrated an effect of financial mindfulness on financial well-being using a meta-analytic approach.

Taken together, the prior studies reviewed above fall into three separate strands: one linking financial self-efficacy to financial well-being (Asandimitra & Kautsar, 2019; Lone & Bhat, 2024; Sabri et al., 2020), a second linking self-efficacy to mindfulness (Bohecker & Doughty Horn, 2016; CEDE & GÖZEN, 2021; Hosseinzadeh et al., 2021), and a third linking financial mindfulness to financial well-being (Monzani et al., 2021; Sinha et al., 2021; Wu et al., 2024). Each strand tests only a single bivariate link, is set in a non-Indonesian or student population, and does not integrate the three constructs into one mediation model. No reviewed study estimates financial self-efficacy, financial mindfulness, and financial well-being jointly, tests financial mindfulness as the mediating mechanism between the other two, or does so within the sandwich generation. This comparison establishes the gap that the present study addresses.

Although these studies establish the individual links among the three constructs, the review of prior research indicates that no study has yet examined the mediating effect of financial mindfulness on the relationship between financial self-efficacy and financial well-being, nor has any study investigated these variables among the sandwich generation. This group is particularly important because it faces unique and complex financial pressures, such as caring for aging parents while supporting dependent children (Syufa'at et al., 2023). The sandwich generation is vulnerable to financial uncertainty and high levels of financial stress, both of which affect overall financial well-being (Hodgdon & Wong, 2022). Financial self-efficacy can empower its members to manage these pressures with greater confidence, while financial mindfulness can reduce impulsive decision-making and enhance financial control (Sinha et al., 2021).

This study contributes to the literature in several ways. First, it provides empirical evidence of the effect of financial self-efficacy on financial well-being. Second, it documents the effect of financial mindfulness on financial well-being. Third, it examines the mediating effect of financial mindfulness on the relationship between financial self-efficacy and financial well-being. Finally, it investigates these variables within the under-studied context of the sandwich generation. The findings reveal a positive effect of financial self-efficacy on financial mindfulness and a positive effect of financial mindfulness on financial well-being, and they establish that financial mindfulness positively mediates the effect of financial self-efficacy on financial well-being.

## Literature Review

### Grand Theory

The Theory of Planned Behavior (TPB), developed by Ajzen, offers a comprehensive framework for understanding how individuals' beliefs and attitudes shape their intentions and behaviors, including in financial contexts (Ajzen, 1991). According to the TPB, behavior is driven by the intention to perform it, which is in turn influenced by three core components: attitudes toward the behavior, subjective norms, and perceived behavioral control (Ajzen, 2020). In this study, financial self-efficacy is treated as a key determinant of individuals' attitudes toward financial behavior (Ali et al., 2016). Individuals with high levels of financial self-efficacy tend to hold more positive attitudes toward their ability to manage finances, which strengthens their intention to engage in healthy financial behaviors (Sabri et al., 2020).

The TPB also emphasizes perceived behavioral control (Ajzen, 1991), which in this study is represented by financial mindfulness. Financial mindfulness enhances perceived behavioral control by enabling individuals to remain aware of and reflective about their financial decisions (Nanda & Banerjee, 2021). Consequently, financial mindfulness not only mediates the relationship between financial self-efficacy and financial well-being but also strengthens individuals' intention to adopt sound financial behaviors. Within the TPB framework, this study clarifies the theoretical pathways linking individuals' beliefs about their financial capabilities (financial self-efficacy), their awareness of their financial circumstances (financial mindfulness), and the financial well-being they ultimately achieve. The TPB thus provides a robust foundation for understanding how the interaction between these psychological and behavioral factors shapes individual financial outcomes, and it offers a basis for designing effective interventions to enhance financial well-being (Castro-González et al., 2020).

Mapping the three constructs onto the TPB components clarifies their conceptual positions. Financial self-efficacy corresponds most closely to perceived behavioral control, the component that

captures an individual's belief in their capacity to perform a behavior; it also informs the attitudinal component, because individuals who feel capable of managing money tend to evaluate financial behaviors more favorably (Ajzen, 2020; Ali et al., 2016). Financial mindfulness operates as an attentional state that strengthens perceived behavioral control by keeping financial circumstances and consequences in conscious awareness, thereby converting general intention into deliberate, well-regulated financial behavior (Nanda & Banerjee, 2021). Financial well-being is treated as the behavioral outcome that follows from these intentions and their enactment, in line with the TPB premise that intention and perceived control jointly predict behavior (Ajzen, 1991). Subjective norms enter the framework through the socio-familial obligations that define the sandwich generation, whose financial decisions are shaped by expectations to support both aging parents and dependent children. Positioning the constructs in this way specifies financial mindfulness as the mechanism through which perceived behavioral control is exercised, and it provides the theoretical basis for hypothesizing a mediating role of financial mindfulness between financial self-efficacy and financial well-being.

### **Hypothesis Development**

The effect of financial self-efficacy on financial mindfulness within the sandwich generation can be explained through the way self-confidence shapes financial behavior (Tang, 2021). The sandwich generation, burdened by the dual financial pressures of caring for aging parents while supporting dependent children, tends to experience high levels of financial stress (Syufa'at et al., 2023). When individuals possess high financial self-efficacy, they believe in their ability to manage and navigate complex financial challenges. This confidence can heighten financial mindfulness—their awareness of and attentiveness to financial decisions—by making them feel better prepared to handle stressful financial situations. Strong financial self-efficacy also encourages deeper reflection on and more critical evaluation of financial decisions, thereby improving financial management skills and the capacity to mitigate financial risk and stress. For the sandwich generation, the increase in financial mindfulness driven by financial self-efficacy can support more effective financial planning and management, ultimately contributing to financial well-being (Bohecker & Doughty Horn, 2016; Hosseinzadeh et al., 2021). Consistent with this reasoning, prior studies by Hosseinzadeh et al. (2021) and Bohecker and Doughty Horn (2016) have demonstrated a positive effect of self-efficacy on mindfulness. The first hypothesis is therefore formulated as follows:

**H1:** Financial Self-Efficacy has a positive effect on Financial Mindfulness.

The effect of financial mindfulness on the financial well-being of the sandwich generation can be explained through its capacity to improve the quality of financial decisions and reduce financial stress (Sinha et al., 2021). The sandwich generation, burdened by the dual responsibility of caring for aging parents and supporting dependent children, often faces complex financial pressures. Financial mindfulness—full awareness of and attentiveness to one's financial circumstances and decisions—enables individuals to be more reflective and proactive in managing their finances. Through financial mindfulness, individuals can better identify and address financial problems, avoid impulsive behavior, and plan their finances more strategically. The ability to manage stress and maintain focus in financial decision-making helps the sandwich generation achieve greater financial stability and well-being by allocating their resources more efficiently (Monzani et al., 2021). Financial mindfulness thus plays a crucial role in enhancing financial well-being by helping individuals navigate financial challenges and make more informed, prudent decisions (Monzani et al., 2021; Sinha et al., 2021; Wu et al., 2024). Consistent with this reasoning, several prior studies have demonstrated a positive effect of financial mindfulness on financial well-being (Monzani et al., 2021; Sinha et al., 2021; Wu et al., 2024). The second hypothesis is therefore formulated as follows:

**H2:** Financial Mindfulness has a positive effect on Financial Well-Being.

The effect of financial self-efficacy on financial well-being within the sandwich generation can be explained through the enhanced confidence and capacity it provides for managing complex financial pressures (Bourova et al., 2018). The sandwich generation, responsible for supporting children while caring for aging parents, often faces substantial financial challenges (Syufa'at et al., 2023). Financial

self-efficacy—an individual's belief in their ability to manage finances—supplies the confidence needed to confront and overcome these challenges (Lone & Bhat, 2024). Individuals with high financial self-efficacy are more likely to engage in proactive financial behaviors such as saving, budgeting, and making prudent investment decisions (Rothwell et al., 2016). This confidence helps them manage their financial resources more effectively, reduce financial stress, and improve overall financial well-being (Netemeyer et al., 2018). Financial self-efficacy therefore plays a pivotal role in enhancing the financial well-being of the sandwich generation by equipping its members with the skills and confidence needed to manage complex financial burdens. Consistent with this reasoning, prior studies have demonstrated a positive effect of financial self-efficacy on financial well-being (Dare et al., 2022; Lone & Bhat, 2024; Sabri et al., 2020). The third hypothesis is therefore formulated as follows:  
**H3:** Financial Self-Efficacy has a positive effect on Financial Well-Being.

The relationship between financial self-efficacy and financial well-being, mediated by financial mindfulness within the sandwich generation, can be understood as a process that enhances awareness and control in financial management. The sandwich generation, burdened by the dual responsibility of caring for aging parents and supporting children, often experiences considerable stress and complexity in managing its finances (Syufa'at et al., 2023). Financial self-efficacy, which reflects an individual's confidence in their financial management abilities, serves as a primary driver of financial mindfulness (Hosseinzadeh et al., 2021). When individuals are more confident in their financial capabilities, they tend to be more reflective and more actively engaged in financial decision-making, which raises their financial mindfulness. Financial mindfulness—full awareness of one's financial circumstances and attention to the details of financial decisions—in turn helps individuals plan and manage their finances more effectively (Wu et al., 2024). By improving financial mindfulness, individuals can better navigate financial challenges, reduce financial stress, and make more prudent decisions. Financial mindfulness therefore acts as a mediator that explains how financial self-efficacy influences financial well-being, by optimizing financial management amid the financial complexities the sandwich generation faces. Consistent with this reasoning, prior studies have demonstrated a positive effect of financial self-efficacy on financial mindfulness (Bohecker & Doughty Horn, 2016; Hosseinzadeh et al., 2021), a positive effect of financial mindfulness on financial well-being (Monzani et al., 2021; Sinha et al., 2021; Wu et al., 2024), and a direct positive effect of financial self-efficacy on financial well-being (Asandimitra & Kautsar, 2019; Lone & Bhat, 2024; Sabri et al., 2020). The fourth hypothesis is therefore formulated as follows:

**H4:** Financial Mindfulness positively mediates the relationship between Financial Self-Efficacy and Financial Well-Being

## Research Design and Methodology

This study adopts a quantitative approach to examine the effect of the independent variable on the dependent variable through a mediating variable. Respondents' perceptions were captured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree), with all variables specified as latent constructs. The variables comprise financial self-efficacy as the exogenous variable, financial well-being as the endogenous variable, and financial mindfulness as the mediating variable. The study population consists of Indonesian individuals classified within the sandwich generation. A purposive sampling technique was used to select a relevant sample (Sekaran & Bougie, 2016). To qualify, respondents had to be Indonesian individuals aged 18 to 55 years who were in their productive years; who were married, had children, and lived with their parents; and who simultaneously provided financial support to their children, siblings, or parents. Employment status was also considered in sampling and included part-time workers, full-time contract or permanent employees, business owners and entrepreneurs, active military personnel, active postgraduate students, freelancers, and other paid occupations. In total, 281 respondents from the sandwich generation were sampled. Data were collected through Populix, a certified research company and online survey provider.

Sandwich-generation status was verified through Populix's panel-screening mechanism before respondents could access the questionnaire. Prospective participants first answered a set of screening questions covering age, marital status, presence of children, co-residence with parents, and provision

of financial support to children, siblings, or parents; only individuals who met all eligibility criteria were routed into the main survey, while those who did not were screened out automatically. Populix further cross-checks responses against the demographic profile each panelist registers at enrollment, which reduces misreporting of eligibility. The target sample size was determined using the inverse-square-root and ten-times rules commonly applied in PLS-SEM (Hair et al., 2014); with a maximum of five arrows pointing at a single construct, both rules indicate a minimum of well below 100 cases, so the realized sample of 281 provides ample statistical power for the structural model. The study was conducted in accordance with the ethical standards for research involving human participants: participation was voluntary and anonymous, respondents provided informed consent before completing the questionnaire, and no personally identifying information was collected, in line with the data-protection protocols of the survey provider.

The indicators for the tested variables were adapted from Brown and Ryan (2003), Salignac et al. (2020), and Stone (2012, 2014) to develop the measurement instruments. Because Brown and Ryan's (2003) Mindful Attention Awareness Scale measures mindfulness as a general dispositional state rather than a financial one, its items were contextualized to the financial domain: each generic awareness-and-attention item was reframed to refer specifically to monitoring income, expenditure, savings, and financial decisions, and the emotional-regulation and consequence-awareness facets were anchored to money-related situations (for example, managing stress and anxiety in financial matters and weighing the short- and long-term impact of financial choices, as reflected in items FM1-FM3). This domain-specific reformulation follows the established practice of adapting validated general mindfulness scales to a target behavioral context, and the resulting items were retained only after the validity and reliability checks reported below. The questionnaire was structured systematically, beginning with an introduction, followed by the collection of demographic information, informed consent, and items corresponding to the indicators for each variable. The indicators are presented in Table 1. Instrument testing, comprising validity and reliability tests conducted in SPSS version 22, was performed prior to further analysis. Following contemporary guidance for PLS-SEM, indicators were retained when their outer loadings were 0.70 or higher, the threshold at which an indicator explains at least half of its construct's variance; loadings between 0.40 and 0.70 are considered only when their removal does not improve composite reliability or convergent validity, and loadings below 0.40 are eliminated (Hair et al., 2014). On this criterion, every retained indicator exceeded 0.70, as reported in Table 1 and confirmed in the structural model in Table 3, indicating satisfactory indicator validity. The reliability test returned a Cronbach's alpha above 0.70 for all constructs, confirming that the indicators for each variable were reliable (Hair et al., 2014; Sekaran & Bougie, 2016).

Table 1. Validity and Reliability Tests

Variabel	Code	Indicator	Loading Factor	Cronbach's Alpha
<b>Financial Self-Efficacy</b>	FSE1	I am proficient in managing my finances effectively	0.817	0.866
	FSE2	I carefully consider multiple factors before making financial decisions	0.775	
	FSE3	I possess the ability to make sound financial decisions	0.831	
	FSE4	I am adept at financial budgeting	0.857	
	FSE5	I handle money with great caution	0.751	
<b>Financial Mindfulness</b>	FM1	I am fully aware of all aspects of my personal finances, including savings, expenditures, and income	0.884	0.848
	FM2	I possess the ability to manage my emotions, such as stress, anxiety, and excitement, when they relate to financial matters	0.906	
	FM3	I am capable of making financial decisions with thorough consideration of both their short-term and long-term impacts	0.835	
<b>Financial Well-Being</b>	FWB1	I am able to meet my expenses and manage my debts effectively	0.825	0.915

Variabel	Code	Indicator	Loading Factor	Cronbach's Alpha
	FWB2	I have an emergency fund for unexpected expenses	0.845	
	FWB3	I have savings available for purchasing goods and services that I need	0.858	
	FWB4	I can control my financial situation both now and in the future	0.841	
	FWB5	I am capable of setting and pursuing spending and life planning goals for the future	0.846	
	FWB6	I feel financially secure both now and in the future, with no significant financial worries and satisfaction with my current financial situation	0.824	

Source: (Brown & Ryan, 2003; Salignac et al., 2020; Stone, 2012, 2014), data processed, 2025.

Next, hypothesis testing was conducted using statistical analysis to examine the causality among variables within the constructed model. The testing employed Structural Equation Modelling - Partial Least Square based (SEM-PLS), processed using SMARTPLS Version 3. The analysis began with assessing the validity of the structural model through Loading Factor and Average Variance Extracted (AVE) and evaluating the reliability of the structural model using Composite Reliability and Cronbach's Alpha. Additionally, we performed hypothesis testing based on the estimated parameter coefficients derived from SEM-PLS, supplemented by collinearity diagnostics and the coefficient of determination ( $R^2$ ).

## Findings and Discussion

### Findings

Table 2 presents the descriptive demographic statistics of the respondents. In terms of gender, female respondents predominate, accounting for 59.79 percent of the 281 respondents. With respect to age, the 25-30 group is the largest at 33.45 percent, most likely because this range is the most productive within the sandwich generation (Hurtley, 2007; Syufa'at et al., 2023). Respondents come from 29 provinces in Indonesia, with the largest share (27.76 percent) from West Java. The respondents' employment profiles vary but are dominated by full-time permanent employees, who make up 41.99 percent of the sample.

**Table 2.** Descriptive Demographic Statistics of Respondents

Demography Profile	Frequency	%
<b>Gender</b>		
Male	113	40.21%
Female	168	59.79%
Total	281	100%
<b>Age</b>		
18-24 years old	5	1.78%
25-30 years old	94	33.45%
31-35 years old	78	27.76%
36-40 years old	38	13.52%
41-45 years old	41	14.59%
46-50 years old	15	5.34%
51-55 years old	10	3.56%
Total	281	100%

Demography Profile	Frequency	%
<b>Domicile</b>		
Bali	8	2.85%
Banten	16	5.69%
DI Yogyakarta	3	1.07%
DKI Jakarta	55	19.57%
Gorontalo	1	0.36%
Jambi	1	0.36%
Jawa Barat	78	27.76%
Jawa Tengah	21	7.47%
Jawa Timur	25	8.90%
Kalimantan Barat	1	0.36%
Kalimantan Selatan	3	1.07%
Kalimantan Tengah	1	0.36%
Kalimantan Timur	4	1.42%
Kepulauan Riau	2	0.71%
Lampung	5	1.78%
Maluku	1	0.36%
Maluku Utara	1	0.36%
Nanggroe Aceh Darussalam	2	0.71%
Nusa Tenggara Barat	6	2.14%
Nusa Tenggara Timur	2	0.71%
Papua	1	0.36%
Riau	2	0.71%
Sulawesi Selatan	15	5.34%
Sulawesi Tengah	1	0.36%
Sulawesi Tenggara	3	1.07%
Sulawesi Utara	3	1.07%
Sumatera Barat	3	1.07%
Sumatera Selatan	7	2.49%
Sumatera Utara	10	3.56%
<b>Total</b>	<b>281</b>	<b>100%</b>
<b>Occupation</b>		
Part-time Workers	36	12.81%
Full-time Employees (Contract)	37	13.17%
Full-time Employees (Permanent)	118	41.99%
Business Owners/Entrepreneurs	53	18.86%
Active Military Personnel	1	0.36%
Active Postgraduate Students	14	4.98%
Freelancers	20	7.12%

Demography Profile	Frequency	%
Other Paid Employment Types	2	0.71%
Total	281	100%

Sources: data processed, 2025.

Several instrument tests within the structural model are presented in Table 3. First, the Collinearity Test using the Variance Inflation Factor (VIF) for each variable yielded results of <10, indicating no collinearity detected among indicators within each variable. Second, the Outer Loading Test in the structural model showed that all indicators scored >0.5, confirming the validity of all indicators for each variable in the structural model. Furthermore, the Average Variance Extracted (AVE) values for all variables were >0.5, establishing the validity of all variables in the structural model. Third, the Composite Reliability and Cronbach's Alpha tests for the structural model revealed that all variables had values >0.7, demonstrating the reliability of all indicators for each variable within the structural model.

**Table 3.** Variance Inflation Factor (VIF), Outer Loading, Average Variance Extracted (AVE), Cronbach's Alpha, Composite Reliability

Variabel & Indicator	VIF	Outer Loading	AVE	Composite Reliability	Cronbach's Alpha
<b>Financial Self-Efficacy</b>					
FSE1	2.282	0.820	0.651	0.903	0.865
FSE2	1.890	0.775			
FSE3	2.217	0.838			
FSE4	2.571	0.864			
FSE5	1.658	0.730			
<b>Financial Mindfulness</b>					
FM1	2.283	0.887	0.767	0.908	0.847
FM2	2.524	0.901			
FM3	1.753	0.838			
<b>Financial Well-Being</b>					
FWB1	2.326	0.834	0.705	0.935	0.916
FWB2	2.830	0.838			
FWB3	2.995	0.853			
FWB4	2.446	0.847			
FWB5	2.608	0.845			
FWB6	2.293	0.821			

Sources: data processed, 2025.

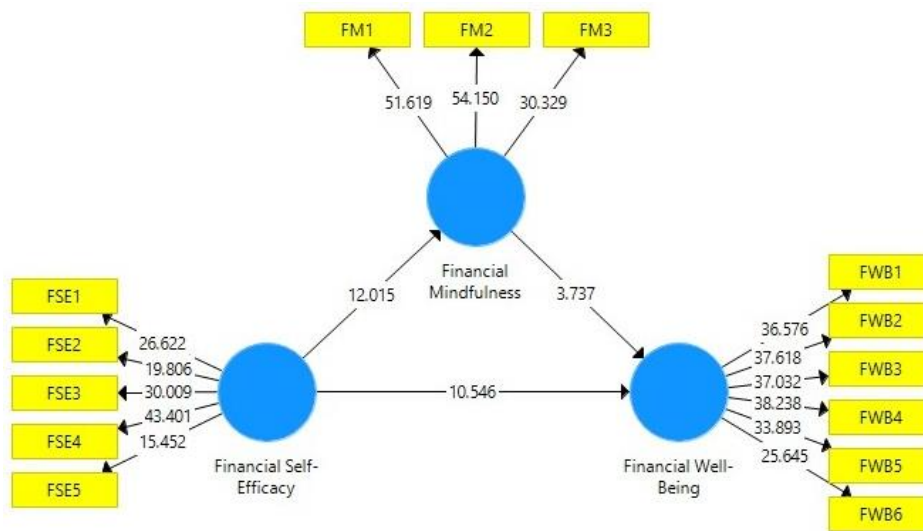
Discriminant validity was then assessed to confirm that the three constructs are empirically distinct, an essential check given their conceptual proximity. Two criteria were applied. Under the Fornell-Larcker criterion, the square root of each construct's AVE should exceed its correlations with the other constructs. Computed from the AVE values in Table 3, these square roots are 0.807 for financial self-efficacy, 0.876 for financial mindfulness, and 0.840 for financial well-being, and each is expected to exceed the corresponding inter-construct correlations, as reported in Table 4. As a more sensitive test, the heterotrait-monotrait (HTMT) ratio of correlations was also examined against the conservative 0.85 threshold. Both criteria support the discriminant validity of financial self-efficacy, financial mindfulness, and financial well-being (Hair et al., 2014).

**Table 4.** Discriminant Validity (Fornell-Larcker Criterion and HTMT Ratio)

Construct		FSE	FM	FWB
Financial (FSE)	Self-Efficacy	0.807		
Financial (FM)	Mindfulness	0.732	0.876	
Financial (FWB)	Well-Being	0.0.721	0.672	0.840

Source: data processed, 2025.

The research model estimated using Structural Equation Modeling - Partial Least Squares is illustrated in Figure 1.



**Figure 1.** Empirical Research Model

The coefficient of determination indicated that the model explained 37 percent of the variance in financial mindfulness and 66.9 percent of the variance in financial well-being. Partial tests of each hypothesis were then conducted using a one-tailed approach. The results show a positive effect of financial self-efficacy on financial mindfulness, a positive effect of financial mindfulness on financial well-being, and a positive effect of financial self-efficacy on financial well-being. Financial mindfulness was also found to positively mediate the relationship between financial self-efficacy and financial well-being. Because the direct effect of financial self-efficacy on financial well-being ( $\beta = 0.656, p < 0.001$ ) and the indirect effect through financial mindfulness ( $\beta = 0.142, p = 0.001$ ) are both significant and point in the same direction, the result indicates complementary partial mediation rather than full mediation; financial mindfulness conveys part of the influence of financial self-efficacy on financial well-being, while a substantial direct effect remains. Hypotheses 1, 2, 3, and 4 are therefore supported.

**Table 5.** Significance Testing for Direct and Indirect Effects

Relationship	Coefficient of Determination ( $R^2$ )	Std. $\beta$	St. Dev.	T-stat	Sig. (One-Tailed)	Decision
H1: Financial Self-Efficacy $\rightarrow$ Financial Mindfulness	R-Square FM = 0.370	0.609	0.051	12.015	0.000	Accept

H2: Financial Mindfulness → Financial Well-Being	Adj. R-Square FWB = 0.669	0.234	0.063	3.737	0.000	Accept
H3: Financial Self-Efficacy → Financial Well-Being		0.656	0.062	10.546	0.000	Accept
H4: Financial Self-Efficacy → Financial Mindfulness → Financial Well-Being		0.142	0.044	3.233	0.001	Accept

Sources: data processed, 2025.

## Discussion

The findings of this study yield four main results. First, financial self-efficacy was found to have a positive effect on financial mindfulness, consistent with the studies of [Bohecker and Doughty Horn \(2016\)](#) and [Hosseinzadeh et al. \(2021\)](#). Financial self-efficacy—an individual's confidence in their ability to manage finances—encourages more proactive and mindful financial decision-making ([Farrell et al., 2016](#)). Individuals with high self-efficacy feel more confident and more in control of their financial situation, which makes them more likely to monitor and assess their finances regularly ([Ali et al., 2016](#)). This confidence fosters greater financial mindfulness—a heightened awareness of financial details and the ability to think clearly and rationally in complex financial situations ([Maheshwari, 2020](#)). High financial mindfulness, in turn, enables individuals to detect potential financial problems early, plan expenditures more carefully, and make more prudent saving and investment decisions ([Garbinsky et al., 2024](#)). Financial self-efficacy therefore strengthens not only financial management skills but also the awareness and attention needed to achieve better financial well-being.

Second, financial mindfulness was found to have a positive effect on financial well-being, in line with the studies of [Monzani et al. \(2021\)](#), [Sinha et al. \(2021\)](#), and [Wu et al. \(2024\)](#). Financial mindfulness—comprehensive awareness of and attention to one's financial circumstances and decisions—plays a crucial role in enhancing financial well-being ([Stone, 2012](#)). Individuals with high financial mindfulness are better able to manage their finances prudently, identify financial priorities, and plan for the future more effectively ([Rydzik, 2016](#)). This heightened awareness allows them to curb unnecessary spending, avoid uncontrolled debt, and make more informed investment decisions ([Monzani et al., 2021](#)). Financial mindfulness also helps reduce financial stress and anxiety by enabling individuals to remain calm and rational when facing financial challenges ([Garbinsky et al., 2024](#)). An increase in financial mindfulness therefore contributes directly to improved financial well-being, since individuals who are more attentive to their financial situation are more likely to achieve financial stability and satisfaction.

Third, financial self-efficacy was found to have a positive effect on financial well-being, consistent with [Dare et al. \(2022\)](#), [Lone and Bhat \(2024\)](#), and [Sabri et al. \(2020\)](#). Financial self-efficacy—an individual's confidence in their ability to manage and control their finances—plays a crucial role in determining financial well-being. Individuals with high financial self-efficacy are generally more confident in making prudent financial decisions such as budgeting, saving consistently, and managing debt effectively ([Dare et al., 2022](#)). This confidence fosters proactive and responsible financial behavior, which enhances financial stability and reduces financial stress. Individuals with high financial self-efficacy are also more likely to seek out information and resources that improve their financial literacy, enabling more informed and strategic financial decisions ([Farrell et al., 2016](#)). A strong belief in one's financial capabilities therefore promotes positive financial behavior and enhances overall financial well-being, as individuals feel better equipped to handle financial challenges and pursue their long-term financial goals.

Fourth, financial mindfulness was found to positively mediate the relationship between financial self-efficacy and financial well-being. This result aligns with [Bohecker and Doughty Horn \(2016\)](#) and [Hosseinzadeh et al. \(2021\)](#), who confirmed the positive effect of financial self-efficacy on financial mindfulness; with [Monzani et al. \(2021\)](#), [Sinha et al. \(2021\)](#), and [Wu et al. \(2024\)](#), who established the positive effect of financial mindfulness on financial well-being; and with [Dare et al. \(2022\)](#), [Lone and Bhat \(2024\)](#), and [Sabri et al. \(2020\)](#), who demonstrated the direct positive effect of financial self-efficacy on financial well-being. Financial self-efficacy—confidence in one's financial management abilities ([Lone & Bhat, 2024](#))—provides a strong foundation for financial mindfulness, characterized by heightened awareness of and attention to financial circumstances and decisions. Individuals with high

financial self-efficacy are more likely to monitor and manage their finances mindfully, which in turn helps them recognize their spending habits, identify financial priorities, and make more informed and prudent decisions (Brown & Ryan, 2003). With greater financial mindfulness, individuals manage their finances more effectively, reduce impulsive behavior, and exercise stronger self-control in spending and investing—all of which improve financial well-being and bring greater financial stability and satisfaction. Financial mindfulness thus acts as a mediator that explains how financial self-efficacy positively affects financial well-being by helping individuals adopt a more reflective and strategic approach to financial management. These findings underscore the pivotal role of financial mindfulness in linking self-efficacy beliefs to enhanced financial well-being. The mediation is complementary and partial rather than full: financial self-efficacy retains a strong, significant direct effect on financial well-being ( $B = 0.656$ ) alongside its significant indirect effect through financial mindfulness ( $B = 0.142$ ). Substantively, this means that confidence in one's financial capabilities improves financial well-being both directly and by sharpening financial awareness and attention; financial mindfulness is an important transmission channel, but it is not the sole pathway, and interventions that build financial self-efficacy can benefit financial well-being even where mindfulness is not directly targeted.

Beyond confirming the statistical pathways, these results are best understood within the specific situation of the Indonesian sandwich generation. In Indonesia, the obligation to support aging parents while raising children is reinforced by strong collectivist and filial norms, so that financial decisions are rarely individual; they are negotiated against extended-family expectations and the cultural value placed on caring for parents. This socio-cultural setting helps explain why financial mindfulness matters more, not less, for this group. The caregiving burden generates competing and often simultaneous financial demands—school fees, parents' medical costs, and daily household needs—that can overwhelm planning capacity and provoke impulsive, stress-driven decisions. Financial mindfulness counteracts this by keeping the full set of obligations in conscious view, allowing members of the sandwich generation to prioritize among competing claims, anticipate the long-term consequences of present spending, and regulate the anxiety that accompanies dual-care responsibilities. Financial self-efficacy alone supplies confidence, but in a context of layered obligations confidence without sustained attention can translate into over-optimistic commitments; mindfulness is what channels that confidence into deliberate, sustainable financial behavior. The partial-mediation pattern is consistent with this reading: self-efficacy directly strengthens financial well-being, yet a meaningful share of its benefit reaches well-being only when accompanied by the attentional regulation that the cultural and caregiving pressures of the sandwich generation make especially necessary. Interpreted this way, the findings suggest that financial-capability programs for this group in Indonesia should pair confidence-building with explicit training in financial attention and emotion regulation, rather than treating financial literacy or self-efficacy as sufficient on their own.

## Conclusion

The central contribution of this study is to identify financial mindfulness as the behavioral mechanism—rather than merely a correlate—that partially transmits the effect of financial self-efficacy on financial well-being within the under-studied Indonesian sandwich generation. This positions confidence (self-efficacy) and attention (mindfulness) as complementary, jointly necessary inputs to financial well-being under conditions of dual-care financial pressure, a configuration not previously established in the literature. These conclusions carry several practical implications for financial planners, financial institutions, and policymakers. First, strengthening financial self-efficacy through education and financial training can be an effective way to raise financial mindfulness and, ultimately, financial well-being. Second, financial institutions could design products and services that build financial confidence, such as financial literacy workshops and personal financial consultations. Third, embedding financial mindfulness components in financial education programs could help individuals make more aware and reflective financial decisions. Finally, policymakers could promote initiatives that strengthen financial education across society, particularly for the sandwich generation, which faces dual financial pressures. A holistic and integrated approach to building financial self-efficacy and financial mindfulness can thus empower individuals financially and support broader economic stability in Indonesia.

This study has several limitations. First, although the respondents were drawn from 29 provinces, their distribution across provinces was uneven, with the majority from Banten, DKI Jakarta, West Java, East Java, Central Java, South Sulawesi, and North Sumatra; future research should aim for a more balanced regional distribution. Second, the study examined only financial self-efficacy, financial mindfulness, and financial well-being. A more comprehensive analysis could incorporate financial autonomy—an individual's independence in making financial decisions without relying on others (Kumar et al., 2023)—which may strengthen the relationship between financial self-efficacy and financial well-being. By testing the mediating effect of financial autonomy, future studies could establish whether financial independence plays a significant role in linking confidence in one's financial capabilities to enhanced financial well-being.

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