

THE INFLUENCE OF FINANCIAL CAPABILITY, SELF-CONTROL, AND FINANCIAL RISK TOLERANCE ON FINANCIAL WELL-BEING MEDIATED BY FINANCIAL RESILIENCE AMONG PAYLATER USERS OF WORKING AGE IN THE MADIUN RESIDENCY

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Abstract

The use of paylater services among productive age groups continues to increase along with the ease of access to digital credit, but this convenience has the potential to cause financial pressure if not balanced with adequate financial management capabilities, so the role of financial resilience is important to study. This study aims to analyze the influence of financial capability, self-control, and financial risk tolerance on financial well-being, both directly and through financial resilience mediation, on productive age paylater users in Madiun Residency. The study used an explanatory quantitative approach with a survey design of 385 respondents aged 20–40 years who were selected through purposive sampling. The data was collected using a four-point Likert scale questionnaire through Google Form, then analyzed with Partial Least Square–Structural Equation Modeling (PLS-SEM) assisted by SmartPLS 4. The results showed that financial capability, self-control, and financial risk tolerance had a significant positive effect on financial resilience, and these four variables had a significant positive effect on financial well-being. Financial resilience has been shown to partially mediate the influence of the three exogenous variables on financial well-being. These findings affirm financial resilience as an important pathway that connects financial capabilities and behaviors with the financial well-being of paylater users, so service providers are advised to develop features that support user self-control.

Keywords: Financial Capability, Self-Control, Financial Risk Tolerance, Financial Resilience, Financial Well-Being

A. INTRODUCTION

The development of information technology has changed the way people access, manage, and distribute financial resources. Financial digitalization is creating a new ecosystem

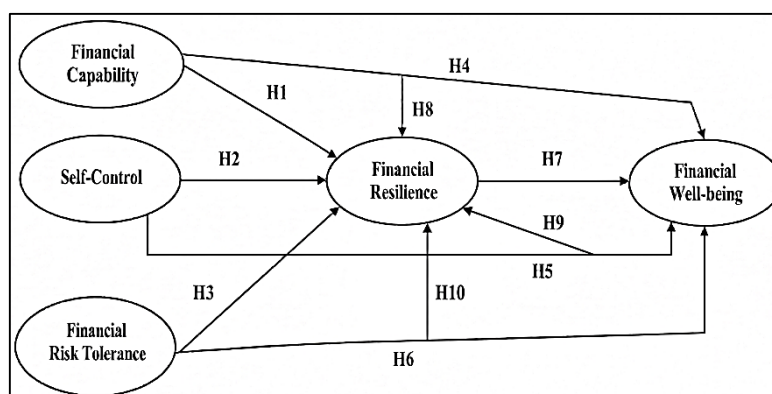
that accelerates transactions and encourages financial inclusion, including in Indonesia (World Bank, 2022). However, this expansion of access does not automatically improve *people's financial well-being* if it is not balanced with literacy and adequate financial management skills. The convenience offered by digital financial platforms often pushes spending beyond affordability and creates a debt burden that is difficult to control, a phenomenon that is further exacerbated by the presence of *Buy Now Pay Later* (BNPL) or *paylater services*, which offer credit without complicated documents, without collateral, and an instant approval process.

Financial well-being is understood as a condition of financial well-being that is characterized by the ability of individuals to meet current and future financial needs and obligations, maintain a sense of security in their financial condition, and have the freedom to make financial decisions that support the quality of life (Hernandez-Perez & Cruz Rambaud, 2025). The psychological dimension also includes a sense of security and low financial pressure, so that *good financial well-being* is not only determined by the amount of income, but also the ability to manage resources wisely (Rahmadhani & Nasution, 2025). Data from the OJK (2024) and Google, Temasek, and Bain and Company (2024) show that around 35% of the Indonesian population lives from one salary to the next without adequate savings, and only about 40% feel financially secure, an indication that the *financial well-being condition* of the community, especially users of digital financial services, is still far from ideal.

In this context, four constructs of financial behavior become relevant to be studied simultaneously. *Financial capability* is an individual's overall ability to manage finances which includes *financial knowledge*, *financial attitude*, and *financial behavior* (Tan et al., 2024). *Self-control* is the psychological ability to control impulses and emotions to postpone short-term satisfaction for long-term goals (Anatasya et al., 2024), which is crucial in the midst of the consumptive temptation offered by *paylater* (Fauziah et al., 2023). *Financial risk tolerance* refers to the willingness and ability of individuals to accept uncertainty in financial decisions (Gemici et al., 2023). Meanwhile, *the financial resilience* of an individual's capacity to absorb financial shocks, survive pressure, and restore financial stability (Bottazzi & Oggero, 2023) is positioned as a mediating variable that bridges the three constructs towards *financial well-being*.

Previous research has consistently shown positive relationships between these variables, but most have tested them separately. Garcia-Santillan (2026) proves that *financial capability* has an effect on *financial resilience* and *financial well-being*; Juita et al. (2023) and Jungo et al. (2024) affirm the role of *self-control* in limiting the impulsive behavior of *paylater* users and strengthening financial resilience; Nguyen et al. (2023) and Arpana and Swapna (2021) show that *risk tolerance* forms the foundation of financial resilience and well-being; while Kulshreshtha et al. (2023) identified the mediating role of *financial resilience* between financial factors and *well-being*. The research gap lies in the lack of studies that combine the four constructs at once in one structural model in the context of *productive age paylater* users in non-metropolitan areas such as Madiun Residency, which have specific economic and demographic characteristics.

Based on the *Theory of Planned Behavior* (Ajzen, 1991) and *Technology Acceptance Model* (Davis, 1989), this study proposes ten hypotheses. **H1:** *financial capability* affects *financial resilience*. **H2:** *self-control* affects *financial resilience*. **H3:** *financial risk tolerance* affects *financial resilience*. **H4:** *financial capability* affects *financial well-being*. **H5:** *Self-control* affects *financial well-being*. **H6:** *financial risk tolerance* affects *financial well-being*. **H7:** *financial resilience* affects *financial well-being*. **H8–H10:** *financial resilience* mediates the influence of *financial capability*, *self-control*, and *financial risk tolerance* on *financial well-being*.



Picture 1 : Conceptual Framework

Source: Modification of Aziz, S., Khan, I. U., Alomair, A., & Al Naim (2023)

Based on this description, this study aims to analyze the direct influence of *financial capability*, *self-control*, and *financial risk tolerance* on *financial resilience* and *financial well-being*, the influence of *financial resilience* on *financial well-being*, and the mediating role of *financial resilience* in the three indirect influence pathways, on *paylater* users of productive age (20-40 years) in Madiun Residency. The results of the study are expected to enrich the literature on digital financial behavior while providing practical input for *paylater* operators, regulators, and users in encouraging sustainable financial welfare.

B. METHOD

This study uses a quantitative method with an explanatory approach to test the cause-effect relationship between variables (Sekaran & Bougie, 2016). This approach was chosen because the study focused on analyzing the direct and indirect influence of *financial capability* (X1), *self-control* (X2), and *financial risk tolerance* (X3) on *financial well-being* (Y), with *financial resilience* (Z) as a mediating variable. The research took place in the Madiun Residency area (Madiun City, Madiun Regency, Ngawi, Magetan, Ponorogo, and Pacitan) during March-June 2026.

The study population includes all productive age individuals in Madiun Residency who use BNPL services, with an unknown number (*infinite population*). The sample size was determined using the formula Lemeshow et al. (1990) with a confidence level of 95% and a margin of error of 5%, resulting in a minimum estimate of 384.16 so that 385 respondents were determined. The sampling technique used *non-probability sampling* with a *purposive sampling* approach, with the following criteria: aged 20–40 years, domiciled in Madiun Residency, have a job and income below IDR 6,000,000, and have used *paylater* services (SPayLater, GoPayLater, Kredivo, Akulaku, and the like) at least once in the last three months.

Primary data was collected through an online questionnaire (Google Form) using a four-point Likert scale (1 = Strongly Disagree to 4 = Strongly Agree), designed without a neutral option to encourage more assertive respondents' attitudes. Secondary data was obtained from OJK reports, BPS, and relevant scientific publications. The definition of variable operational refers to the indicators of *managing money*, *planning ahead*, *choosing products*,

and *staying informed* for *financial capability* (Syahrul Khoirun Ni'am, 2025); the ability to resist impulses, consistency of positive behavior, and resistance to impulsivity for *self-control* (Khalisha Nauradini, 2025); willingness to bear risks and potential losses for *financial risk tolerance* (Marathon, 2024); resilience, anticipation, awareness, and recovery capacity for *financial resilience* (Saputri, 2024); as well as general satisfaction, the ability to meet daily needs, adequacy, and the latest financial satisfaction for *financial well-being* (Muat et al., 2025).

The data analysis used *Partial Least Square–Structural Equation Modeling* (PLS-SEM) assisted by SmartPLS 4, which was chosen because it was able to test the relationships between variables simultaneously while analyzing the effects of mediation, and was suitable for data that were not normally distributed (Hair et al., 2022). The analysis stages include: (1) evaluation of the measurement model (*outer model*) through a convergent validity test (*outer loading* ≥ 0.70 ; *AVE* ≥ 0.50) and discriminant validity (*Fornell-Larcker* and *HTMT* < 0.90), as well as reliability tests (*Cronbach's Alpha* and *Composite Reliability* ≥ 0.70); (2) evaluation of structural models (*inner models*) through *R-Square*, *Q-Square* (predictive relevance via *blindfolding*), and *F-Square* (Cohen, 1988); (3) hypothesis test through *bootstrapping* 5,000 subsamples, with significant criteria if *the t-statistics* > 1.96 and *p-value* < 0.05 ; and (4) mediation test through *specific indirect effects*, with the classification of full, partial, or no mediation referring to Baron and Kenny (1986) which is adjusted to the PLS-SEM context.

C. RESULTS AND DISCUSSIONS

1. Characteristics and Description of Respondents

Of the 385 respondents, the majority were female (53.0%), aged 26–30 years (39.5%) and 20–25 years old (39.0%), working as private employees (38.4%), with an income of IDR 2,000,000–IDR 3,999,999 per month (46.8%). The frequency of *using paylater* in the last three months was dominated by 2 times (33.8%) with an average nominal of IDR 500,000–IDR 1,000,000 (37.9%), and the most platforms were SPayLater (28.6%). Descriptively, all variables were in the category of doing quite well with an average score of 3.19–3.41 on a scale of 1–4: *self-control* had the highest mean (3.41), followed by *financial risk tolerance* (3.40),

financial capability (3.36), *financial well-being* (3.35), and *financial resilience* lowest (3.19), indicating that financial resilience is the relatively most important aspect that needs to be strengthened among *paylater* users of productive age in Madiun Residency.

2. Evaluation of Measurement Models (Outer Model)

All indicators have an *outer loading* value above the threshold of 0.70 (ranging from 0.703–0.791), so no indicators are eliminated. The *Average Variance Extracted* (AVE) value of the entire construct was also above 0.50 (0.525–0.578), meeting the convergent validity.

Table 1. Summary of Convergent Validity and Construct Reliability

Construct	Outer Loading	AVE	Cronbach's Alpha	Composite Reliability
Financial Capability (X1)	0,723–0,778	0,559	0,887	0,910
Self-Control (X2)	0,703–0,744	0,525	0,899	0,917
Financial Risk Tolerance (X3)	0,725–0,791	0,578	0,854	0,892
Financial Resilience (Z)	0,704–0,791	0,561	0,888	0,911
Financial Well-Being (Y)	0,713–0,778	0,555	0,885	0,909

Source: Primary Data Processed (2026)

The discriminant validity was met through the *Fornell-Larcker* criterion, the square root of AVE for each construct was higher than the correlation between constructs and the HTMT value was all below 0.90 (range 0.124–0.848). The reliability test showed the entire construct to be reliable, with *Cronbach's Alpha* 0.854–0.899 and *Composite Reliability* 0.892–0.917 (Table 1), so the measurement model is feasible to proceed to structural model analysis.

3. Evaluation of Structural Models (Inner Model)

The *R-Square* value of the *Financial Well-Being* construct is 0.672 (strong category), indicating that 67.2% of the variation is explained by *financial capability*, *self-control*, *financial risk tolerance*, and *financial resilience*. Konstruk *Financial Resilience* has an *R-Square* of 0.557 (moderate category). The *Q-Square* values of the two endogenous constructs are of positive value (0.305 and 0.326), confirming the predictive relevance of a good model. *F-Square's analysis* showed that *self-control* contributed the largest to *financial resilience* ($f^2 = 0.441$, large effect), while the effect of *financial risk tolerance* on *financial well-being* was relatively small ($f^2 = 0.117$).

4. Hypothesis Test and Mediation

Table 2. Hypothesis Testing Results (Path Coefficients)

Intervariable Relationships	Coefficient (O)	t-statistics	p-value	Remarks
H1: Financial Capability → Financial Resilience	0,283	8,061	0,000	Supported
H2: Self-Control → Financial Resilience	0,457	13,282	0,000	Supported
H3: Financial Risk Tolerance → Financial Resilience	0,363	10,628	0,000	Supported
H4: Financial Capability → Financial Well-Being	0,237	7,376	0,000	Supported
H5: Self-Control → Financial Well-Being	0,248	6,748	0,000	Supported
H6: Financial Risk Tolerance → Financial Well-Being	0,230	6,223	0,000	Supported
H7: Financial Resilience → Financial Well-Being	0,404	9,269	0,000	Supported
H8: FC → FR → FWB (indirect)	0,114	6,032	0,000	Supported
H9: SC → FR → FWB (indirect)	0,185	7,398	0,000	Supported
H10: FRT → FR → FWB (indirect)	0,147	7,622	0,000	Supported

Source: Primary Data Processed (2026)

All ten hypotheses were statistically supported ($t\text{-statistics} > 1.96$; $p < 0.05$). Because the direct influence of X1, X2, and X3 on *financial well-being* remains significant after *financial resilience* is incorporated into the model, the role of mediation is partial for all three pathways.

5. Discussion

The H1–H3 findings show that *financial capability*, *self-control*, and *financial risk tolerance* consistently strengthen *financial resilience*, with *self-control* making the most dominant contribution (*large effect*). This is in line with *self-regulation theory* and *conservation of resources theory* which affirm that the capacity for self-regulation supports the accumulation of resources in the face of pressure (Sonnentag & Meier, 2024), as well as the findings of Juita et al. (2023) and Jungo et al. (2024) that *self-control* is the strongest determinant in limiting impulsive behavior and reducing the accumulation of debt of *paylater users*. Within the framework of the *Technology Acceptance Model* (Davis, 1989), *financial capability* represents the *perceived usefulness* that shapes measurable digital credit usage

decisions (Waliszewski et al., 2025), while *self-control* bridges the intention of use with actual responsible behavior without it, the ease of *paylater* risk triggering impulse buying (Raj et al., 2023). Meanwhile, the positive effect of *financial risk tolerance* reflects a controlled and proportionate risk tolerance in respondents, in line with a moderate *paylater* usage pattern, not an indication of *biased overconfidence* that can actually erode financial resilience (Wang & McGroarty, 2022).

The findings of H4–H6 confirm that the three exogenous variables also have a direct effect on *financial well-being*, consistent with Garcia-Santillan (2026), Guo and Huang (2023), and Aroyo et al. (2026) who show that financial capabilities, self-control, and risk tolerance both shape an individual's financial well-being. H7 strengthens the position of *financial resilience* as a strong predictor of *financial well-being* (the highest coefficient among direct pathways, 0.404), in line with Kulshreshtha et al. (2023) and Garcia-Santillan et al. (2026) that financially resilient individuals are better able to weather economic pressures without adding to the debt burden.

Support for H8–H10 confirms that *financial resilience* functions as an indirect pathway that strengthens the influence of *financial capability*, *self-control*, and *financial risk tolerance* on *financial well-being*, as found by Rahayu et al. (2026) and Flores-Castillo et al. (2025). Because the direct influence of these three variables remains significant, the mediation pattern is classified as partial, indicating that the financial capabilities and behavior of *paylater* users improve financial well-being both directly and through strengthening financial resilience first. These findings reinforce the relevance of *the Theory of Planned Behavior* (Ajzen, 1991), particularly the perceived *behavioral control* dimension, in explaining how an individual's beliefs and ability to manage digital financial risk ultimately lead to better financial well-being.

D. CONCLUSIONS

This study proves that *financial capability*, *self-control*, and *financial risk tolerance* play an important role in shaping *financial resilience* and *financial well-being* of *productive age paylater* users in Madiun Residency, with self-control ability showing the most dominant contribution in strengthening financial resilience. *Financial resilience* has also been shown to

have a significant effect on *financial well-being* as well as serving as a partial mediator that bridges the influence of the three exogenous variables, showing that financial well-being is formed both through direct channels and through strengthening financial resilience as a prerequisite. These findings strengthen the relevance of *the Theory of Planned Behavior* and *Technology Acceptance Model* in explaining digital financial behavior, especially in the context of *Buy Now Pay Later services* which are increasingly integrated with the consumption patterns of the productive age community. This study has limitations in the coverage of the area that only includes the Madiun Residency and the new model explains about 67.2% variation in *financial well-being*, so the results need to be interpreted contextually and not necessarily generalized to populations with different socio-economic characteristics.

E. SUGGESTIONS

Paylater service providers are advised to develop features that support user self-control, such as usage limit notifications, simulation of installment charges before transactions are approved, and maturity reminders, considering that *self-control* has proven to be the most dominant factor in financial resilience. Financial Services Authorities and financial education institutions are advised to strengthen digital financial literacy programs with an emphasis on budget planning and understanding of the consequences of digital credit, while *paylater* users are advised to build reserve funds as a strategy to strengthen financial resilience while balancing the willingness to bear risks with adequate financial management capacity. For further research, it is recommended to add other variables such as *financial literacy*, *financial attitude*, or *financial stress* to complement the model that still leaves about one-third of the variation in *financial well-being* that has not been explained, expand the scope of the research object to regions with different socio-economic characteristics, and consider longitudinal design or analysis multi-groups based on other demographic characteristics in order to obtain a more general picture of the dynamics of *financial well-being* of digital financial service users over time.

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