The Effect Of Financial Technology And Financial Capability On Financial Satisfaction With The Mediation Of Financial Behavior

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ABSTRACT

This study aims to analyze the effect of Financial Technology and Financial Capability on Financial Satisfaction with Financial Behavior as a mediating variable. The research was conducted on household financial managers in Pasuruan City using a quantitative survey approach. The sampling technique combined purposive and snowball sampling, and the collected data were analyzed using Partial Least Squares (PLS-SEM). The results indicate that Financial Technology, Financial Capability, and Financial Behavior each have a positive and significant effect on Financial Satisfaction. Furthermore, Financial Behavior was found to partially mediate the relationship between Financial Technology and Financial Satisfaction, but it did not significantly mediate the relationship between Financial Capability and Financial Satisfaction. These findings highlight that while financial technology adoption and financial capability directly enhance satisfaction, financial behavior plays a crucial role in strengthening the positive effect of technology adoption. The study contributes both theoretically and practically by providing empirical evidence on the role of financial behavior in the digital era and offering insights for policymakers and financial institutions to design more effective financial literacy and inclusion strategies.

INTRODUCTION

Financial well-being of society is one of the key indicators in assessing the quality of life and the economic stability of a nation. In Indonesia, the Central Statistics Agency (BPS, 2023) reported that the poverty rate has fluctuated due to global economic dynamics, inflation, and the lingering effects of the COVID-19 pandemic. Nevertheless, government policies through social assistance programs and economic empowerment initiatives succeeded in reducing the poverty rate from 9.54% in 2020 to 9.22% in 2023. However, other challenges persist, such as the rising

cost of living and the relatively low awareness of saving and investing among the public (Kompas, 2024), leaving many households vulnerable to financial pressure.

Financial satisfaction is an essential aspect of individual well-being as it encompasses both psychological and financial dimensions (Joo & Grable, 2004). Individuals with higher financial satisfaction tend to be happier, more productive, and better able to plan for the future (Ngamaba et al., 2023; Aboagye & Jung, 2018). At the macro level, higher levels of financial satisfaction contribute to national economic resilience (Xiao & Porto, 2017). Therefore, understanding the factors influencing financial satisfaction is crucial, particularly in the context of financial technology development.

Financial Technology (fintech) represents an innovation in financial services that enables people to access, manage, and utilize financial services more efficiently (Gomber et al., 2018). In Indonesia, fintech has grown rapidly in line with the increase in financial inclusion, from 67.8% in 2017 to 76.19% in 2021 (OJK, 2023). Several studies have found that fintech contributes to financial satisfaction by improving financial management efficiency and providing easier access to services (Lee & Shin, 2018; Purwanto et al., 2022). However, other research indicates that fintech usage can also lead to risks, such as excessive consumerism and rising debt levels, which in turn reduce financial satisfaction (Zhang & Fan, 2024). These contrasting findings highlight a research gap that warrants further investigation.

Apart from fintech, financial capability is also an important determinant of financial satisfaction. Although the level of financial literacy in Indonesia is relatively high (69%), most of the population still lacks sufficient financial capability to manage money effectively (OJK, 2024). Previous studies suggest that good financial capability helps individuals avoid financial mistakes, manage debt, and plan investments, thereby enhancing financial satisfaction (Xiao et al., 2022; Xiao & O'Neill, 2018).

Another crucial factor is financial behavior, which significantly influences financial satisfaction. Individuals with sound financial behavior, such as consistently saving and controlling expenses, experience lower financial stress and better quality of life (Netemeyer et al., 2018; Hasibuan et al., 2018). Moreover, financial behavior may act as a mediator in the relationship between fintech and financial satisfaction, as well as between financial capability and financial satisfaction (Daqar & Arqawi, 2020; Nourallah et al., 2024).

Based on these considerations, this study aims to fill the gap in the literature by examining the role of financial behavior as a mediator in the relationship between fintech, financial capability, and financial satisfaction. The research focuses on family financial managers in Pasuruan City, East Java, which represents an urban–semi-urban area with rapid growth in digital financial inclusion. This context is also relevant due to the limited studies addressing financial behavior in Indonesia's secondary cities. Through this approach, the study is expected to contribute academically while also providing practical implications for the development of financial literacy and community financial management strategies in the digital era.

LITERATURE REVIEW

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is a theoretical framework developed by Ajzen (1991) to explain how an individual's attitudes, subjective norms, and perceived behavioral control influence intentions and actual behavior. According to TPB, behavior is determined by the intention to perform such behavior, which in turn is shaped by three main components: attitude toward the behavior, subjective norms (perceived social expectations from others), and perceived behavioral control (the perceived ease or difficulty of performing the behavior).

In the context of this study, TPB is highly relevant in explaining how financial capability and financial technology influence individual financial behavior, which ultimately affects financial satisfaction. Financial capability, as a combination of knowledge, skills, and confidence in

managing finances, shapes positive attitudes toward sound financial decision-making (Xiao et al., 2022). Meanwhile, the use of financial technology strengthens perceived behavioral control, as it provides individuals with easier and more efficient access to financial management (Gomber et al., 2018; Chen et al., 2023).

In other words, financial literacy and financial technology jointly shape intentions and control over financial actions, resulting in wiser and more planned financial behavior. According to TPB, this behavior becomes the key factor influencing the final outcome—financial satisfaction (Aboagye & Jung, 2018; Farida et al., 2021). When individuals are able to manage their finances effectively, supported by adequate capability and technological tools, they are more likely to feel satisfied with their financial condition (Xiao & Porto, 2017).

Financial Technology

Financial technology (fintech) refers to technological innovations in financial services designed to enhance access, efficiency, and convenience in financial activities for both individuals and institutions. According to Gomber et al. (2018), fintech involves the use of digital technology to deliver faster, cheaper, and more user-friendly financial solutions compared to traditional financial services. Examples of fintech platforms include mobile banking, e-wallets, peer-to-peer lending, robo-advisory, and digital investment services, which allow users to conduct transactions instantly without visiting conventional financial institutions.

In the current digital era, the importance of fintech is increasingly evident as it promotes financial inclusion, particularly among communities previously excluded from formal banking services (Daqar & Arqawi, 2020; Nourallah et al., 2024). Fintech also enhances personal financial management efficiency by enabling real-time budgeting and planning, while reducing the risk of human error in financial transactions (Bu et al., 2022). More broadly, fintech adoption contributes significantly to improving financial literacy and capability, as users become more familiar with modern financial instruments and management strategies (Zhang & Fan, 2024).

To measure the extent of fintech usage in this study, indicators are adapted from Sabri et al. (2024), which assess the daily application of financial technologies: 1) Using mobile banking for routine transactions such as fund transfers and bill payments; 2) Using fintech applications (e.g., QRIS or digital wallets) for daily transactions; 3) Using fintech services for savings, such as automatic saving features in e-wallets or finance apps; 4) Using fintech platforms for investment, including digital mutual funds, online stock trading, or cryptocurrencies; and 5) Storing funds in e-wallets as an alternative to conventional savings or for digital transactions.

These indicators allow fintech usage to be measured comprehensively across daily financial activities, savings, and investment, reflecting how technology has transformed financial behavior toward greater efficiency and integration (Sabri et al., 2024).

Financial Capability

Financial capability refers to an individual's ability to effectively manage finances in various situations, including making sound financial decisions, using financial products appropriately, and anticipating financial risks. Xiao et al. (2022) define financial capability as a combination of knowledge, skills, attitudes, and behaviors that enable individuals to achieve financial well-being in both the short and long term. This concept goes beyond financial literacy, as it encompasses not only understanding but also the practical application of financial knowledge in real-life decision-making.

The importance of financial capability lies in its role in shaping healthy financial behavior and fostering financial well-being. Individuals with high financial capability are better prepared to handle emergencies, plan for the future, and feel more satisfied with their financial situation (Hira, 2012; Xiao & Porto, 2017). At a macro level, improving financial capability within society supports financial system stability and reduces social inequality (Netemeyer et al., 2018).

According to Atkinson et al. (2021), real-life financial capability is a combination of knowledge, skills, and access to financial services, which allows individuals to manage their finances effectively. This is reflected in practical abilities such as creating and managing budgets, tracking expenses systematically, and making appropriate financial decisions.

Based on Xiao & O'Neill (2018), indicators of financial capability include: 1) Savings management – regularly setting aside money and having both short- and long-term financial goals; 2) Investment management – selecting suitable instruments aligned with risk profiles and understanding potential returns; 3) Expenditure management – distinguishing between needs and wants and creating a monthly budget; 4) Debt and bill management – paying on time and avoiding excessive consumer debt; and 5) Daily financial management – recording income and expenses and adjusting lifestyle to financial capacity.

These indicators reflect practical abilities and habits that underpin healthy financial behavior. The higher an individual's financial capability, the greater the likelihood of achieving financial satisfaction (Xiao & O'Neill, 2018; Dare et al., 2020).

Financial Satisfaction

Financial satisfaction is a subjective condition in which individuals feel content with their current financial situation, including income, expenditure, savings, investments, and ability to meet financial needs. Joo & Grable (2004) describe financial satisfaction as the extent to which individuals perceive their financial situation as aligned with their expectations and needs. It is not solely determined by the amount of money possessed but also by personal perceptions and financial experiences.

Financial satisfaction is important because it is closely tied to overall well-being (subjective well-being). Individuals who are financially satisfied tend to experience lower financial stress, enjoy better social relationships, and make more rational financial decisions (Ngamaba et al., 2020; Netemeyer et al., 2018). Moreover, financial satisfaction is an important indicator of the effectiveness of personal financial management as well as financial literacy and inclusion programs (Iramani & Lutfi, 2021).

In research, financial satisfaction is typically measured using subjective indicators. Fachrudin et al. (2022) suggest several indicators, including: 1) Satisfaction with the amount of savings; 2) Satisfaction with investment performance or asset growth; 3) Satisfaction with income received, reflecting perceived sufficiency; 4) Lack of concern about financial obligations such as debts and bills; and 5)Overall satisfaction with personal financial conditions.

These indicators measure not only the material aspects of personal finance but also the psychological dimensions, such as feelings of security, adequacy, and control over financial situations (Fachrudin et al., 2022; Xiao et al., 2014). Thus, financial satisfaction serves as a key variable in assessing the impact of financial behavior, financial literacy, fintech adoption, and financial capability.

Financial Behavior

Financial behavior refers to individuals' actual practices in managing their daily finances, including planning, spending, saving, borrowing, and investing. According to Iramani and Lutfi (2021), financial behavior reflects the practical application of attitudes, knowledge, and financial capabilities in real-life situations. In other words, financial behavior bridges the gap between financial capability and financial outcomes.

Financial behavior is critical because it directly impacts both short- and long-term financial conditions. Individuals who engage in healthy financial behavior—such as budgeting, saving regularly, avoiding excessive debt, and making rational investment decisions—tend to enjoy greater well-being and financial satisfaction (Farida et al., 2021). Conversely, poor financial behavior, such as impulsive spending or unmanaged borrowing, can result in financial stress and even psychological problems.

Based on Farida et al. (2021) and Iramani & Lutfi (2021), indicators of financial behavior include: 1) Financial planning – budgeting, setting financial goals, and developing strategies for short- and long-term needs; 2) Expenditure management – avoiding waste, prioritizing necessities, and adjusting lifestyle to income levels; 3) Saving habits – saving formally (bank accounts) or informally, showing a forward-looking financial orientation; 4) Debt management – managing loans responsibly, paying bills on time, and avoiding excessive consumer debt; and 5) Investment decisions – balancing risk and caution in investment choices and evaluating investment outcomes.

These indicators demonstrate that financial behavior is a complex yet essential aspect in shaping healthy financial conditions. By assessing financial behavior, researchers can understand how individuals apply their financial literacy and capability in daily life and how this affects their financial satisfaction (Farida et al., 2021; Iramani & Lutfi, 2021).

Figure 1. Research Framework
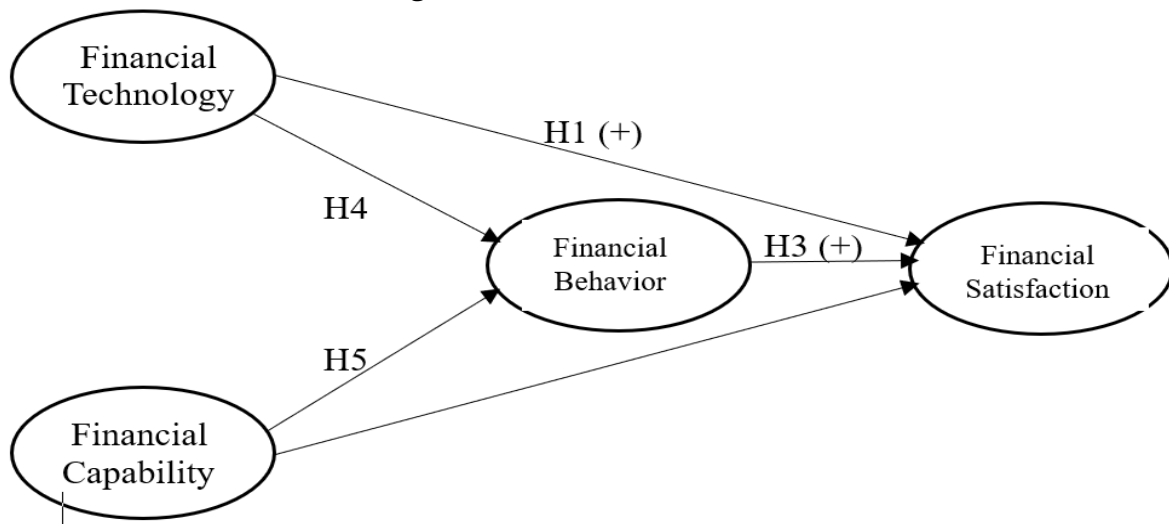
Hypothesis Development
The Effect of Financial Technology on Financial Satisfaction

The development of financial technology (FinTech) has revolutionized the way individuals manage their finances by offering various digital services that enhance accessibility, efficiency, and ease in financial decision-making. FinTech encompasses services such as mobile banking, digital wallets (e-wallets), peer-to-peer lending, and digital investment platforms that allow users to conduct transactions and manage their finances instantly and conveniently (Gomber et al., 2018; Zhang & Fan, 2024). In Indonesia, the adoption of FinTech has become increasingly widespread, particularly in urban areas, enabling more efficient and measurable financial management. Individuals who use FinTech for saving, transacting, and investing tend to feel more secure, organized, and satisfied with their financial condition.

Empirical studies support this assumption. Chen et al. (2023) found that the use of FinTech-based payment systems positively influences consumer financial satisfaction. Similarly, Farida et al. (2021) revealed that FinTech adoption directly improves both financial behavior and financial satisfaction. In addition, Sabri et al. (2024) highlighted that FinTech not only affects financial behavior but also enhances individual financial well-being.
H1: Financial technology has a positive effect on financial satisfaction.

The Effect of Financial Capability on Financial Satisfaction

Financial capability refers to an individual's ability to understand, make decisions, and manage financial matters wisely in daily life. This concept extends beyond financial knowledge to include practical skills, confidence, and actual behavior when dealing with complex financial situations (Xiao et al., 2022). Individuals with strong financial capability are more likely to create budgets, save regularly, manage debt effectively, and choose investment instruments suited to their needs and risk tolerance.

Previous studies have demonstrated a positive relationship between financial capability and financial satisfaction. Xiao and O'Neill (2018) found that financial capability plays a critical role in shaping individuals' perceptions of financial well-being. Similarly, Fachrudin et al. (2022) and Xiao et al. (2014) reported that individuals who manage expenses, save consistently, and plan for their financial future exhibit higher levels of financial satisfaction. These findings highlight financial capability as an important determinant of financial satisfaction.
H2: Financial capability has a positive effect on financial satisfaction.

The Effect of Financial Behavior on Financial Satisfaction

Financial behavior reflects the actual actions individuals take in managing their day-to-day finances, such as budgeting, saving, debt management, and investing. This behavior is the manifestation of financial knowledge, skills, and attitudes, making it a critical determinant in achieving personal financial goals (Iramani & Lutfi, 2021; Farida et al., 2021). From a psychological perspective, well-planned financial behavior provides a sense of control and achievement, which directly enhances individual financial satisfaction. In other words, how individuals manage their money on a daily basis is a direct reflection of their satisfaction with their financial condition.

A number of empirical studies confirm the positive relationship between financial behavior and financial satisfaction. Farida et al. (2021) found that individuals with good financial behavior report higher levels of financial satisfaction. Fachrudin et al. (2022) demonstrated that behaviors such as debt management, expenditure control, and investment contribute significantly to individuals' positive evaluations of their financial condition. Xiao et al. (2014) further emphasized that positive financial behavior strongly predicts financial satisfaction, while risky behavior negatively impacts satisfaction.
H3: Financial behavior has a positive effect on financial satisfaction.

Financial Behavior as a Mediator between Financial Technology and Financial Satisfaction

Within the framework of the Theory of Planned Behavior (Ajzen, 1991), the use of financial technology enhances perceived behavioral control, that is, an individual's perception of ease in performing financial actions. The convenience and efficiency offered by FinTech strengthen both the intention and ability of individuals to engage in positive financial behaviors such as saving regularly, budgeting, avoiding consumptive debt, and investing wisely.

Studies by Sabri et al. (2024) and Farida et al. (2021) found that FinTech usage positively affects financial behavior. Individuals who frequently utilize FinTech services tend to exhibit more structured and goal-oriented financial habits. This occurs because FinTech facilitates data-driven financial decision-making, provides automated reminders, and increases overall financial awareness. In turn, good financial behavior has been shown to improve financial satisfaction. Individuals who manage expenses, save consistently, control debt, and invest appropriately tend to feel more secure, confident, and satisfied with their financial condition (Fachrudin et al., 2022; Xiao & Porto, 2017). Sabri et al. (2024) also indicated that FinTech indirectly contributes to financial well-being through financial behavior, highlighting the mediating role of behavior in linking FinTech adoption to financial satisfaction.
H4: Financial behavior mediates the relationship between financial technology and financial satisfaction.

Financial Behavior as a Mediator between Financial Capability and Financial Satisfaction

Financial capability reflects the ability of individuals to understand, plan, and manage their finances effectively across various situations. It combines financial knowledge, practical skills, confidence, and attitudes toward financial decision-making (Xiao et al., 2022; Hira, 2012). Individuals with high financial capability are more likely to demonstrate healthy and rational financial behaviors in managing their economic resources.

Several studies have found that financial capability positively influences financial behavior. Xiao and O'Neill (2018) and Netemeyer et al. (2018) stressed that individuals with higher financial capability are more disciplined and proactive in managing their finances. Similarly, Iramani and Lutfi (2021) indicated that effective financial management is a direct reflection of financial capability. In turn, positive financial behavior contributes to financial satisfaction. Individuals who manage their finances well—avoiding debt-related stress, maintaining emergency savings, and achieving financial goals—tend to feel more secure and satisfied with their financial condition (Farida et al., 2021; Fachrudin et al., 2022). Therefore, financial behavior serves as a critical pathway that mediates the relationship between financial capability and financial satisfaction.

H5: Financial behavior *mediates the relationship between financial capability and financial satisfaction.*

METHODS

This study employed a quantitative method with a survey approach, in which data were obtained through questionnaires distributed to selected respondents. The population in this research consists of family financial managers residing in Pasuruan.

The sampling technique combined purposive sampling and snowball sampling. At the initial stage, the researcher identified several respondents who met predetermined criteria, namely individuals who play the role of family financial managers and reside in Pasuruan. These initial respondents were selected purposively to ensure the representation of relevant characteristics aligned with the research objectives. Subsequently, the snowball sampling technique was applied by asking the initial respondents to recommend other individuals who also fulfilled the same criteria. This process continued iteratively until the required number of respondents was reached and sufficient data were obtained. The use of this combined sampling technique is considered effective for accessing populations without a clear sampling frame, while also enabling the researcher to obtain more contextual and in-depth information.

The collected data were then analyzed using both descriptive and statistical analysis. To test the proposed hypotheses, the study employed Partial Least Squares (PLS) analysis. PLS is widely recognized as an alternative to Structural Equation Modeling (SEM) due to its ability to handle complex models, small to medium sample sizes, and non-normally distributed data.

RESULTS

Data Analysis
Table 1. Validity and Reliability Test Results

Variabel	Indicator	Item	*Loading Factor*	*Composite Reliability*	AVE
Financial Satisfaction	Satisfied with the amount of savings	FS1	0,839 (Valid)		
	Satisfied with the amount of investment	FS2	0,718 (Valid)		0,617
	Satisfied with the income I receive	FS3	0,804 (Valid)	0,889	

Variabel	Indicator	Item	Loading Factor	Composite Reliability	AVE
	Not worried about financial obligations	FS4	0,744 (Valid)	(Reliabel)	
	Overall financial satisfaction	FS5	0,815 (Valid)		
Financial Technology	Using mobile banking for transactions	FT1	0,879 (Valid)	0,951 (Reliabel)	0,794
	Using fintech for payment needs	FT2	0,891 (Valid)		
	Using fintech for savings purposes	FT3	0,897 (Valid)		
	Using fintech for investment purposes	FT4	0,924 (Valid)		
	Storing funds in an e-wallet	FT5	0,864 (Valid)		
Financial Capability	Skilled in managing savings	FC1	0,845 (Valid)	0,912 (Reliabel)	0,675
	Skilled in managing investments	FC2	0,858 (Valid)		
	Skilled in managing expenses	FC3	0,851 (Valid)		
	Skilled in managing bill or debt payments	FC4	0,756 (Valid)		
	Skilled in managing daily finances	FC5	0,792 (Valid)		
Financial Behavior	Paying all bills on time	FB1	0,869 (Valid)	0,944 (Reliabel)	0,653
	Paying bills in full	FB2	0,744 (Valid)		
	Setting aside income for savings	FB3	0,800 (Valid)		
	Setting aside income for investments	FB4	0,797 (Valid)		
	Following a budget or spending plan	FB5	0,794 (Valid)		
	Keeping records of monthly expenses	FB6	0,814 (Valid)		
	Setting aside funds for emergencies	FB7	0,831 (Valid)		
	Setting aside money for retirement funds	FB8	0,834 (Valid)		
	Setting aside funds for personal insurance	FB9	0,(Valid)		

Source: Author, 2025

R-Square

Table 2. Evaluasi Inner Model Test Result

Variable	R^2
Financial Behavior	0.341
Financial Satisfaction	0.576

Source: Author, 2025

Based on the results presented in Table 4.13, the R^2 value for the Financial Behavior variable is 0.341. This indicates that the variability of Financial Behavior can be explained by the independent variables in the model by 34.1%, while the remaining 65.9% is explained by other factors outside the research model. According to the criteria for assessing R^2, this value falls into the weak category ($0.25 \leq R^2 \leq 0.50$).

Meanwhile, the R^2 value for the Financial Satisfaction variable is 0.576. This means that the variability of Financial Satisfaction can be explained by the variables in the model by 57.6%, while the remaining 42.4% is influenced by other factors outside the model. Based on the R^2 assessment criteria, this value is classified as moderate for the Financial Satisfaction model ($0.50 \leq R^2 \leq 0.70$).

Hypothesis Testing
Table 3. Hypothesis Testing Test Result

Relationship	Path Coefficient	P-Value	Conclusion
Financial Technology -> Financial Satisfaction	0,273	0,008	H1 Accepted
Financial Capability -> Financial Satisfaction	0,463	0,000	H2 Accepted
Financial Behavior -> Financial Satisfaction	0,162	0,026	H3 Accepted
Financial Technology -> Financial Behavior -> Financial Satisfaction	0,062	0,048	H4 Accepted
Financial Capability -> Financial Behavior -> Financial Satisfaction	0,045	0,074	H5 Rejected

Source: Author, 2025

The results of hypothesis testing demonstrate that Financial Technology has a positive and significant effect on Financial Satisfaction, with a path coefficient of 0.273 and a p-value of 0.008 (H1 accepted). Furthermore, Financial Capability was also found to have a positive and significant influence on Financial Satisfaction, as indicated by a path coefficient of 0.463 and a p-value of 0.000 (H2 accepted). Similarly, Financial Behavior showed a positive and significant effect on Financial Satisfaction, with a path coefficient of 0.162 and a p-value of 0.026 (H3 accepted).

In the mediation testing, Financial Technology was proven to significantly influence Financial Satisfaction through Financial Behavior, with a path coefficient of 0.062 and a p-value of 0.048 (H4 accepted). The mediation observed was partial, as the direct effect was stronger than the indirect effect. Meanwhile, the test on Financial Capability revealed that this variable did not significantly affect Financial Satisfaction through Financial Behavior, as reflected by a path coefficient of 0.045 and a p-value of 0.074; therefore, H5 was rejected.

DISCUSSION

Financial Technology and Its Effect on Financial Satisfaction

The results of this study show that Financial Technology (FinTech) has a significant positive effect on financial satisfaction. This finding indicates that the higher the utilization of technology-based financial services by society, the greater their level of satisfaction with financial conditions. In this context, financial technology is not only a means of transaction but also an instrument that enhances individuals' sense of security, convenience, and confidence in managing their finances.

Linked to the Theory of Planned Behavior (Ajzen, 1991), the use of FinTech strengthens perceived behavioral control—namely, individuals' perception that they have ease and control in managing financial aspects of their lives. Applications such as mobile banking, e-wallets, and digital investment platforms provide fast and practical access to saving, making payments, and managing funds. This convenience encourages the formation of healthier financial intentions and behaviors, such as regular saving, avoiding consumptive debt, and investing wisely. Ultimately, these behaviors contribute to increased financial satisfaction because individuals feel capable of meeting needs while also achieving financial goals.

The characteristics of respondents in Pasuruan Regency further reinforce these findings. Descriptive analysis shows that the average utilization of FinTech is at a good level, with a score of 3.61. The highest indicator is the use of mobile banking (mean = 4.17), indicating that respondents are already accustomed to utilizing this service in daily activities. However, utilization for investment (mean = 3.19) and storing funds in e-wallets (mean = 3.23) remains relatively low, suggesting that FinTech adoption is not yet fully optimal across all aspects. On the other hand, the respondents' financial satisfaction is relatively high, with an average score of 3.91, particularly in the indicator of satisfaction with investment value (mean = 4.39). This indicates that FinTech contributes to reinforcing satisfaction with the outcomes of financial management. Considering respondents' profiles—family financial managers with a minimum income of IDR 5 million per month, employed or self-employed, and active FinTech users—these findings become clearer. Respondents have the financial capacity and openness to technology, enabling them to experience the tangible benefits of FinTech in achieving financial goals and creating a sense of security and satisfaction with their family's financial condition.

These findings align with previous studies that affirm the positive relationship between FinTech and financial satisfaction. Farida et al. (2021) revealed that FinTech adoption encourages better financial behavior, thereby enhancing positive evaluations of financial conditions. Similarly, Sabri et al. (2024) found that the use of FinTech plays an important role in fostering healthy financial behavior, which in turn strengthens financial satisfaction. Xiao et al. (2014) further highlighted that positive financial behavior—partly facilitated by technology—is a strong predictor of individuals' financial satisfaction.

Financial Capability and Its Effect on Financial Satisfaction

The study also found that financial capability has a significant positive effect on financial satisfaction. This finding indicates that the higher an individual's ability to manage their finances, the greater the level of satisfaction they feel with their financial condition. Financial capability, which includes skills in managing savings, investments, expenses, and financial obligations, serves as an important factor that fosters a sense of security and confidence in meeting life needs and achieving long-term goals.

In relation to the Theory of Planned Behavior (Ajzen, 1991), good financial capability reflects positive attitudes toward financial behavior, social norms that support sound money management, and strong perceived behavioral control over financial actions. Individuals who are able to manage savings, create budgets, and invest effectively are more likely to form healthy financial intentions. These intentions are realized in consistent actual behaviors, such as

disciplined saving, controlled consumption, and allocation of funds toward productive investments. Such behaviors directly contribute to higher financial satisfaction because individuals feel capable of meeting needs, reducing financial risks, and maintaining family financial stability.

The characteristics of respondents in Pasuruan Regency further strengthen this result. Descriptive analysis shows that financial capability falls within the "good" category, with average scores ranging from 3.61–3.73 on aspects such as savings and expense management. Respondents demonstrated relatively good ability in managing savings (mean = 3.73) and financial obligations, although their skills in investment management were still at a moderate level (mean = 3.41). Meanwhile, their overall financial satisfaction was relatively high (mean = 3.91). This reflects that effective management of daily finances—though not yet optimal in all aspects—is sufficient to generate a sense of financial satisfaction. Given that respondents were family financial managers with a minimum income of IDR 5 million per month, married, and active users of financial services, these findings are clearer. With relatively stable economic conditions, good financial capability enables respondents to allocate income more effectively, reduce financial anxiety, and increase confidence in meeting future needs. Ultimately, this capability plays a vital role in creating financial satisfaction and security.

These findings are consistent with prior studies. Iramani and Lutfi (2021) and Farida et al. (2021) found that good financial capability is closely related to higher levels of financial satisfaction. Similarly, Fachrudin et al. (2022) emphasized that skills in managing investments, expenses, and debt are key determinants of positive evaluations of financial conditions. Xiao et al. (2014) also stressed that financial literacy and capability are significant predictors of financial satisfaction, as they provide individuals with a greater sense of control over their financial situation.

Financial Behavior and Its Effect on Financial Satisfaction

The results also demonstrate that financial behavior has a significant positive effect on financial satisfaction. This finding highlights that individuals who adopt healthy financial behaviors—such as budgeting, saving regularly, avoiding excessive consumption, and managing debt and investments wisely—tend to experience higher financial satisfaction. In other words, financial satisfaction is not solely determined by the amount of income but rather by how effectively one manages and utilizes financial resources.

Within the framework of the Theory of Planned Behavior (Ajzen, 1991), actual financial behavior results from intentions shaped by positive attitudes toward financial management, social norms, and perceived control over financial actions. Individuals with high perceived control—for example, confidence in managing savings, debt, or expenses—are more consistent in practicing sound financial behaviors. These behaviors create stable financial conditions, which in turn increase feelings of security, comfort, and satisfaction with household finances.

The characteristics of respondents in Pasuruan support this finding. Respondents were family financial managers with a minimum monthly income of IDR 5 million, most of whom were employed or self-employed, and active users of financial services. Descriptive analysis showed that respondents demonstrated relatively good financial behavior, reflected in habits such as saving, financial planning, and paying obligations on time. This aligns with the statistical results showing a significant positive effect of financial behavior on financial satisfaction. Respondents' financial satisfaction was high (mean = 3.91), particularly in the area of satisfaction with investment value (mean = 4.39). This indicates that sound financial behavior is a critical foundation for household financial satisfaction.

These findings are consistent with previous research. Farida et al. (2021) found that good financial behavior positively correlates with financial satisfaction. Fachrudin et al. (2022) emphasized that managing expenses, debt, and investments are key factors in improving evaluations of personal financial conditions. Similarly, Xiao et al. (2014) found that healthy

financial behavior is a significant predictor of financial satisfaction, while risky behaviors (e.g., excessive consumption or undisciplined saving) negatively affect it.

Overall, these results underscore that financial satisfaction is strongly influenced by how individuals manage their money in daily life, rather than solely by income levels. Respondents who maintain financial discipline experience greater stability, control, and security, which in turn enhances their financial satisfaction.

Financial Behavior as a Mediator Between Financial Technology and Financial Satisfaction

The study found that financial behavior partially mediates the effect of FinTech on financial satisfaction. This means that the use of technology-based financial services influences financial satisfaction both directly and indirectly through changes in individual financial behavior. However, the direct effect of FinTech on financial satisfaction was stronger than the indirect effect mediated by financial behavior.

This finding can be explained through the Theory of Planned Behavior (Ajzen, 1991). FinTech strengthens perceived behavioral control, namely, individuals' belief that they can manage financial transactions easily, quickly, and securely. This convenience increases intentions to adopt healthier financial behaviors, such as routine saving, controlling expenses, and investing more consistently. When these behaviors are realized, individuals benefit from more stable financial conditions, which ultimately enhance financial satisfaction. However, statistical testing revealed that although financial behavior plays a mediating role, the direct influence of FinTech remains more dominant. This suggests that much of the satisfaction respondents experienced stems directly from FinTech's accessibility, convenience, and efficiency—such as through mobile banking, e-wallets, and digital payment apps. In other words, respondents already feel satisfied with the convenience itself, even without fully internalizing new financial behaviors.

These results are consistent with Sabri et al. (2024) and Farida et al. (2021), who found that FinTech usage contributes to better financial behavior, yet financial satisfaction can also increase directly from the benefits of technology. Xiao et al. (2014) also emphasized that financial behavior is a strong predictor of financial satisfaction, but in a digital context, technology itself can become a source of satisfaction by providing security and efficiency.

Thus, financial behavior serves as a partial mediator. FinTech directly improves financial satisfaction through service convenience, while also indirectly enhancing satisfaction by shaping healthier financial behaviors. However, the dominance of the direct effect suggests that in the context of Pasuruan respondents, financial satisfaction is more quickly felt through FinTech's practical benefits rather than long-term behavioral changes.

Financial Behavior as a Mediator Between Financial Capability and Financial Satisfaction

The study also found that financial behavior does not significantly mediate the effect of financial capability on financial satisfaction. In other words, financial capability affects financial satisfaction strongly and directly, while the indirect pathway through financial behavior was not significant. This indicates that an individual's financial capability—such as managing savings, expenses, or investments—is sufficient to improve financial satisfaction without requiring mediation through financial behavior.

Within the framework of the Theory of Planned Behavior (Ajzen, 1991), financial capability represents perceived behavioral control inherent in individuals, namely, the belief that they are able to manage and control financial aspects effectively. High capability, such as skills in budgeting, saving, and investing, directly fosters a sense of security and confidence in achieving financial goals. With such control, individuals already feel satisfied with their financial condition, regardless of whether that capability is consistently manifested in daily behavior.

In the case of financial capability, the mediating pathway was insignificant because satisfaction is more influenced by psychological aspects such as confidence and perceived control, rather than actual financial behaviors. This aligns with Iramani and Lutfi (2021) and Xiao

et al. (2014), who found that financial capability is a direct predictor of financial satisfaction, as it provides individuals with a strong sense of control—even if not always reflected in daily financial practices.

The characteristics of respondents in Pasuruan also support this conclusion. On average, respondents had good financial capability (e.g., savings management mean = 3.73, expense management mean = 3.65), while their financial satisfaction was high (mean = 3.91). Although their financial behavior was relatively good, the indirect effect of behavior was not significant. This suggests that financial satisfaction derives more from cognitive capacity and financial management skills than from consistent behavioral application.

In conclusion, financial capability directly influences financial satisfaction without significant mediation by financial behavior. This means that individuals' financial skills and knowledge are the primary drivers of financial satisfaction, while financial behavior does not serve as a significant mechanism. These findings reinforce the idea that improving financial literacy and capability can directly enhance financial well-being, even if not always reflected in consistent daily practices.

CONCLUSION

Based on the results of data analysis using SmartPLS 3.0 and the discussion in the previous chapter, this study presents several important findings. First, Financial Technology was found to have a positive and significant effect on Financial Satisfaction. This finding indicates that the greater the use of financial technologies such as mobile banking, digital wallets, and other fintech platforms, the higher the individual's financial satisfaction. This is due to the convenience, efficiency, and speed of transactions offered by these technologies.

Second, Financial Capability also showed a positive and significant effect on Financial Satisfaction. In other words, individuals with better abilities in financial management, planning, and knowledge of financial products tend to experience higher financial satisfaction. Adequate financial literacy and skills enhance individuals' confidence in managing their financial conditions effectively.

Third, the study revealed that Financial Behavior has a positive and significant influence on Financial Satisfaction. Individuals who consistently demonstrate healthy financial behaviors—such as being disciplined in saving, controlling expenses, and avoiding consumptive debt—are more likely to achieve financial satisfaction. Sound financial behavior is thus a crucial foundation for attaining stable financial well-being.

Fourth, the results show that Financial Behavior mediates the effect of Financial Technology on Financial Satisfaction. This suggests that fintech not only facilitates easier and more efficient transactions but also encourages individuals to develop better financial behaviors, which in turn enhance their financial satisfaction.

However, the findings also indicate that Financial Behavior does not mediate the effect of Financial Capability on Financial Satisfaction. Even though individuals may possess strong financial skills and knowledge, these capabilities do not always translate into daily financial behaviors that directly improve financial satisfaction. External factors such as lifestyle and consumption habits appear to play a more significant role in this relationship.

Overall, the findings of this study highlight the importance of financial technology adoption, the enhancement of financial capability, and the cultivation of sound financial behavior as key drivers in improving individual financial satisfaction.

LIMITATION

In the process of conducting this research, several limitations were identified that may have influenced the results. First, the strength of the research model (R^2) was relatively limited.

The analysis revealed that the coefficient of determination (R^2) for financial satisfaction was 0.42. This indicates that only about 42% of the variation in financial satisfaction could be explained by financial technology, financial capability, and financial behavior, while the remaining 58% was influenced by other factors outside the model. According to common criteria, this value falls into the moderate category but tends to be on the lower side. Consequently, the model's explanatory power regarding variations in financial satisfaction remains limited. This suggests the need for future research to include additional variables, such as demographic factors, macroeconomic conditions, or psychological aspects, to provide a more comprehensive explanation.

Second, the characteristics of the respondents also present a limitation. The study primarily involved individuals from middle to upper income groups (≥ Rp 5 million per month), who were either employed or engaged in entrepreneurship, and already accustomed to using technology-based financial services. This condition means that the findings largely reflect the financial satisfaction of relatively financially stable communities. On the other hand, lower-income groups or those with limited access to financial technology were underrepresented, thus restricting the generalizability of the findings to the entire population of Pasuruan Regency.

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