

FINANCIAL WELL-BEING IN THE DIGITAL ERA : THE IMPACT OF DIGITAL KNOWLEDGE, FINANCIAL SKILLS AND FINTECH ADOPTION

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ABSTRACT

This study examines how digital knowledge, financial knowledge, and financial skills influence financial well-being and investigates the mediating role of FinTech adoption. It also considers how using FinTech tools can influence this relationship. The research involved a Likert-scale questionnaire distributed to 400 respondents in Indonesia. The obtained data were analyzed further using a PLS-SEM method through SMART-PLS software. It is utilized in order to understand and investigate direct-indirect influences. The study shows that digital knowledge, financial knowledge and skills have a positive and significant effect on shaping financial well-being, and FinTech usage also strengthen the relationship. The mediation analysis shows that using FinTech helps make the connection between these skills and financial well-being stronger by making it easier to access and use services in finance. Moreover, R^2 analysis shows that digital knowledge, financial knowledge, and financial skills explain 58% of the variance in FinTech adoption and 64% of the variance in financial well-being, indicating moderate-to-strong explanatory power. This study offers a contribution to existing research by combining digital knowledge, financial knowledge, and technology use into one model, giving important insights into how financial well-being is affected during digital changes, especially in developing countries. The findings imply that policymakers, educators, and FinTech developers should promote financial and digital knowledge programs while designing accessible and inclusive financial technologies to foster better financial outcomes for society.

Keywords : Digital Knowledge; Financial Knowledge; Financial Skills; Financial Well-Being; Fintech Adoption

ABSTRAK

Penelitian ini menganalisis bagaimana pengetahuan digital, pengetahuan keuangan, dan keterampilan keuangan memengaruhi kesejahteraan finansial seseorang. Studi ini juga mempertimbangkan peran FinTech sebagai faktor yang dapat memperkuat hubungan tersebut. Penelitian dilakukan melalui kuesioner berbasis skala likert yang disebarakan terhadap 400 responden di Indonesia. Datanya dianalisis dengan memanfaatkan PLS-SEM melalui perangkat lunak SMART-PLS, sehubungan dengan maksudnya dalam menginvestigasi pengaruh langsung maupun tidak langsung. Hasilnya mengutarakan bahwa pengetahuan digital, pengetahuan keuangan, disertai keterampilan keuangan yang memadai mendatangkan dampak positif atas kesejahteraan finansial. Pemanfaatan FinTech terbukti dapat menguatkan pengaruh antar variabel. Analisis mediasi mengungkapkan bahwa penggunaan FinTech mampu mempererat hubungan antara ketiga kemampuan tersebut dengan kesejahteraan finansial melalui peningkatan akses dan kemudahan dalam memanfaatkan layanan keuangan. Selain itu, analisis R^2 menunjukkan bahwa pengetahuan digital, pengetahuan keuangan, dan keterampilan keuangan menjelaskan 58% varians dalam adopsi FinTech dan 64% varians dalam kesejahteraan finansial, yang mengindikasikan daya penjas sedang hingga kuat. Studi ini memberikan kontribusi pada literatur dengan menggabungkan literasi digital, pengetahuan keuangan, serta penggunaan teknologi keuangan dalam satu model terpadu. Temuan ini menawarkan wawasan penting mengenai faktor-faktor yang memengaruhi kesejahteraan finansial di tengah transformasi digital, terutama di negara-negara berkembang. Implikasi penelitian menekankan bahwa pembuat kebijakan, pendidik, dan pengembang FinTech perlu

mendorong program literasi digital dan keuangan serta merancang teknologi keuangan yang inklusif dan mudah diakses guna meningkatkan kesejahteraan finansial masyarakat.

Kata Kunci : Adopsi Fintech; Keterampilan Keuangan; Kesejahteraan Keuangan; Pengetahuan Digital; Pengetahuan Keuangan

INTRODUCTION

The rise of digital technology has introduced fundamental changes to the methods individuals use to perform effective financial management. Today, digital-finance application services, usually called Financial Technology (FinTech), keep developing rapidly. According to Bank Indonesia (2023) , the FinTech adoption rate in Indonesia has reached 76% of total smartphone users, indicating a steady increase in the context of access to public services each year. Meanwhile, the rising adoption of FinTech does not automatically translate into improved well-being context. A recent study utilized by Wijaya et al. (2023) reveals that, besides the FinTech emerging growth in Indonesia, the digital financial knowledge levels remain suboptimal. This suggests that while many users are familiar with digital financial applications, they are not yet able to leverage them effectively to improve their financial situations. This condition indicates that access to services alone is not sufficient to improve individual well-being without adequate supporting knowledge and skills. As a result, understanding the factors enabling individuals in utilizing FinTech services are highly important.

Additionally, inadequate capability in utilizing digital financial services may lead to outcomes such as impulsive spending, excessive borrowing, and exposure to online fraud (Rahayu et al., 2023) . Many individuals adopt FinTech primarily for its convenience without carefully assessing the financial implications of their decisions, which can result in poor planning and long-term instability (Respati et al., 2023) . The swift expansion of FinTech innovations further widens the gap between technological advancement and users' readiness to evaluate these services critically. Consequently, practicality often takes precedence over prudent financial behaviour (Islam & Khan, 2024) . Such limitations hinder the optimal contribution of FinTech to financial inclusion and improved well-being. To address this issue, strengthening users' competencies in digital financial management is essential to ensure that technology adoption yields positive financial outcomes. Ultimately, stronger competence in digital finance is expected to support sustainable well-being (Dewi et al., 2024; Lidiana et al., 2024; Prihandini, 2025).

Beyond access to technology, financial well-being refers to the ability acquired by an individual to manage financial resources effectively, meet current obligations, and maintain resilience against future financial risks (Shoaib et al., 2025). Financial well-being is not merely determined by income level, but also by how individuals make financial decisions, plan for the future, and respond to financial uncertainty (Li et al., 2023) . In the digital era, these decisions

are increasingly shaped by the interaction between financial knowledge, digital knowledge, and the use of financial services that are integrated with technology (Suyanto, 2022). Without adequate knowledge and skills, individuals may struggle to translate technological access into meaningful financial improvements, even when digital financial services are readily available (Rahman & Sari, 2024).

Although numerous previous studies have discussed digital financial knowledge and FinTech adoption (Morgan & Long, 2022; Zhang & Li, 2021), most of them examine these variables separately and often assume that higher access or usage automatically improves well-being in the context of finance. In reality, the emerging growth in the usage of such services in Indonesia is not always followed by better financial conditions, as problems such as impulsive spending and over-borrowing still occur. This indicates that access to technology alone is not sufficient; individuals also need adequate financial understanding and digital knowledge to use FinTech effectively.

Importantly, few studies have simultaneously examined digital knowledge, financial knowledge, and financial skills as integrated determinants of financial well-being through FinTech adoption in the Indonesian context. Existing research tends to focus on either knowledge or adoption effects, without empirically testing their combined influence within a single structural model. This study addresses that gap by integrating both constructs into a unified analytical framework to provide a more comprehensive explanation of behavioral finance dynamics in the digital era. The novelty of this research lies in its integrative approach, which emphasizes not only technology adoption but also the capability to strategically utilize digital financial services in order to achieve sustainable financial well-being.

LITERATURE REVIEW

Grand Theory

The present study is grounded in three major theoretical perspectives, namely the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and Capability Theory. These frameworks collectively explain how digital knowledge, financial knowledge, and financial skills influence FinTech adoption and ultimately shape financial well-being. From the perspective of the Technology Acceptance Model (TAM), individuals are more likely to adopt a technology when they perceive it as useful and easy to use (Sharma & Priya, 2025). Digital knowledge enhances users' ability to evaluate and utilize FinTech platforms effectively, thereby strengthening perceived usefulness and perceived ease of use (Gafoor & Amilan, 2024). Individuals with higher digital knowledge are therefore more inclined to adopt FinTech services (Sahamony, 2022). Meanwhile, the Theory of Planned Behavior (TPB) explains that behavioral intention is influenced by attitudes, subjective norms, and perceived behavioral control (Sobaih

& Elshaer, 2023). Financial knowledge and financial skills contribute to perceived behavioral control, as individuals who understand financial concepts and possess practical financial abilities are more confident in managing digital financial tools (Do et al., 2024). This confidence increases their intention to adopt FinTech and engage in responsible financial behavior (Utami & Toto, 2025). Furthermore, this study draws on the Capability Approach, which emphasizes that well-being depends not merely on access to resources but on individuals' capabilities to utilize those resources effectively (Xiao et al., 2022). In this context, access to FinTech alone does not automatically improve financial well-being. Instead, individuals must possess adequate digital knowledge, financial knowledge, and financial skills to convert technological access into meaningful financial outcomes (Kumar et al., 2023). Hence, it can be stated that financial well-being is seen as an outcome of enhanced capabilities rather than mere technology usage.

Relationship Between Variables

Digital knowledge is a foundational competency that individuals must possess, particularly in today's digital era (Rachmaningsih & Wijayanti, 2021). In accordance with TAM, individuals with stronger digital knowledge are more capable of understanding FinTech features and assessing their benefits, which facilitates more effective usage (Sharma & Priya, 2025). One of the fundamental areas of knowledge relevant to this era involves advanced technological capabilities in data acquisition and information search. Digital knowledge significance located in its potential to influence short until long-term decision formation (Lestari & Mangifera, 2023). Meanwhile, the body of research on digital knowledge remains relatively limited, making empirical evidence on the relationship between digital financial knowledge and financial well-being scarce (Normawati & Santoso, 2023). The hypothesized relationship between digital knowledge and financial well-being in this study is derived from the formulation that digital knowledge may play a significant role in enhancing one's financial condition. Despite being critically important, digital knowledge has not been extensively explored in academic literature. Digital knowledge encompasses three key components. First, it reflects such financial concepts understanding in the format of digital (Sahamony, 2022). Next, involves usage of digital knowledge as a medium for fostering a higher literacy rate in finance, which includes the ability to comprehend sound financial concepts for a variety of practical applications. Lastly, it equips individuals to solve financial problems more effectively (Wijayanti & Mangifera, 2023).

H₁: Digital knowledge significantly influences financial well-being.

Well-being in the financial scope is significantly influenced by financial understanding. Effective financial management depends heavily on a deep understanding of financial principles, which ultimately enhances the well-being among individuals. According to TPB, such

knowledge increases perceived behavioral control, enabling individuals to make rational financial decisions (Wang & Yang, 2024). A solid foundation in financial knowledge contributes to enhanced financial well-being by empowering individuals to confront financial challenges in a controlled and advantageous manner (Syafitri, 2024). Competent financial planning and management allow for optimal resource allocation and sound investment decisions (Meida, 2023). Financial knowledge exerts a significant influence which is significant on shaping well-being, through the act of equipping the individuals with the ability to make a well-informed decisions and perform resource management in an effective way (Candy & Vira, 2024). Additionally, effective financial management reduces the risk of insolvency and increases profitability, thereby promoting both individual and organizational well-being. Regarding this sense, knowledge of financial is a necessity to be utilized both personally as well as collectively to be a strategic enabler of corporate sustainability and growth. As such, financial knowledge forms a critical and effective base for managing financial resources (Pan et al., 2024).

H₂: Financial knowledge significantly influences financial well-being.

The well-being of the financial context is positively impacted by financial abilities as well. These abilities help people make purposeful and highly informed decisions within the scope of finance, which further improves the security of financial (Meida, 2023). With adequate and complete skills of finance, individuals are more able to formulate efficient management tactics in finance, minimize financial risks, and maximize returns (Rachmaningsih & Wijayanti, 2021). It is in accordance with the capability theory lens, in which these skills function as operational capabilities that translate resources into well-being outcomes (Xiao et al., 2022). Financial skills also aid in anticipating economic changes and adapting effectively (Komarudin et al., 2021), which is crucial for maintaining the finance health for a long-term period (Dewi, 2022). The correlation of such skills on financial well-being tends to be highly substantial, as these competencies provide the foundational support needed to reach their well-being (Singh et al., 2024).

H₃: Financial skills significantly influence financial well-being.

Digital knowledge has a positive impact on FinTech adoption, particularly in facilitating the uptake of rapidly evolving financial technologies. A high level of digital knowledge enables individuals and organizations to more effectively integrate and utilize FinTech solutions, thereby improving operational efficiency (Kumar, Pillai, et al., 2023). Proficient digital knowledge allows users to understand and optimize the use of financial technologies. According to TAM, individuals with higher levels of digital knowledge are more capable of understanding digital platforms, evaluating system features, and navigating financial applications effectively (He et al., 2024; Komarudin et al., 2021; Sajid et al., 2024). The development of digital

knowledge enhances users' capabilities in utilizing financial technologies, thus maximizing the positive outcomes of FinTech adoption (Rachmaningsih & Wijayanti, 2021). Hence, in the digital economy, robust digital knowledge is one of the key assets for success.

H₄: Digital knowledge significantly influences FinTech adoption.

FinTech adoption is positively influenced by the knowledge of finance, especially when it comes to helping people handle their money well. The term "financial knowledge" describes the fundamental capacity to comprehend (Wang & Yang, 2024), analyze, and make sound financial decisions, thus helping to avoid future financial risks or challenges (Saragi et al., 2023). Within TPB, financial knowledge enhances perceived behavioral control because individuals who understand financial concepts such as interest rates, risk management, and debt obligations feel more capable of making informed decisions regarding financial technologies (Do et al., 2024). Studies support that individuals with a more complete knowledge of finances are more likely to utilize those tools more effectively. Strong financial knowledge provides a wider understanding regarding the advantages of digital technologies in finance, which, in turn, increases motivation to use such services (Akhtar et al., 2024). High rates of subjective financial knowledge instill greater confidence in adopting FinTech (Meida, 2023), enabling smarter and more efficient financial management. Through FinTech adoption, individuals can leverage technology to monitor, manage, and optimize their financial affairs daily (Pan et al., 2024). Therefore, the knowledge in the scope of finance presents as a critical enabler in encouraging FinTech adoption and facilitating improved financial management.

H₅: Financial knowledge significantly influences FinTech adoption.

Financial skills positively influence FinTech adoption by equipping individuals with the ability to manage and plan their finances. Financial skills refer to the awareness and practical ability to manage money effectively, including budgeting and financial planning (Komarudin et al., 2021). These skills support the identification, evaluation, and utilization of digital financial services provided by financial technology (Anwar & Elistia, 2024). Individuals with well-developed financial skills exhibit greater confidence in selecting and adopting FinTech products that meet their financial needs. Such skills are vital to fully benefit from FinTech adoption (Dewi, 2022). The skills' role in shaping FinTech adoption is evident in the ability to navigate and utilize complex FinTech products and services effectively (Singh et al., 2024). In addition, consistent with TAM, financial skills allow individuals to experience the functional benefits of digital financial platforms more directly, thereby strengthening perceived usefulness (Rachmaningsih & Wijayanti, 2021). Thus, financial skills are crucial in driving transformation and progress in the digital financial sector.

H₆: Financial skills significantly influence FinTech adoption.

The adoption of financial technology (FinTech) serves an essential role in the context of reaching finance well-being. Gafoor & Amilan (2024) delivered their findings, concerning that the adoption of FinTech does not have a direct significant influence on shaping well-being, among people with disabilities; rather, it operates through mediating variables which turn out to be relevant, including financial knowledge, access, and behavior that been shaped. It is aligned with capability theory, which stated that well-being is not determined solely by access to resources but by individuals' capabilities to convert those resources into valuable outcomes (Li et al., 2023) . Similar results are shown by Singh et al. (2024) , who contend that FinTech moderates the association between well-being in the scope of finance and the knowledge, underlining that people who possess a higher level of knowledge gain more from using FinTech. Alkhwaldi et al. (2022) emphasize that such knowledge of finance, when reinforced by FinTech adoption, can significantly enhance overall quality of life beyond just financial aspects. In the business context, particularly among small enterprises, Sharma et al. (2024) found that financial well-being mediates the correlation utilized between FinTech adoption and business sustainability, concerning that FinTech usage can help entrepreneurs maintain financial health and support business continuity. Furthermore, Ha et al. (2025) , through a systematic literature review, underlining the substantial role of such FinTech in fostering the promotion of inclusion in finance, and providing adequate support to well-being, projected through service innovation and market transformation. Fintech Adoption showing a significant contribution to financial well-being by expanding access to preferred services, fostering inclusion, and improving efficiency in personal financial management (Hesniati & Limgestu, 2023) . Overall, recent literature positions FinTech adoption as a strategic factor that strengthens the correlations handled between behavioural finance, knowledge, and its well-being among diverse social and economic contexts.

H₇: FinTech adoption significantly influences financial well-being.

FinTech adoption mediates the correlation that formed between digital knowledge and well-being, wherein digital knowledge facilitates the right usage of such financial technology. As an independent variable, digital knowledge enhances individuals' capacity to understand and use FinTech services more efficiently (Wang & Yang, 2024) . When acting as a mediating variable, FinTech adoption channels the influence of digital knowledge into better financial management, leading to improved financial well-being (Sahamony, 2022). From the Capability Theory perspective, FinTech adoption acts as a conversion factor that transforms digital knowledge into tangible financial outcomes (Li et al., 2023) . In this relationship, high digital knowledge positively influences financial well-being through optimal FinTech utilization (Suyanto, 2022) . With the proper use of FinTech, individuals gain broader access to financial

services that support more efficient financial management. This adoption contributes to well-being through such actions of improving practices related to saving, spending, and investing (Wijayanti & Mangifera, 2023) . Thus, FinTech adoption mediates the effect of digital knowledge in shaping financial well-being, by helping individuals achieve greater financial stability in the digital era.

H₈: FinTech adoption mediates the relationship of digital knowledge and financial well-being.

The adoption of FinTech also mediates the correlation between knowledge about finance and its well-being, where leveraging financial technology enhances the positive and strong influence of financial knowledge on individual financial outcomes (Kumar, Islam, et al., 2023) . Within the TPB framework, financial knowledge strengthens behavioral intention and perceived behavioral control in using financial technologies (Do et al., 2024) . Individuals with strong financial knowledge are more likely to adopt FinTech strategically and responsibly (Pan et al., 2024; Saragi et al., 2023) . It may also optimize resource allocation and contribute to stronger financial well-being. Financial knowledge, when combined with FinTech tools, produces a greater impact on financial stability (Meida, 2023) . Therefore, by establishing a more responsive financial management system, FinTech adoption speeds up the correlation of such financial information in shaping well-being. (Lestari & Mangifera, 2023) . FinTech adoption facilitates the translation of knowledge into improving their well-being by presenting such accessible, user-friendly, and innovative services that foster individuals in managing finance in a more efficient and effective manner (Candy et al., 2022)

H₉: FinTech adoption mediates the relationship of financial knowledge and financial well-being.

The association found between adequate well-being and skills is also reached through the mediating role of such FinTech adoption, indicating that integrating financial technology with strong financial capabilities maximizes their leverage (Anwar & Elistia, 2024) . This mediating relationship is grounded in Capability Theory, where financial skills represent internal capabilities and FinTech adoption serves as an external enabling factor (Kumar et al., 2023) . Financial technology, as an integration of technology and financial services, transforms conventional financial processes into more adaptive systems suited to modern needs (Dewi, 2022) . With FinTech, individuals can enhance their financial management practices, leading to improved financial well-being. The role of FinTech adoption in this relationship accelerates financial decision-making, which is crucial for maintaining financial stability (Wang & Yang, 2024) . Thus, strong financial skills, when combined with FinTech usage, allow for more relevant access as well as utilization of such services. FinTech adoption empowers practical application of skills in finance, which also further amplifies the influence on well-being (Dewi, 2022) . Together, skills and the adoption of FinTech are able to form a solid foundation for

reaching a higher tier of well-being (Choung et al., 2023). FinTech adoption turns with its mediating role by enabling individuals with financial skills to more effectively apply those competencies through digital platforms, thereby enhancing their overall well-being through adequate access, control, and financial decision-making (Candy et al., 2022).

H₁₀: FinTech adoption mediates the relationship of financial skills and financial well-being.

RESEARCH METHODS

Method is a method of work that can be used to obtain something. While the research method can be interpreted as a work procedure in the research process, both in searching for data or disclosing existing phenomena (Zulkarnaen, W., et al., 2020). The following research utilized a quantitative method to look at how financial knowledge, skills, and well-being are connected to each other. It also looked at how using financial technology (FinTech) might influence these relationships. A quantitative method was chosen because it allows for clear, objective measurements of the different factors involved. To analyze the data obtained, the research utilized a specific technique called Partial Least Squares Structural Equation Modeling (PLS-SEM). PLS-SEM was considered appropriate because the research aims to test complex relationships involving mediation effects and predictive modeling. The analysis was conducted using SmartPLS 4 software, which is widely utilized for variance-based structural equation modeling, particularly in exploratory and predictive research contexts.

This research is largely based on primary data, as collected directly from the original source, to support the research objectives. Primary data were collected by questionnaire survey distribution to those meeting the specifically predefined criteria, in order to ensure that the obtained data are highly aligned and relevant to focus of this study. Primary data usage enables the researcher to capture a more precise picture of the correlation of financial knowledge, skills, and adoption of FinTech on shaping financial well-being, based on direct insights from research participants. The targeted-respondents are working-age individuals in Indonesia who actively manage their personal finances and have experience using financial technology (FinTech) services. These respondents were selected because they regularly engage in financial decision-making and use such platforms, including digital wallets, digital banking, and other relevant applications of FinTech. Their familiarity with digital tools and financial activities makes them relevant for performing the investigation on the relationships between variables that are considered the research focus. The use of primary data from this group allows the study to capture direct insights into real-life financial behavior and technology usage in a digital financial environment.

This study applied convenience sampling because it allows researchers to efficiently collect data from respondents who are easily accessible and meet the specified criteria (Sekaran

et al., 2019). This technique involves selecting respondents based on accessibility and proximity to the researcher. Convenience sampling was chosen to enable efficient data collection within limited time and resources. Although this method has limitations in terms of representativeness due to its non-random nature, it still presents such preliminary recommendations into the inferred influences among the relationships among financial knowledge, skills, as well as adoption of FinTech on shaping financial well-being. Hence, despite the potential generalizability constraints, the method remains relevant for practically exploring the studied phenomenon. The measurement of variables was highly adapted from previous research utilized by (Zhao et al., 2021). It is performed through the previously validated questionnaires to ensure reliability and comparability with prior studies. All constructs were measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The Likert scale was chosen to capture respondents' perceptions and attitudes consistently while maintaining measurement simplicity and statistical robustness.

The data analysis followed the two-step approach recommended in PLS-SEM, consisting of measurement model and structural model evaluation. In the measurement model (outer model), reliability and validity were assessed using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE), while discriminant validity was examined through the Fornell-Larcker criterion and the HTMT ratio. In the structural model (inner model), the hypothesized relationships were tested using path coefficients, t-statistics, and p-values obtained through bootstrapping. The model's explanatory and predictive power were evaluated using the coefficient of determination (R^2), effect size (f^2), and predictive relevance (Q^2). The R^2 value indicates the proportion of variance in endogenous variables explained by exogenous constructs; following Hair et al. (2021), indicating that values of 0.75, 0.50, and 0.25 are interpreted as substantial, moderate, and weak, respectively. In this study, R^2 was used to assess the predictive strength of FinTech adoption and financial well-being within the proposed structural framework.

RESEARCH RESULTS AND DISCUSSION

Respondent Characteristics

To gain a clear overview of the sample, the following table presents the characteristics of respondents regarding context of age, gender, educational background, and monthly income. This information is essential to understanding the respondents' profiles, which in turn supports the interpretation of the research findings. The analysis included assessments of validity, reliability, direct and indirect effects, and the overall model quality. As shown in the table, the majority of respondents are female (56.5%), whereas the remaining 43.5% are represented by male. Most participants were between 29-32 years old (55%), followed by those aged 33-36

years (36%), indicating that the sample is largely concentrated in early adulthood. Regarding education, more than half of the respondents had attained a Bachelor's, Master's, or Doctoral degree (61.25%), suggesting that the majority of participants possess higher educational qualifications. In terms of income, the majority of respondents gained such earnings between Rp 5,000,000 and Rp 20,000,000 per month (82.5%), with a smaller proportion (12.5%) earning more than Rp 20,000,000 and only 4.75% earning below Rp 5,000,000. These characteristics provide essential context for interpreting the subsequent findings, with the full demographic distribution summarized in Table 1.

Validity and Reliability Test Results

Outer loading test is highly utilized in measuring each indicator's contribution to the corresponding variable, which is commonly called as latent ones. Important thing to be highlighted is that the validity of a typical indicator can be declared if the loading value exceeds 0.7. This outcome aligns with previous PLS-SEM measurement standards, as further such values more than 0.70, indicating that the model fulfills the convergent criterion.

Additionally, the values of AVE presented for all of the constructs showing numbers exceeding 0.50. This indicates that each construct explains more than half of the variance of its indicators, confirming adequate convergent validity. Overall, the validity results demonstrate that the measurement model meets the required standards, allowing the structural model analysis to be conducted with confidence. Detailed results of the validity tests are presented in Table 2.

Furthermore, reliability testing was also performed in justifying the evaluation of the instrument's consistency to be utilized in this research. Reliability represents the condition in which indicators are highly measured using the respective construct of the latent. In order to assess reliability, this study employed testing of Cronbach's Alpha as well as Composite Reliability, targeted for each measures. The findings concluded that all of the measures reaching value more than the threshold of 0.70. This also indicates a strong and acceptable rate of consistency and reliability to employ deeper analysis. Detailed results, as explained before are displayed in Table 3.

Path Coefficient

This path coefficient testing helps find out if the connections between different factors are important in a statistical sense. When the obtained values of T exceeds 1.96, and the value of P turn to be lower than 0.05, the connection is seen as important. From the table 4, we can see that the links between the different factors are both important and positive, as shown by the T-values and P-values. To check if FinTech use plays a middle role in how the main factors affect the well-being in the scope of finance, the researcher undergoes further indirect testing analysis.

An indirect link is considered important if the value of statistical T exceeds 1.96, and P value below 0.05. According to the results displayed in Table 4, it can be proved that all of the hypotheses tested are strongly supported because the P-values are below 0.05, showing that the connections between the factors are statistically important.

Specifically, H1 (Digital Knowledge → Financial Well-Being) is supported, suggesting that individuals having higher knowledge of digital have more ability in gaining higher well-being level (Choung et al., 2025; Gosal & Nainggolan, 2023). H2 (Financial Knowledge → Financial Well-Being) is accepted, which confirms that having a solid understanding of financial concepts positively impacts financial well-being (Antwi et al., 2024; Gosal & Nainggolan, 2023; Kumar, Pillai, et al., 2023; Nurkholik, 2023; Respati et al., 2023). H3 (Financial Skills → Financial Well-Being) is supported, meaning that the ability to manage and implement financial practices directly contributes to better financial well-being (Choung et al., 2023; Pollard et al., 2020; Rahayu et al., 2023; Respati et al., 2023; Zhao & Zhang, 2020). H4 (Digital Knowledge → FinTech Adoption) is also supported, implying that digital knowledge encourages individuals to utilize financial technology services (Choung et al., 2025; Selvia et al., 2021). H5 (Financial Knowledge → FinTech Adoption) is accepted, showing that highly knowledgeable individuals are more likely to perform FinTech services adoption (Adhikari et al., 2024; Islam & Khan, 2024; Prabhakaran & L., 2023; Wicaksana et al., 2023). H6 (Financial Skills → FinTech Adoption) is also supported, indicating that those with better financial skills are more inclined to adopt FinTech (Ayub & Wendy, 2025; Enongene et al., 2024; Mahat, 2024; Tmava & Ahmeti, 2025). Lastly, H7 (FinTech Adoption → Financial Well-Being) is accepted, confirming that the use of FinTech services may be able to enhance overall financial well-being (Gafoor & Amilan, 2024; Singh et al., 2024).

Indirect Effects

The results demonstrate that FinTech adoption significantly mediates and strengthens the influences between digital knowledge, financial knowledge, as well as financial skills on shaping well-being in the scope of finance (Gafoor & Amilan, 2024). As shown in Table 5, all indirect paths are statistically significant, indicating that FinTech adoption strengthens the influence of each antecedent variable on shaping such well-being. The analysis's findings show that well-being is usually impacted by digital, financial, and financial abilities, both direct and indirect correlation through the mediating functioning of the adoption of FinTech. Digital knowledge makes a positive contribution to FinTech adoption, which subsequently enhances individuals' financial well-being. Hence, H8 is accepted. There occurs a consistent findings in what was delivered by (Mishra et al., 2024), reporting that individuals with a higher literacy level tends to be more inclined to adopt such financial services, which then also helps them manage their personal finances more effectively. This finding suggests that the more higher understanding an individual gain on digital technologies, the more tendency of them to adopt such services to support more efficient financial management (Sabri et al., 2023). Individuals' capability in utilizing and comprehending such technology enables them to benefit from various tools acquired, including online banking, digital wallets, and investing applications. Consequently, individuals with higher levels of digital knowledge tend to be more confident in using financial technologies, which then positively affects their well-being (Gosal & Nainggolan, 2023).

In addition, financial knowledge also exerts a significant influences of gaining individual well-being in using finance. Sound knowledge equips them with an adequate ability in comprehending major concepts of finance, including budgeting, debt management, investing strategies, and protocols. Indeed, individuals with high financial knowledge are more capable of controlling their own spending, long term planning, and mitigating financial risks. They are capable of distinguishing between prudent and high-risk financial decisions, thereby enhancing their financial stability in the long run. Additionally, the study finds that financial knowledge significantly influences FinTech adoption, in that individuals having a more stronger financial understanding have higher capability in assessing the benefits and risks of FinTech services, making them more open to adopting financial technologies as tools to support their financial management (Gafoor & Amilan, 2024). Thus, H9 is accepted.

Moreover, financial skills serve a pivotal role in pursuing individual well-being. Financial skills involve the ability to formulate budgets, manage expenditures, and make informed investment decisions. Individuals with stronger financial skills are more adept at aligning their expenses with their income, making them more prepared to face unforeseen financial conditions. Furthermore, there is a favorable correlation between FinTech adoption and financial abilities,

indicating that people with greater financial competencies are better equipped to use technology-based financial services to better manage their money. For example, they may use FinTech applications to automate savings, track expenses, and compare financial products before making investment decisions (Bai, 2023; Gerrans et al., 2014; She et al., 2023; Zhang & Chatterjee, 2023). Hence, H9 is accepted.

The data also shows that the association between well-being, including relevant financial-digital skills are significantly mediated by the adoption of FinTech services. Higher rates of knowledge in finance, digital awareness, as well as competency in financial management are strongly associated with more proactive adoption of FinTech services by people, which also leads to higher well-being levels. By using the cutting-edge features offered by FinTech platforms, people can more easily access a variety of financial services, increase the effectiveness of their financial management, and lower their financial risks. Therefore, increased adoption of financial technologies is highly potential to significantly boost well-being across society (Kakinuma, 2022; Muhammad Shoaib et al., 2025; Respati et al., 2023; Shen et al., 2018).

R-Square

As shown in Table 6, the R^2 value for FinTech adoption is 0.58, indicating that 58% of the variance in FinTech adoption is explained by digital knowledge, financial knowledge, and financial skills. This suggests that the model has moderate explanatory power in predicting individuals' adoption of financial technology. Meanwhile, the R^2 value for financial well-being is 0.64, meaning that 64% of the variance in financial well-being is explained by digital knowledge, financial knowledge, financial skills, and FinTech adoption. This value indicates a moderate-to-strong predictive capacity of the structural model. Referring to Hair et al. (2021), R^2 values of 0.75, 0.50, and 0.25 are categorized as substantial, moderate, and weak, respectively. Therefore, the R^2 results in this study demonstrate that the proposed model has satisfactory explanatory power in explaining financial well-being within the digital financial context.

CONCLUSION

According to the presented findings, it can be underlined that digital knowledge, financial knowledge, and skills help people improve their financial health. When people know more about digital tools, they are more likely to use them to handle their money in a better way. Knowing about money helps people understand the good and bad sides of financial choices, so they can manage their money more carefully and with a plan. Also, having good financial skills lets people create better money plans, keep track of their spending, and make smarter investments that can bring more returns.

The study also justifies the link between knowing how to utilize relevant digital tools, understanding that every single penny matters, and feeling secure with money is greatly influenced by how much people use FinTech. This condition means that utilization of FinTech in turns proceed such positive effects of digital skills, financial knowledge, and money management abilities, stronger for individuals. With financial technology, people can get financial services more easily, manage their money more efficiently, and reduce financial risks through automated and digital tools. Therefore, using financial technology well can be an important way to gain improvement on overall well-being among individuals.

In line with the study's findings, improving the well-being of finance in such a digital era can be achieved through the integration of digital-financial knowledge, followed by the effective and efficient utilization of such technologies. Thus, stakeholders, including government, educational institutions, as well as the public-private sector, shall collaborate in developing educational programs that target various segments of society. In addition to education, FinTech service providers also present a pivotal role in building such an inclusive financial ecosystem. Their applications and services should be designed with user-friendliness in mind, particularly for those who are less familiar with technology. Furthermore, support from regulatory bodies such as Bank Indonesia and the Financial Services Authority is essential through policies that promote innovation while ensuring strong consumer protection, especially regarding security and service transparency.

The implementation of these strategic measures is expected to enhance the essential role of FinTech in gaining higher financial well-being, presenting more access to financial services, and also supporting individuals in attaining greater financial stability.

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TABLE AND FIGURE

Table 1. Respondent Characteristics

	Category	Frequency	Percentage
Gender	Female	226	56.50%
	Male	174	43.50%
Age	29-32	220	55%
	33-36	144	36%
	37-40	33	8.25%
	41-43	3	0.75%
Education Level	Senior High School	155	38.75%
	Bachelor's/Master's/Doctoral Degree	245	61.25%
Monthly Income	< Rp 5.000.000	19	4.75%
	Rp 5.000.000 - Rp 10.000.000	174	43.50%
	Rp 10.000.000 - Rp 20.000.000	157	39.25%
	> Rp 20.000.000	50	12.50%
Total		400	100%

Source: Processed data (2025)

Table 2. Validity Test Results

Code	Item Statement	Outer Loadings	AVE
Digital Knowledge			
DK1	I feel comfortable using computers and smartphones in my daily activities.	0.799	0.651
DK2	I am aware that fingerprints, patterns, as well as financial biometrics can be utilized in unlocking smartphones.	0.826	
DK3	I frequently download applications of smartphone from online app stores.	0.778	
DK4	I find it easy to manage account settings on my smartphone.	0.823	
Financial Knowledge			
FK1	In your opinion, does an increase in inflation directly affect the cost of living?	1	1
Financial Skills			
FS1	I really know how to make myself more accountable for following through my financial goals.	0.818	0.637
FS2	I really know the right place to find such advice, which I need to make my financial decision.	0.814	
FS3	I really know how to formulate financial decisions that is complex	0.808	
FS4	I can make sound decisions of finance which are new.	0.789	
FS5	I can recognize better opportunities of financial investment.	0.791	
FS6	I know how to resist the urge to overspend.	0.800	
FS7	I really know how to make sure that I save money.	0.827	

FS8	I really know when I don't have adequate information needed to perform a decision in finance.	0.761	
FS9	I know the right time when I required such financial advice.	0.797	
FS10	I find it easy to understand financial information.	0.772	
Financial Well-Being			
FWB1	I am able to cope with large as well as unexpected expenses.	0.823	
FWB2	I am able to secure my financial future for long-term.	0.811	0.726
FWB3	I am able to enjoy my life because of my capability in managing money.	0.821	
FWB4	I have remaining money during the end of month.	0.801	
FinTech Adoption			
FTA1	I am intended to utilize such FinTech services.	0.857	
FTA2	I am able to develop habit of utilizing FinTech services.	0.872	
FTA3	I am intended to recommend FinTech Adoption to my circle.	0.818	0.663
FTA4	I have previously utilized FinTech services in my transactions and I will continue to utilize them.	0.861	

Source: Processed data (2025)

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Digital Knowledge	0.821	0.882
Financial Knowledge	1.000	1.000
Financial Skills	0.937	0.946
FinTech Adoption	0.874	0.914
Financial Well-Being	0.83	0.887

Source: Processed data (2025)

Table 4. Path Coefficient

Relationship	Sample Mean (M)	P-values
Digital Knowledge -> Financial Well-Being	0.236	0.000
Financial Knowledge -> Financial Well-Being	0.175	0.000
Financial Skills -> Financial Well-Being	0.298	0.001
Digital Knowledge -> FinTech Adoption	0.325	0.000
Financial Knowledge -> FinTech Adoption	0.138	0.001
Financial Skills -> FinTech Adoption	0.338	0.000
FinTech Adoption -> Financial Well-Being	0.173	0.003

Source: Processed data (2025)

Table 5. Indirect Effects

Relationship	Sample Mean (M)	P-values
Digital Knowledge -> FinTech Adoption -> Financial Well-Being	0.058	0.034
Financial Knowledge -> FinTech Adoption -> Financial Well-Being	0.025	0.044
Financial Skills -> FinTech Adoption -> Financial Well-Being	0.057	0.013

Source: Processed data (2025)

Table 6. R-Square

Endogenous Variable	R ² Value	Interpretation
Fintech Adoption	0.583	Moderate
Financial Well-Being	0.642	Moderate

Source: Processed data