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THE RELATIONSHIP BETWEEN FINANCIAL SELF-EFFICACY, FINANCIAL KNOWLEDGE, AND FINANCIAL BEHAVIOR: A LITERATURE REVIEW

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ABSTRACT

This research endeavors to offer a comprehensive and in-depth examination of the interplay among financial self-efficacy, financial knowledge, and financial behavior. In pursuit of a more profound comprehension of this subject, this paper adopts a systematic literature review methodology, utilizing the PRISMA protocol, alongside a bibliometric analysis conducted with the aid of VOSviewer. Furthermore, this study not only elucidates the current state of research in this field but also puts forth valuable recommendations to advance our comprehension and knowledge of this topic.

Keywords: Financial Self-Efficacy, Financial Knowledge, Financial Behavior, Literature Review.

INTRODUCTION

Financial well-being is a pivotal aspect of individuals' lives, influenced by complex factors, including financial self-efficacy, financial behavior, and financial knowledge. These three concepts are interrelated and have been the focal points of research in the fields of finance and economics. Financial self-efficacy serves as a mediator in the connection between financial comprehension and financial behavior, such as savings, indicating that individuals who demonstrate a stronger comprehension of financial acumen typically display more favorable financial behavior when accompanied by a heightened sense of self-efficacy in financial management [1]. Financial comprehension, assurance in financial affairs, and a favorable socio-economic position all exert a positive and significant impact on the financial behavior. This suggests that individuals with a strong grasp of financial knowledge, exhibit robust self-assurance in handling their finances, and enjoy a favorable socio-economic status are likely to exhibit positive financial behaviors [2]. Individuals who have higher levels of financial self-confidence have a greater likelihood of achieving their financial goals [3]. Individuals who exhibit greater levels of financial self-efficacy, combined with an enhanced understanding of financial knowledge, tend to demonstrate a greater propensity for engaging in responsible financial behavior, such as savings and budget planning [4]. These various perspectives indicate a robust relationship among these concepts, thereby influencing individual financial behaviors.

In the realm of knowledge, does a gap persist in scholarly literature regarding the interplay between financial self-efficacy, financial knowledge, and financial behavior? This study aims to explore, scrutinize, and enhance comprehension of the intricate connection between these three constructs. It will leverage previous research to pinpoint potential avenues for future investigation. To attain this objective, this study employs a systematic literature review employing the PRISMA protocol and bibliometric analysis with VOSviewer. This paper encompasses an introduction, literature review, research methodology, discussion, and conclusion.

LITERATURE REVIEW

Financial Self-Efficacy

Financial self-efficacy is a term that refers to individual's level of confidence in their own ability to manage various aspects of their financial affairs proficiently and successfully. Interventions aimed at enhancing financial education and levels of financial self-efficacy can yield positive impacts on financial behavior. Individuals who have a strong perception of financial self-efficacy tend to practice responsible finance, including saving and budgeting [5]. Financial self-efficacy encompasses an individual's beliefs, attitudes, and confidence in their ability to make effective financial decisions and participate in responsible financial actions. It extends beyond the realm of objective financial knowledge, encompassing a profound comprehension of the intricate patterns of attitudes and beliefs associated with effective financial management. As a result, it is crucial to consider financial self-efficacy as separate idea from objective financial knowledge, as it involves subjective perceptions and beliefs in financial decision-making [1].

Financial Knowledge

Financial knowledge encompasses an individual's comprehension of financial principles, concepts, and methodologies, serving as a fundamental determinant in molding financial behavior and results. Research has shown that increased levels of financial knowledge correlate with a greater propensity for positive financial behaviors, such as decisions to save and invest [1]. Nevertheless, it is crucial to emphasize that mere possession of financial expertise may not prove to be adequate in fostering prudent financial behavior. The tenets of financial self-efficacy, encompassing self-confidence and faith in one's capacity to enact financial choices, wield substantial influence in transforming knowledge into practical application [1].

Financial Behavior

Financial behavior encompasses the choices and judgments made by individuals concerning their financial matters, including budgeting, saving, investment, and debt management. Studies indicate that financial self-efficacy and knowledge strongly affect financial behavior. Individuals who possess elevated financial self-efficacy's levels and financial knowledge show a tendency to participate in prudent financial behaviors, including efficient budgeting, prudent spending, and long-term financial planning [1]. Moreover, it has been proven that financial education interventions enhance subjective financial understanding and self-confidence, thereby promoting positive financial behavior [1].

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The Relationship between Financial Self-Efficacy, Financial Knowledge, and Financial Behavior

The interplay between these factors has been the subject of investigation in various contexts. A study conducted by Latifah & Wijayanto (2023) on e-wallet users in West Jakarta found that financial literacy, financial self-efficacy, and locus of control significantly and positively influence financial behavior [6]. Research by Rothwell & Wu (2019) has indicated that individual's financial self-efficacy mediates individual's financial knowledge and their financial behavior, such as saving for education. This illustrates that individuals with higher financial literacy and confidence levels tend to exhibit responsible financial behavior, irrespective of the specific financial tools or platforms they use [1]. Given these conditions, it implies that individuals with heightened financial self-efficacy are more inclined to utilize their financial knowledge and participate in constructive financial behavior.

RESEARCH METHODOLOGY

This research is based on data obtained from the Scopus database over 5 years (2019-2023). Scopus is a prominent academic information source encompassing diverse academic disciplines. The data extracted from Scopus is utilized in this study to conduct an analysis and synthesis of relevant information aligned with the research objectives. Leveraging Scopus as a data source provides the advantage of access to various scholarly publications, including renowned journals, thereby enabling this research to gain comprehensive insights to address the research questions. Two phases of analysis are conducted in this research. The first phase involves document retrieval and screening to be reviewed using the PRISMA protocol, while the second phase entails bibliometric analysis assisted by VOSviewer.

Prisma Protocol

The PRISMA protocol (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) is a well-recognized, also highly recommended guidelines to write the systematic review reporting. This guidance outlines reporting requirements that must be met in a systematic review to ensure transparency, completeness, and accuracy [7]. By adhering to the PRISMA (Preffered Reporting Items for Systematic Review and Meta Analyses) guidelines, researchers can provide a clear and comprehensive overview of their systematic review, which supports evidence-based decision-making processes [7]. The structure in the PRISMA Protocol is a series of structured steps for conducting a systematic literature review. Researchers must adhere to the PRISMA guidelines in the methodology of a literature review to ensure transparent and accurate reporting [8]. The stages in the PRISMA systematic approach encompass identifying research questions and establishing inclusion and exclusion criteria, followed by selecting articles based on these criteria through electronic database searches with predefined keywords. Articles meeting the criteria are chosen, and their quality and validity are assessed using appropriate evaluation tools. Relevant data is extracted and analyzed to address research questions, and the results are reported following PRISMA guidelines. The results of the initial screening process yielded approximately 553 documents that met the initial criteria. However, to ensure accuracy in selection and relevance, a second screening process was applied. In this

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phase, documents were further filtered based on more specific criteria. First, the only research articles were considered, and other types of documents were excluded. Next, only documents related to the three main topics of analysis, namely financial self-efficacy, financial knowledge, and financial behavior, were considered. The document source type was limited to academic journal articles, and the language used in the articles had to be English. Finally, the only documents available as open access from publishers were considered. From this series of screening stages, approximately 65 documents that met all requirements were selected. However, during attempts to access these documents, there was an issue where several 20 documents could not be accessed. Consequently, only 45 documents were ultimately accessible and used in this research analysis. This rigorous data collection process provides a strong foundation for careful and accurate analysis in addressing the research questions posed.

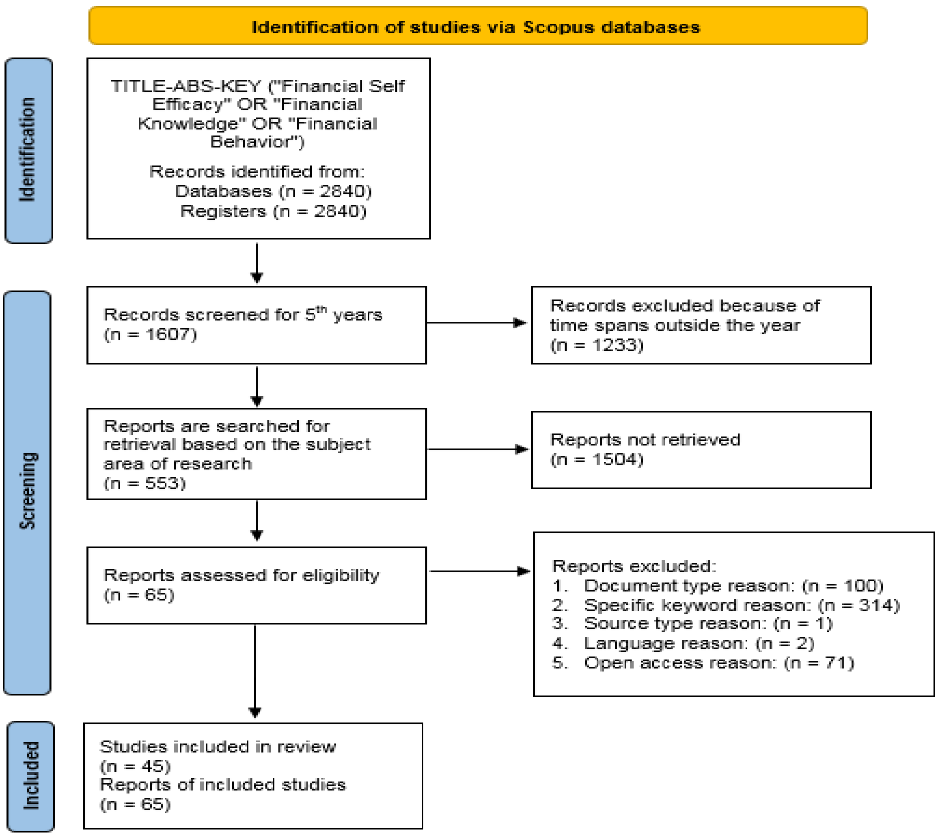

Figure 1: PRISMA Protocol

Source: PRISMA Flow Diagram, elaborated by the author (2023)

The Article Analysis

The analysis of this article encompasses the evaluation of several crucial factors, comprising the article's citation count, its source, publication year, and the geographical location or country in which the study was carried out. The evaluation of the number of citations aids in measuring

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the level of impact and relevance of the article within the scholarly community. Figure 2 illustrates the citation count for the article. The most cited article received a total of 137 citations, authored by Talwar et al. (2021), and published in the Journal of Retailing and Consumer Services, Elsevier. Meanwhile, 20 articles have not yet been cited. The recent publication year greatly influences the citation count as this research covers the last five years.

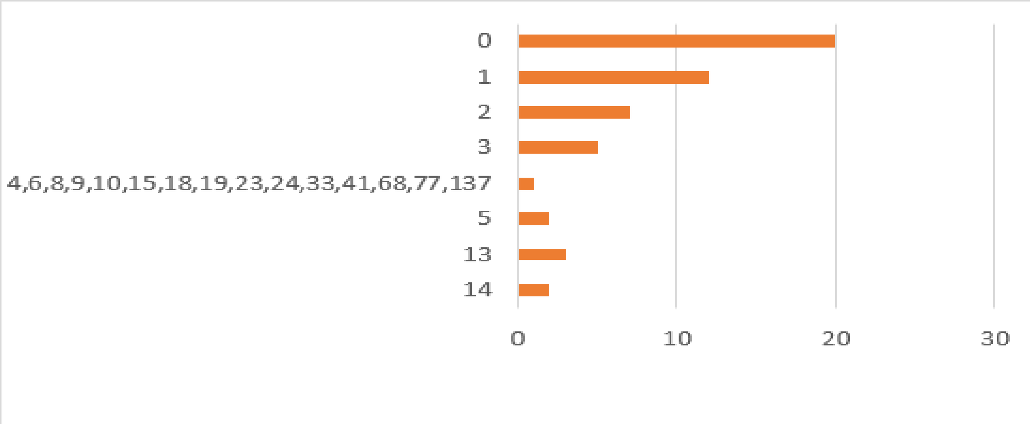

Figure 2: Number of Citacion

Information regarding the year of publication provides a valuable historical context related to the topics discussed in this research, aiding in understanding the changes and developments that have occurred over time. Figure 3 illustrates the distribution of publication years related to the highlighted topic. It is apparent that within the last five years, the highest number of publications related to this topic occurred in 2022, indicating an increased interest in this issue within a relatively short timeframe. On the other hand, the lowest number of publications related to the topic was observed in 2019.

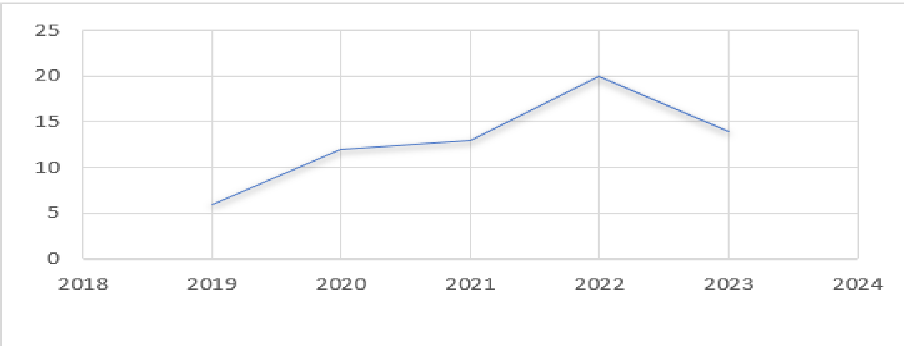

Figure 3: Years of Publication

Conducting source article research is an important step in order to gain deeper understanding of the knowledge base that underpins a specific study. In the context of this research, we perform such an analysis to identify and evaluate the primary sources researchers have employed in constructing their frameworks and arguments. From the analysis results, it is

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notable that the majority of the articles used as sources are derived from various reputable publishers such as MDPI, Business Perspectives, Elsevier, and Emerald Group Publishing Ltd, all of which hold significant reputations and authority within the research domain. For further details regarding the distribution of source articles from these diverse publishers, please refer to Figure 4.

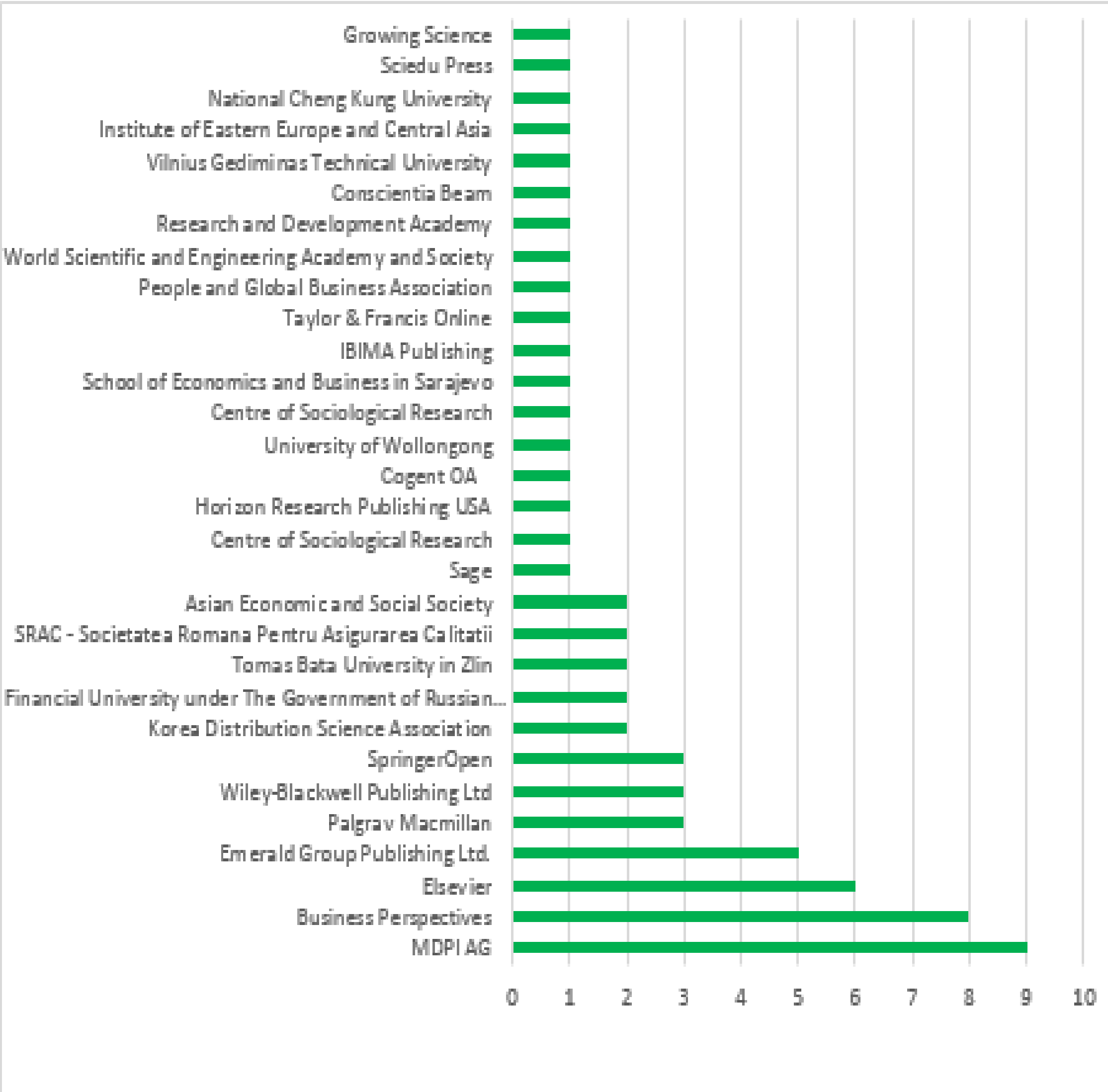

Figure 4: Publisher/Source of Document

Researchers choose study locations that reflect geographic diversity in scientific research. Therefore, this analysis not only portrays such diversity but also contributes to providing a more comprehensive overview of the articles' contributions and relevance within the global academic literature. As observed in Figure 5, we can observe the distribution of countries where

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the research was conducted. The majority of research was evidently conducted in India, with Indonesia and the United States following closely. This may be partly due to these countries' exceptionally large global populations, consequently increasing the likelihood of extensive and varied research taking place within these contexts.

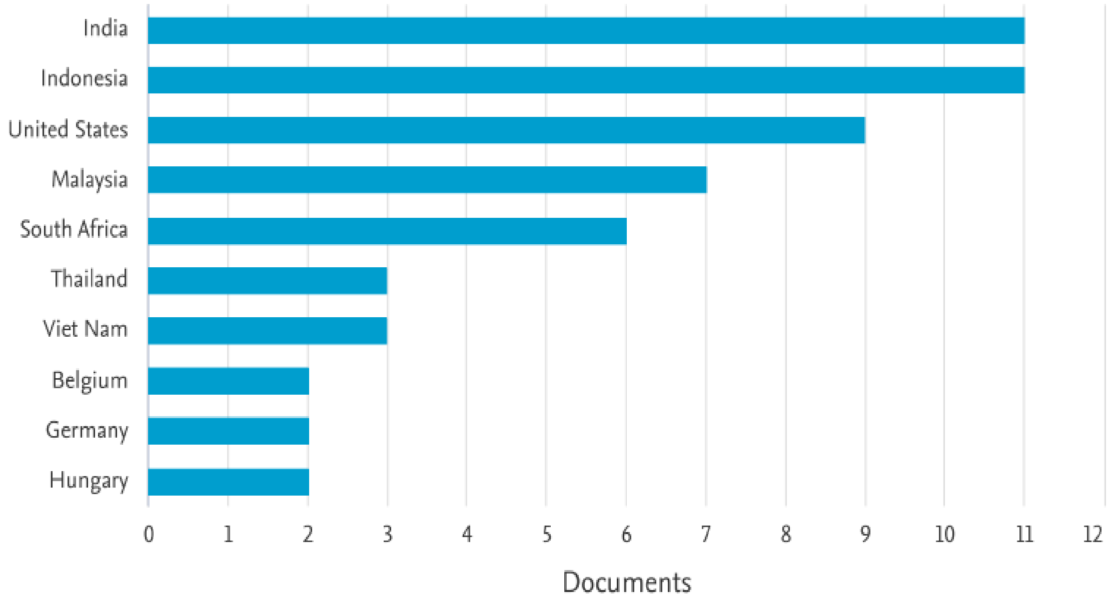

Figure 5: Research by Country

The Bibliometric Analysis

The utilization of bibliometric analysis, aided by VOSviewer, aims to gather bibliographic information [9]–[11]. The merging of bibliographies is performed to determine the number of shared references between two articles.

The level of citation overlap between these publications is considered indicative of similarity in the issues under investigation [9], [12]. Colors are employed to indicate cluster density by calculating the weighted average color, where the color's weight corresponds to the density of related items within that cluster [9], [13]. The result is a graphical display where darker colors signify lower density.

The distance between provided references can serve as an indicator of their relationships. When articles are included in the same cluster, it signifies their strong interconnection as a group based on their shared references, implying that a particular cluster reflects a research stream or specific subject [9].

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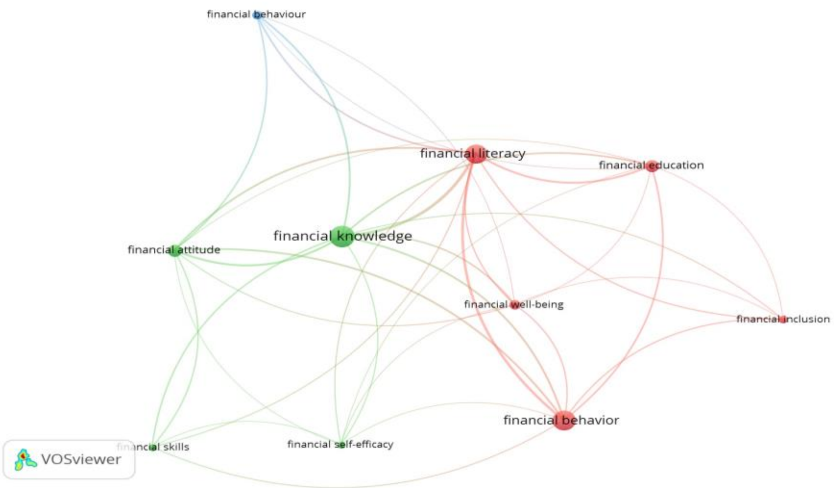

Figure 6: Similarity Visualization

Figure 6 visualizes the publication network connecting financial self-efficacy, financial knowledge, and financial behavior. The outcomes of the network analysis conducted through VOSviewer reveal three identifiable clusters. The first cluster, marked in red, consists of financial behavior, financial education, financial inclusion, financial literacy, and financial well-being, highlighting the close relationship among these elements within the research context. The second cluster, denoted in green, comprises financial attitude, financial knowledge, and financial self-efficacy, expressing the importance of the relationship between financial self-confidence, financial knowledge, and financial attitudes in financial decision-making. Meanwhile, the third cluster, indicated in blue, consists of financial behavior, emphasizing the importance of financial behavior as an outcome of these factors.

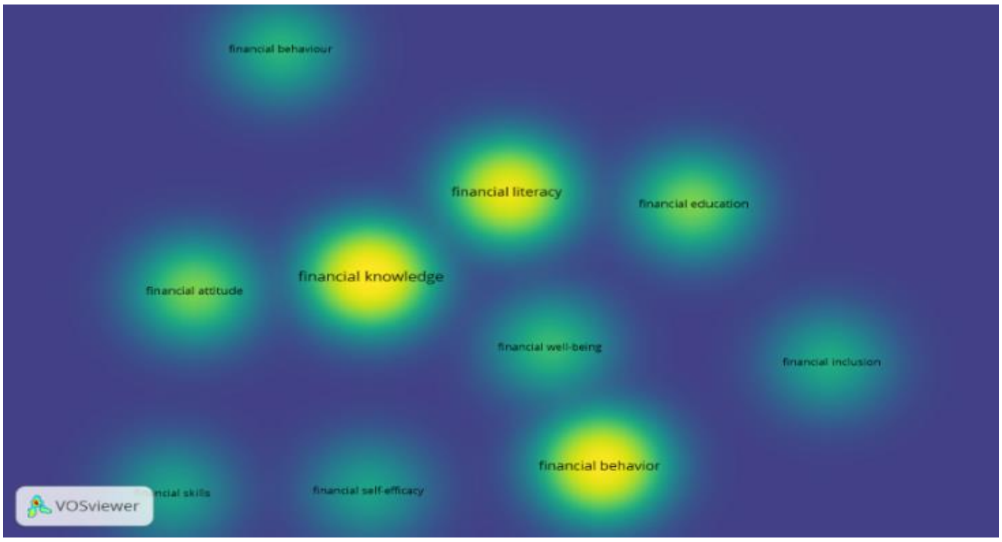

Figure 7: Research Density

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Figure 7 illustrates the density of research across various topics. The large, brightly yellow-colored circles indicate that these topics have been extensively researched and are intricately connected to other research areas. In contrast, the smaller, dimly lit circles reflect the scarcity of research related to those topics, suggesting significant potential for further exploration in future research endeavors. The visualization results convey that subjects such as financial knowledge, financial behavior, and financial literacy have remained focal points of sustained research attention, while topics like financial self-efficacy, financial attitude, and financial well-being still require more scholarly exploration.

DISCUSSION

Analysis Of Research Gaps In Reviewed Articles

The results of the literature review analysis reveal several intriguing facts concerning research on the topics of Financial Self-Efficacy, Financial Knowledge, and Financial Behavior. Ten themes related to these topics include Financial Behavior, Financial Education, Financial Inclusion, Financial Literacy, Financial Well-Being, Financial Attitude, Financial Knowledge, Financial Self-Efficacy, and Financial Skills. Notably, research predominantly centers around Financial Knowledge, Financial Behavior, and Financial Literacy.

It is essential to delve deeper into the role of financial literacy in various aspects of societal life to address the identified research gaps in the context of financial literacy and personal financial behavior. Dewi et al. (2020) recognized limitations in research on financial literacy among academics in Indonesia. Their study meticulously focused on investigating and measuring the level of financial literacy and related variables within the Indonesian academic community. In doing so, the study successfully expanded the concept of financial literacy and provided valuable insights into how members of the academic community perceive their financial literacy levels and how they might enhance them. However, an awareness of the deficiencies in similar research within this context indicates a significant research gap in understanding financial literacy among Indonesian academics [14].

Moreover, Deventer (2020) also noted the lack of research focused on the financial behavior and knowledge of Generation Y African students, as discussed in their study. Research aimed to evaluate the attitudes of Generation Y African students toward financial planning and the skills they possess in managing their personal finances. In the face of rapid financial environmental changes, a deeper understanding of how Generation Y Africans manage their finances has become essential to ensure their financial well-being in the future [15].

Furthermore, there is a gap in understanding the impact of financial literacy on financial inclusion, as revealed by Hasan et al. (2021) in their study in rural Bangladesh. The research aimed to explore how financial knowledge impacts access to financial services, including banking, microfinance, and fintech services. The study's findings aimed to unveil whether financial literacy significantly affects the barriers that prevent communities from accessing and utilizing financial services to enhance their quality of life. Given the multitude of aspects involved in financial literacy, there is a recognition of the need for further research on the

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relationship between financial literacy and financial inclusion, especially in various scenarios and within a range of demographic groups [16]. Similarly, Ketkaew et al. (2022) highlighted the lack of research on sustainable retirement planning for wage earners in Thailand. The study shed light on the challenges faced by Thailand, including low literacy rates, a vulnerable pension system, and the absence of adequate regulations to provide sufficient post-retirement income for wage earners. This research gap underscores the importance of engaging in more in-depth qualitative research to identify behavioral segments and financial difficulties in retirement planning among wage earners in Thailand [17].

In an effort to fill these research gaps, researchers can conduct more holistic and comprehensive studies that analyze the impact of financial knowledge, financial attitudes, and financial behavior in the context of financial literacy. Studies such as those carried out by Banthia & Dey (2022) offer insights into the relationship between these factors and how they collectively influence financial literacy. By delving deeper into the interactions among financial knowledge, financial attitudes, and financial behavior, researchers can gain a deeper understanding of the factors contributing to financial literacy [18].

Through broader research efforts and studies in various contexts, such as Dewi et al.'s (2020) research in Indonesia exploring financial literacy within the academic community, or more in-depth research at the local level like Ketkaew et al.'s (2022) study on retirement planning in Thailand, we can better grasp the role of financial literacy in our lives and how it can impact our overall financial well-being. This is a critical step in understanding the complexity of financial literacy and identifying ways to enhance financial understanding and skills across various populations and in various everyday life contexts.

The Majority of Theories Are Used In the Articles Reviewed

1. Theory of Financial Behavior

The theory of financial behavior encompasses various factors influencing the decision-making process and individual behavior regarding financial matters. One prominent theory in this field is the Prospect Theory, which challenges traditional utility theories and offers an alternative framework for understanding decision-making under risk. Prospect Theory proposes that rational choices are not always made by individuals; instead, their decisions are influenced by factors such as the framing of choices and perceptions of gains and losses. This theory explains why individuals tend to avoid risks when faced with potential gains but seek risks when confronted with potential losses [19], [20].

Financial education and counseling also play a crucial role in shaping financial behavior. Research has shown that equipping individuals with financial knowledge and skills can positively influence their decision-making and financial behavior [21], [22]. Financial education programs aim to boost individuals' financial literacy, referring to their understanding of financial concepts and their ability to make sound financial decisions. By improving financial literacy, individuals can make better financial choices, manage their finances effectively, and reduce the likelihood of financial difficulties.

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Furthermore, psychological factors such as expectations can influence financial behavior. Research indicates that individuals who have expectations regarding their financial future are likely to be involved in positive financial behaviors, such as saving and investing [22]. Expectations can be cultivated through financial education and counseling programs that provide individuals with the knowledge and tools to enhance their financial situations. Social and cultural factors also play a role in shaping financial behavior. For example, individuals' financial behavior can be influenced by social networks, peer pressure, and cultural norms surrounding money and spending. Understanding these social and cultural influences is crucial for developing effective interventions and strategies to promote positive financial behavior.

In conclusion, the theory of financial behavior encompasses various factors influencing the decision-making process and individual behavior regarding financial matters. Prospect Theory provides an alternative framework for understanding risk-based decision-making, highlighting the roles of factors such as framing and perceptions of gains and losses. Financial education, counseling, and the cultivation of expectations are essential in promoting positive financial behavior. Additionally, social and cultural factors shape individual financial behavior. Understanding these factors enables policymakers, educators, and financial professionals to develop interventions and strategies to enhance individual decision-making and financial behavior.

2. Financial Literacy Theory

Financial literacy is a critical aspect of economic decision-making and financial well-being, involving knowledge and understanding of financial concepts such as budgeting, saving, investing, and debt management. Several studies have examined levels of financial literacy and their implications in various contexts. Mitchell & Lusardi (2015) conducted a comprehensive review of financial literacy and its relationship with economic outcomes. They discovered that inadequate levels of financial literacy are widespread, not only in the United States but also in numerous other nations, even those with well-established financial markets. This underscores the need for global efforts to improve financial education and awareness. They conducted a specific investigation into financial literacy concerning retirement planning and ascertained that it is notably deficient among young individuals, women, and those with limited educational backgrounds. Hispanic and African-American populations also scored the lowest in financial literacy concepts. Interestingly, all groups tended to rate themselves as knowledgeable about financial matters, despite their actual performance on financial literacy questions [23]. The Organization for Economic Cooperation and Development (OECD) actively promotes financial literacy. They have developed frameworks and guidelines aimed at enhancing financial education and improving financial literacy globally. These initiatives strive to equip individuals with the essential knowledge and competencies required to make well-informed financial decisions and enhance their financial welfare. In summary, financial literacy is a multidimensional concept that plays a vital role in economic decision-making and financial well-being. It is essential to address low levels of financial literacy through improved financial education programs and awareness campaigns.

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3. Theory of Planned Behavior (TPB)

TPB is a psychological theory that explains human behavior by considering the roles of attitudes, subjective norms, and perceived behavioral control [4]. TPB suggests that an individual's likelihood of engaging in a specific behavior is shaped by their attitudes toward the behavior, subjective norms related to the behavior (like societal expectations to either engage or abstain from it), and their assessment of the ease or difficulty of executing the behavior [4]. To gain a deeper understanding of individual financial behavior, many studies have employed the Theory of Planned Behavior to elucidate the impact of individual attitudes, subjective norms, and perceived behavioral control on financial behavior. TPB explains that an individual's intention to engage in a particular financial behavior is influenced by their attitudes toward that behavior, subjective norms, and their perception of control over financial behavior. Studies conducted in India indicate that attitudes and financial behavior significantly impact financial well-being, with financial behavior having a greater impact [4]. TPB serves a valuable framework for understanding how attitudes, subjective norms, and perceived behavioral control affect financial behavior.

Research Topic Recommendations

The results of the review indicate several topics that offer opportunities for in-depth exploration within the context highlighted in this study.

1. Financial Well-Being

Financial well-being is a concept that encompasses an individual's overall financial health and satisfaction with their financial situation. Various factors influence it, including financial literacy and financial planning. Sang (2021) conducted research on the financial well-being of students in Vietnam, analyzing the direct and indirect impacts of various factors, including financial attitudes, on the financial well-being of Vietnamese students. The research findings demonstrated that financial attitudes, as well as financial behavior and financial self-efficacy, significantly influence students' financial well-being [24]. Rapp et al. (2017) conducted a study to examine the relationship between financial literacy, financial planning, and financial well-being among retirees. They found a positive and significant impact of financial literacy on financial well-being, aligning with prior theoretical expectations [25]. This suggests that individuals with higher levels of financial literacy are likely to experience better financial well-being.

Financial literacy plays pivotal role in enhancing financial well-being by equipping individuals with the knowledge and skills needed to make informed financial decisions [25]. This enables individuals to understand financial concepts, effectively manage their finances and plan for their future financial objectives. With a strong foundation in financial literacy, individuals are better prepared to face financial challenges, make sound financial choices, and achieve financial security.

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In conclusion, financial well-being is influenced by various factors, including financial literacy and financial planning. Research has shown that higher levels of financial literacy are associated with better financial well-being. By enhancing financial literacy and promoting financial planning, individuals can improve their financial well-being and achieve greater financial security and satisfaction.

2. Financial Attitude

Financial attitude is a crucial aspect of understanding individual financial behavior. It reflects an individual's views, values, beliefs, and feelings about money, financial management, and their financial decisions. Financial attitudes play a major role in shaping an individual's financial behavior, and having a positive attitude towards money and financial management often leads to wise and responsible financial decisions. It's important to note that an individual's financial attitude is influenced not only by internal factors but also by childhood experiences, education, culture, and the values instilled by family and their surrounding environment. Therefore, various factors can shape how someone views and interacts with money.

One approach to understanding financial attitudes is through measurement using questionnaires or specialized surveys designed to explore individuals' views on specific aspects such as savings, investment, debt, financial risk, and financial goals. The results of such surveys provide an overview of the extent to which an individual holds positive or negative attitudes towards these aspects.

Grable and Rabbani (2023) conducted research to determine the extent to which subjective and objective measures of financial knowledge moderate the relationship between financial risk tolerance and demographic factors [26]. The study found that subjective financial knowledge (SFK) was positively related to investment risk tolerance, and the relationship between gender and investment risk tolerance was moderated by SFK. This indicates that financial attitudes reflected in subjective financial knowledge can influence risk tolerance. Hapsoro et al. (2022) studied financial vulnerability among traditional market traders in Indonesia, examining the impact of financial behavior and digital financial literacy on financial vulnerability and testing gender interactions in these relationships [27]. While this study did not explicitly focus on financial attitudes, it explored the financial vulnerability of female traders, who may have relatively high consumption levels and economic dependence on males. This indirectly suggests that financial attitudes and behaviors can contribute to financial vulnerability. Smolo et al. (2023) analyzed financial literacy in Bosnia and Herzegovina, considering financial attitudes as part of the multidimensional construct of financial literacy. The study examined the relationship between financial knowledge, financial skills, and demographic factors, including age, education, household income, and gender. Although the study did not specifically focus on financial attitudes, it highlighted the importance of financial literacy, which includes attitudes and behaviors, in promoting sustainable development [28].

These studies have demonstrated that there is a correlation between financial attitudes and financial behavior. Individuals with positive attitudes toward financial management tend to excel in budget planning, saving money, making wise investments, and avoiding unnecessary

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debt. On the other hand, negative or unhealthy attitudes can lead to overspending, lack of financial planning, and risky behavior. Financial education plays a crucial role in shaping positive financial attitudes. Schools and educational institutions can integrate financial education into their curriculum to help individuals understand the values of sound financial practices and develop more positive attitudes toward money and financial management.

Understanding individual financial attitudes is a crucial first step in developing better financial literacy and achieving improved financial well-being. It can help individuals recognize patterns in their own financial behavior, design more effective financial management strategies, and achieve better financial goals in their lives.

3. Financial Self-Efficacy

Financial self-efficacy, which pertains to an individual's confidence in their financial capabilities, is a central concept in financial literacy that reflects an individual's belief in their capacity to manage money and make wise financial decisions. Various factors, including financial education, financial experience, social support, and environmental influences, influence an individual's level of financial self-efficacy. Research has shown that individuals with high levels of financial self-efficacy tend to exhibit better financial behaviors, such as effective budget planning, avoiding financial problems, and achieving financial goals. Financial education and social support can play a crucial role in enhancing an individual's financial self-efficacy, subsequently can contribute to better financial well-being and reduced financial stress. Therefore, understanding and developing financial self-efficacy is key to comprehending and improving individual financial behavior.

Banthia and Dey (2022) conducted research on the influence of financial knowledge, financial attitudes, and financial behavior on financial literacy. While this study did not explicitly focus on financial self-efficacy, it explored the relationships between financial knowledge, attitudes, behaviors, and financial literacy. The findings of this research indirectly shed light on the role of financial self-efficacy in decision-making and financial outcomes [18]. Sayed and Shusha (2019) evaluated the determinants of financial inclusion in Egypt, including the level of knowledge about financial services [29]. Although this study did not directly address financial self-efficacy, it explored the relationships between access to financial services, the utilization of financial services and understanding of financial services. Individuals who possess elevated levels of financial self-efficacy are more inclined to actively seek and efficiently utilize financial services. In their study, Heidel and Happ (2023) examined the difficulties associated with comprehending Western economic and financial concepts among young individuals with post-Soviet migration backgrounds residing in Germany [30]. While this research did not specifically focus on financial self-efficacy, it highlighted potential challenges faced by individuals from different cultural backgrounds in understanding and applying Western economic concepts. Financial self-efficacy may play a role in individuals' ability to navigate and adapt to unfamiliar financial systems.

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Overall, while the reviewed articles did not directly address financial self-efficacy, they provided insights into the factors influencing decision-making and financial outcomes. The belief an individual holds in their capability to effectively manage financial matters, known as financial self-efficacy, potentially plays a vital role in influencing financial behavior and results. Further research specifically focused on financial self-efficacy is necessary to acquire a more comprehensive comprehension of its impact on decision-making and financial well-being.

CONCLUSION

Research exploring the relationships involving financial knowledge, financial self-efficacy, and financial behavior, based on data available in the Scopus database, continues to show sustainability, with approximately 2,840 documents available up to the year 2023. This figure indicates that this topic still holds significant potential for further in-depth exploration in future research, especially considering the ongoing development of policies and financial challenges faced by individuals and communities globally. Through the results of the article review, it is noted that the primary research focus has been on financial knowledge, financial behavior, and financial literacy, which have an extensive and noteworthy research history. However, intriguingly, topics such as financial attitude, financial self-efficacy, and financial well-being remain relatively underexplored in scholarly literature, indicating that there are ample opportunities to develop a deeper understanding of how these factors interact and influence individual financial behaviors. Therefore, these less-researched topics hold promises as interesting and potential areas for future research that can provide valuable insights into personal financial management and enhance financial literacy.

Limitations

From the article review results, it was found that most researchers did not specifically address the highlighted topics in this study, resulting in a limited number of articles available for in-depth discussion in the analysis of the review.

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