

How Budgeting Practices Influence Financial Stability Among University Students

Kok Ban Teoh¹, Syazwina Nadiah Binti Zulkurnein^{2*}, Yinghao Sun², Syamimi Izzureen Binti Shahrin², Syarifah Nur Adawiyah Binti Syed Rizaudin², Peehu Goyal², Daisy Mui Hung Kee²

¹National Higher Education Research Institute, Universiti Sains Malaysia, 11900 Bayan Lepas, Penang, Malaysia

²Universiti Sains Malaysia, Jalan Sg Dua, 11800 Minden, Pulau Pinang, Malaysia

²Institute of Management Studies, Ghaziabad - 201009, Uttar Pradesh, India

*Corresponding Email: snadiah@student.usm.my

ARTICLE INFORMATION

ABSTRACT

Publication information

Research article

HOW TO CITE

Teoh, K. B., Nadiah, S. Z., Sun, Y., Izureen, S. S., Adawiyah, S. N. S. R., Goyal, P., & literacy, financial attitudes, and social Kee, D. M. H. (2026). How budgeting norms on budgeting practices and financial practices influence financial stability among university students. *International Journal of Accounting & Finance in Asia Pacific*, 9(1), 60-74.

DOI:

<https://doi.org/10.32535/ijafap.v9i1.4392>

Copyright © 2026 owned by Author(s).

Published by IJAFAP



This is an open-access article.

License:

Attribution-Noncommercial-Share Alike
(CC BY-NC-SA)

Received: 15 December 2025

Accepted: 17 January 2026

Published: 20 February 2026

This study examines the determinants of financial stability among university students by positioning budgeting practices as a mediating mechanism within the cognition–behavior–outcome framework. Specifically, it investigates the effects of financial literacy, financial attitudes, and social norms on budgeting practices and financial stability. A quantitative approach was employed using an online survey distributed to 205 university students from several higher education institutions. Data were analyzed using descriptive statistics, correlation, and regression analysis. The results indicate that financial literacy ($\beta = 0.444$, $p < 0.001$) and financial attitudes ($\beta = 0.216$, $p < 0.001$) significantly influence budgeting practices, while budgeting practices strongly predict financial stability ($\beta = 0.539$, $p < 0.001$). Although financial literacy and financial attitudes do not directly affect financial stability, social norms demonstrate a significant direct effect ($\beta = 0.322$, $p < 0.05$). The model explains 34.8% of the variance in financial stability. Overall, the findings highlight budgeting practices as the key behavioral mechanism linking financial competence to improved financial stability, suggesting that universities should strengthen experiential financial education to enhance students' financial resilience.

Keywords: Budgeting; Financial Stability; Money Management; Survey; University Students

INTRODUCTION

In today's fast-paced environment, university students face increasing financial challenges that significantly affect their overall well-being. Rising tuition fees, escalating living expenses, and limited sources of income have made budgeting an essential skill for students. However, many students lack adequate budgeting competencies, which often lead to overspending, financial stress, and debt accumulation (Cappelli et al., 2024). These financial difficulties may contribute to anxiety, reduced academic performance, and a lower quality of life.

From a broader educational perspective, higher education institutions are expected to equip students with practical competencies that extend beyond theoretical knowledge to real-world problem-solving abilities, including financial decision-making and responsibility. Developing these competencies is essential to foster not only economic well-being but also social well-being (Llena-Nozal et al., 2019). Therefore, strengthening budgeting behavior among university students is not merely a personal financial matter but also an institutional and societal concern.

Despite the growing attention to financial literacy among young adults, limited empirical studies have specifically examined the direct relationship between budgeting practices and financial stability among university students. Prior research has largely focused on general financial literacy, saving behavior, or financial knowledge without clearly establishing how structured budgeting practices contribute to measurable financial stability (Katnic et al., 2024; Prakoso & Apriliani, 2024; Yoganandham, 2025). This gap is particularly evident in developing economies, where financial literacy levels remain relatively low and students are more vulnerable to financial stress (Klapper & Lusardi, 2020). Consequently, a deeper investigation into how budgeting behavior influences financial stability is necessary to provide more targeted and evidence-based recommendations.

Accordingly, this study aims to examine the relationship between budgeting practices and financial stability among university students. Specifically, the study investigates how students manage their financial resources to avoid financial stress and maintain stability. In addition, this research analyzes whether demographic and academic factors such as age, academic discipline, and year of study influence budgeting behavior and financial stability. Understanding these differences will provide a broader perspective on which groups of students may require more intensive financial guidance.

The significance of this study lies in its potential contribution to policymakers and educational institutions in designing effective financial literacy programs. By providing empirical evidence on the role of budgeting practices in enhancing financial stability, this research offers practical implications for integrating structured financial management education into university curricula. The novelty of this study stems from its direct examination of budgeting practices as a determinant of financial stability among university students, thereby addressing an underexplored area in the existing literature and contributing to the development of more focused financial education strategies.

LITERATURE REVIEW

Budgeting Practices Among University Students

Budgeting is regarded as a cornerstone practice in personal financial management because it enables individuals to plan, monitor, and control cash flow effectively (Nezhad et al., 2024). For university students, managing finances is particularly crucial, as their daily financial decisions are made during periods of limited income while facing

escalating academic and living expenses. Several studies indicate that students often lack financial discipline and may fall into behaviors such as overspending, impulse buying, and experiencing financial stress (Parfenova & Romashova, 2020; Ezisi & Chine, 2023).

Sari and Putri (2024) reported that students who regularly prepare and adhere to a budget demonstrate stronger financial discipline, a higher tendency to save, and lower levels of financial pressure. This finding suggests that budgeting should not only be viewed as a technical financial skill but also as a behavioral practice that significantly influences students' financial well-being throughout their university years. Proper budgeting enables students to allocate resources efficiently, anticipate future expenses, and avoid unnecessary debt, thereby contributing to improved financial stability.

Financial Literacy and Budgeting Practices

Financial literacy refers to knowledge and understanding of financial and economic concepts such as saving, budgeting, and investing. It is widely recognized as a key determinant of responsible financial behavior. Students with higher levels of financial literacy are generally more capable of making sound financial decisions, controlling expenses, and managing personal finances effectively (Jumady et al., 2024).

Tan et al. (2025) found a significant relationship between financial literacy and budgeting behavior, indicating that students with higher financial literacy are more likely to monitor their expenses, set financial goals, and commit to a structured spending plan. In contrast, students with limited financial literacy may lack adequate knowledge of effective money management, leading to overspending and impulsive financial behavior. These findings suggest that financial literacy serves as an important antecedent of effective budgeting practices among university students. From this discussion, financial literacy is expected to positively influence students' budgeting practices.

H1: Financial literacy is positively related to budgeting practices.

Social Norms and Financial Planning Practices

Social norms refer to the expectations and influences of family, peers, and society on individual behavior. These norms significantly shape university students' financial behavior, including budgeting practices. Students' approaches to managing money are often influenced by their social environment, particularly in terms of spending habits and financial attitudes.

According to Dahal (2024), parental financial socialization, including communication about household expenditures and savings practices, plays a critical role in shaping students' budgeting behavior. Similarly, peer influence may either encourage responsible budgeting or promote overspending, depending on prevailing social expectations. When budgeting is normalized and perceived as responsible behavior within a social group, students are more likely to adopt and maintain such practices. Therefore, social norms are expected to significantly influence budgeting practices among university students.

H2: Social norms are positively related to budgeting practices.

Financial Attitudes and Budgeting Practices

Financial attitudes reflect individuals' beliefs, values, and mindsets toward money management. Students with positive financial attitudes, such as valuing savings and exercising cost control, are more likely to engage in regular budgeting practices. Previous research indicates that individuals with prudent financial attitudes are better

able to distinguish between needs and wants, prioritize expenditures, and exercise discipline in managing their finances (Németh & Deák-Zsótér, 2022).

Positive financial attitudes encourage students to perceive budgeting not merely as an obligation but as a constructive and beneficial process. Conversely, negative attitudes toward money may result in careless spending behavior and avoidance of budgeting. Accordingly, financial attitudes represent an important psychological factor influencing university students' budgeting behavior. Thus, the following hypothesis is proposed:

H3: Financial attitudes are positively related to budgeting practices.

Social Norms and Financial Stability

Financial stability refers to the extent to which an individual can effectively manage financial resources and maintain a reasonable level of income security over time. Social norms may directly influence financial stability by shaping spending behavior and financial decision-making. Students who are surrounded by family members or peers who demonstrate responsible financial behavior are more likely to develop similar habits.

Research suggests that parental guidance and positive peer influence can reduce financial stress and improve students' financial management capabilities (Sapira et al., 2025). This implies that social norms may directly contribute to financial stability, independent of budgeting behavior. Therefore, the following hypothesis is formulated:

H4: Social norms are positively related to financial stability.

Financial Literacy and Financial Stability

Financial literacy not only influences budgeting behavior but also directly contributes to financial stability. Financially literate individuals possess better capabilities to plan for the future, avoid excessive debt, and make informed financial decisions. Morris et al. (2022) found that financially knowledgeable students report greater confidence in managing their finances. Understanding essential financial concepts such as budgeting, saving, and debt management helps students remain aware of their financial condition and make prudent decisions.

Thus, financial literacy is expected to reduce the risk of financial instability among university students. Based on the existing literature, the following hypothesis is proposed:

H5: Financial literacy is positively related to financial stability.

Financial Attitudes and Financial Stability

Financial attitudes are considered a fundamental driver of long-term financial behavior. Students with positive attitudes toward money management are more inclined to save, budget, and avoid unnecessary financial risks. Such responsible financial behaviors directly contribute to improved financial stability.

Perry et al. (2024) found that prudent financial attitudes are associated with lower financial anxiety and better preparedness for unexpected expenses. This suggests that financial attitudes play a direct role in enhancing students' financial well-being. Accordingly, the following hypothesis is proposed:

H6: Financial attitudes are positively related to financial stability.

The Mediating Role of Budgeting Practices

Budgeting practices are likely to mediate the relationship between social norms and financial stability. Social norms may directly influence students' financial behavior while simultaneously shaping their budgeting habits. Students exposed to positive social norms are more likely to adopt structured budgeting practices, which in turn enhance their financial stability.

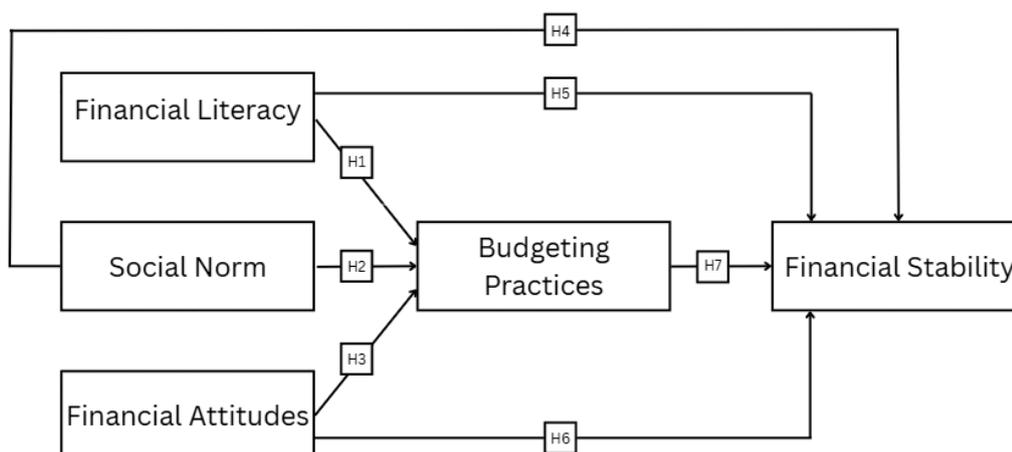
Previous research indicates that budgeting functions as a mediating mechanism that transforms financial knowledge and social influence into stable financial outcomes (Bai, 2023; Ebhota et al., 2024). This suggests that budgeting serves as an intermediary process linking social norms to financial stability. Therefore, the final hypothesis is proposed:

H7: Budgeting practices mediate the relationship between social norms and financial stability.

Conceptual Framework

The study framework model is depicted in Figure 1.

Figure 1. Research Framework



RESEARCH METHOD

Sample and Data Collection Procedure

The target respondents of this study were university students from multiple universities in Malaysia and selected international institutions. The objective was to examine the relationship between financial literacy, social norms, financial attitudes, budgeting practices, and financial stability among university students.

A total of 205 valid responses were collected and used for data analysis. Data were obtained through a structured online questionnaire distributed via Google Forms. A convenience sampling technique was employed, targeting students who were currently enrolled in university. Participation was voluntary, and respondents were informed that all information provided would remain confidential and used strictly for academic purposes.

The collected data were screened to ensure completeness and consistency before proceeding to statistical analysis.

Measurement of Variables and Instrument Validation

All constructs in this study were measured using multi-item scales adapted and developed from relevant literature. Five items were adapted from [Tan et al. \(2025\)](#), while additional items were developed to fit the context of university students. All measurement items were assessed using a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. The complete list of items is provided in the Appendix.

Financial literacy, social norms, and financial attitudes were treated as independent variables. Budgeting practices were specified as the mediating variable, and financial stability was treated as the dependent variable. Demographic variables including gender, age, ethnicity, year of study, and university were measured using single-item questions.

To ensure the reliability and validity of the measurement model, internal consistency reliability and convergent validity were assessed. Internal consistency was evaluated using Cronbach's alpha and Composite Reliability (CR). A Cronbach's alpha value of 0.70 or higher indicates acceptable reliability, while CR values above 0.70 confirm satisfactory internal consistency.

Convergent validity was assessed using Average Variance Extracted (AVE). An AVE value of 0.50 or higher indicates that the construct explains more than 50 percent of the variance of its indicators, demonstrating adequate convergent validity.

Factor loadings were also examined to ensure that each indicator significantly loaded onto its respective construct, with recommended loading values above 0.60.

By meeting the thresholds for Cronbach's alpha, CR, and AVE, the measurement model demonstrates satisfactory reliability and validity, supporting the suitability of the instrument for hypothesis testing.

RESULTS

Table 1. Summary of Respondent's Demography (N =205)

Response	Frequency	Percentage (%)
Gender		
Female	114	55.6
Male	91	44.4
Age		
19 years old	46	22.4
20 years old	71	34.6
21 years old	48	23.4
22 years old	15	7.3
23 years old	9	4.4
24 years old	11	5.4
25 years old	4	2.0
26 years old	1	0.5
Ethnicity		
Chinese	44	21.5
Indian	29	14.1
Malay	131	63.9
Sinhalese	1	0.5
Current Year Of Study		
Year 1	70	34.1
Year 2	84	41.0
Year 3	42	20.5

Year 4	9	4.4
Education Institutions		
Universiti Sains Malaysia	160	78.1
Biology	3	1.5
IMS Ghaziabad	1	0.5
Politeknik Ungku Omar	1	0.5
UITM Merbok	3	1.5
Uitm Puncak Alam	1	0.5
UITM Shah Alam	1	0.5
Universiti Malaya	3	1.5
Universiti Pendidikan Sultan Idris	2	1.0
Universiti Utara Malaysia	30	14.6

Table 1 presents the demographic profile of the 205 respondents included in this study. The sample consists of a slightly higher proportion of female respondents (N = 114, 55.6%) compared to male respondents (N = 91, 44.4%). In terms of age distribution, the majority of respondents are 20 years old (N = 71, 34.6%), followed by those aged 21 years (N = 48, 23.4%) and 19 years (N = 46, 22.4%). Regarding ethnicity, most respondents are Malay (N = 131, 63.9%), followed by Chinese (N = 44, 21.5%), Indian (N = 29, 14.1%), and Sinhalese (N = 1, 0.5%). With respect to the year of study, Year 2 students represent the largest group (N = 84, 41.0%), followed by Year 1 (N = 70, 34.1%) and Year 3 students (N = 42, 20.5%), while only a small proportion are Year 4 students (N = 9, 4.4%). In terms of institutional representation, the majority of respondents are from Universiti Sains Malaysia (N = 160, 78.1%), followed by Universiti Utara Malaysia (N = 30, 14.6%) and Universiti Malaya (N = 3, 1.5%).

Table 2. Descriptive Statistics, Alpha, Correlations and Zero-order Correlations for All Study Variables

Variables	1	2	3	4	5
1. Financial literacy	(0.726)				
2. Social norm	0.410***	(0.365)			
3. Financial attitude	0.384***	0.426***	(0.601)		
4. Budgeting practices	0.563***	0.362***	0.424***	(0.654)	
5. Financial stability	0.177	0.368***	0.270*	0.524***	(0.710)
Number of items	2	2	2	3	2
Mean	4.21	4.37	4.36	4.33	4.23
Standard deviation	0.58	0.44	0.49	0.50	0.47

Note: N=205; *p < 0.05, **p < 0.01, ***p < 0.001. The diagonal entries in bold represent Cronbach's alpha.

Source: Processed Data (2025)

Table 2 presents the descriptive statistics, reliability coefficients, and correlations among all study variables. The results indicate that the measurement instruments demonstrate acceptable internal consistency for most constructs, with Cronbach's alpha values ranging from 0.365 to 0.726. Although the Cronbach's alpha value for Social Norm (0.365) appears relatively low, this may be attributed to the limited number of items used to measure the construct. Previous methodological literature suggests that Cronbach's alpha can be underestimated when constructs are measured with a small number of indicators. Therefore, additional reliability assessment using Composite Reliability (CR) was conducted to ensure internal consistency. The CR values for all constructs exceeded the recommended threshold of 0.70, indicating satisfactory reliability.

Convergent validity was further assessed using Average Variance Extracted (AVE), and all constructs achieved AVE values above the recommended minimum level of 0.50. This

confirms that the constructs adequately capture the variance of their respective indicators. Taken together, these results support the reliability and validity of the measurement model.

Regarding the descriptive analysis, Social Norm recorded the highest mean score ($M = 4.37$, $SD = 0.44$), followed by Financial Attitude ($M = 4.36$, $SD = 0.49$), Budgeting Practices ($M = 4.33$, $SD = 0.50$), Financial Stability ($M = 4.23$, $SD = 0.47$), and Financial Literacy ($M = 4.21$, $SD = 0.58$). The relatively high mean scores indicate that respondents generally agree with the statements measuring budgeting behavior and related financial factors.

Furthermore, the correlation analysis shows that all independent variables are positively correlated with Budgeting Practices, and most relationships are statistically significant. Notably, Budgeting Practices demonstrates a strong positive correlation with Financial Stability ($r = 0.524$, $p < 0.001$), providing preliminary support for the proposed mediation model. This suggests that improved budgeting practices are associated with higher levels of financial stability among university students.

Overall, the results of the descriptive, reliability, and correlation analyses provide a sound foundation for proceeding with regression and mediation analysis.

Table 3. Summary of Regression Analysis

Variable	Model 1: Budgeting Practices (β)	Model 2: Financial Stability (β)
Financial Literacy	0.444***	-0.242
Social Norm	0.087	0.322**
Financial Attitude	0.216***	-0.039
Budgeting Practices	—	0.539***
R ²	0.373	0.348
F value	39.844	9.065
Durbin–Watson	1.855	2.134

Note: $N = 205$; * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 3 presents the results of the regression analysis for both the mediating variable and the dependent variable. In Model 1, the analysis examines the relationship between budgeting practices and three independent variables, namely financial literacy, social norms, and financial attitudes. The results indicate that these independent variables jointly explain 37.3% of the variance in budgeting practices ($R^2 = 0.373$, $F = 39.844$). Among the predictors, financial literacy ($\beta = 0.444$, $p < 0.001$) emerges as the strongest determinant of budgeting practices among the respondents. Financial attitude ($\beta = 0.216$, $p < 0.001$) also shows a significant positive relationship with budgeting practices, while social norm does not demonstrate a statistically significant effect in Model 1.

In Model 2, the regression results reveal that budgeting practices have a significant positive effect on financial stability ($\beta = 0.539$, $p < 0.001$), explaining 34.8% of the variance in financial stability ($R^2 = 0.348$, $F = 9.065$). This finding indicates that students who engage in stronger budgeting practices tend to report higher levels of financial stability.

Furthermore, the Durbin–Watson statistics for Model 1 (1.855) and Model 2 (2.134) fall within the acceptable range, suggesting that there are no autocorrelation issues in the regression models.

Overall, the findings highlight the critical role of budgeting practices as a key mechanism in enhancing financial stability among university students. The summarized structural relationships are illustrated in Figure 2.

Figure 2. Overview Result

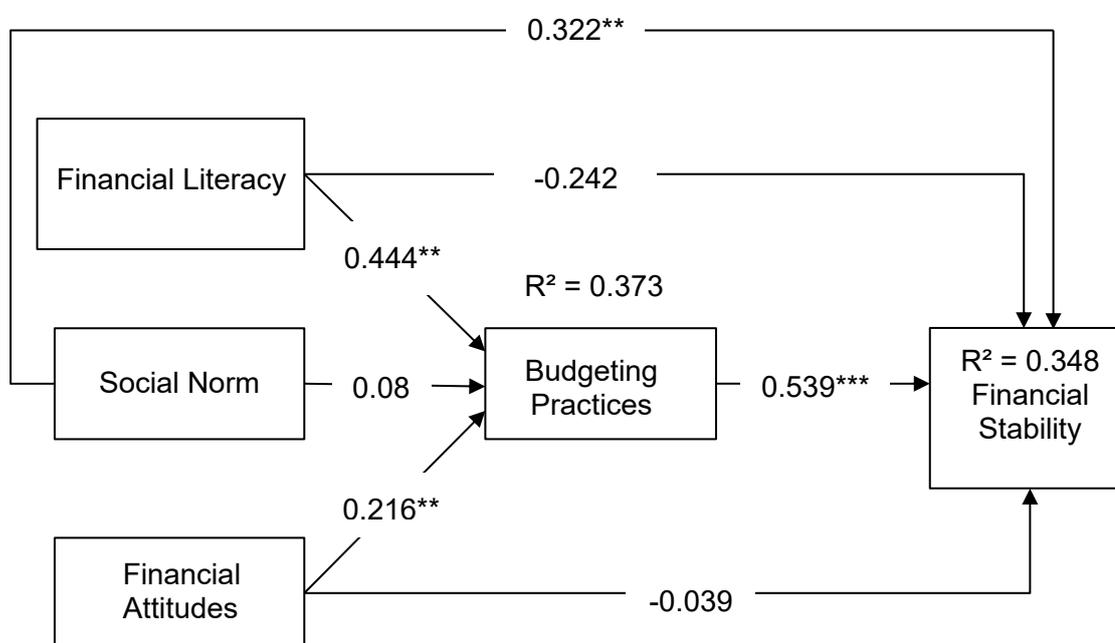


Figure 2 presents the finalized structural model, including the standardized path coefficients (β) and the variance explained (R^2) for each endogenous variable. In Model 1, the results indicate that Financial Literacy ($\beta = 0.444$, $p < 0.001$) and Financial Attitudes ($\beta = 0.216$, $p < 0.001$) are significant predictors of Budgeting Practices. Together with Social Norm, these variables collectively explain 37.3% of the variance in students' budgeting behavior ($R^2 = 0.373$).

In Model 2, Budgeting Practices emerge as a strong and significant determinant of Financial Stability ($\beta = 0.539$, $p < 0.001$). While the direct effects of Financial Literacy and Financial Attitudes on Financial Stability are not statistically significant, Social Norm demonstrates a significant positive direct effect on Financial Stability ($\beta = 0.322$, $p < 0.05$). Overall, the structural model explains 34.8% of the variance in Financial Stability ($R^2 = 0.348$).

These findings reinforce the central role of budgeting practices in enhancing financial stability among university students.

DISCUSSION

This study aims to examine the factors influencing financial stability among university students and to investigate the mediating role of budgeting practices. Specifically, the study evaluates the effects of financial literacy, social norms, and financial attitudes on budgeting practices and financial stability. By integrating cognitive, behavioral, and social perspectives, this research contributes to a more comprehensive understanding of how financial stability is formed among young adults in higher education settings (Sirait et al., 2025).

The findings reaffirm the importance of behavioral mechanisms in financial management. While financial literacy and financial attitudes are important cognitive components, this

study demonstrates that their influence on financial stability materializes primarily through budgeting practices. In addition, the study highlights the dual role of social norms, which not only influence behavior indirectly but also exert a direct effect on perceived financial stability.

The Influence of Financial Literacy on Budgeting Practices and Financial Stability

The first hypothesis test indicates that financial literacy positively influences budgeting practices. The regression results show that financial literacy is the strongest predictor of budgeting practices ($\beta = 0.444$, $p < 0.001$). This finding suggests that students who possess greater knowledge of financial concepts are more capable of implementing structured budgeting behavior. Financial literacy equips students with the technical understanding necessary to track expenses, plan cash flow, and manage limited financial resources effectively.

This result aligns with [Marinov \(2023\)](#), who reported that financially knowledgeable students are more proficient in applying practical financial management tools. However, financial literacy does not have a significant direct effect on financial stability. This indicates that knowledge alone is insufficient to ensure financial security unless it is translated into concrete financial actions. This finding is consistent with the cognition–behavior–outcome framework proposed by [Setiyani and Solichatun \(2019\)](#), which emphasizes that knowledge must be operationalized through behavior to produce measurable outcomes.

The Influence of Financial Attitudes on Budgeting Practices and Financial Stability

The second supported hypothesis demonstrates that financial attitudes positively influence budgeting practices ($\beta = 0.216$, $p < 0.001$). Students with positive attitudes toward money management tend to show stronger discipline in regulating daily expenditures and planning their finances. Positive financial attitudes foster delayed gratification, frugality, and conscious spending decisions.

This finding is consistent with [Nguyen \(2024\)](#), who emphasized that internal motivation and disciplined financial perspectives play a crucial role in sustaining budgeting behavior. Similar to financial literacy, however, financial attitudes do not directly influence financial stability. This unexpected non-significant result suggests that favorable perceptions toward budgeting must be accompanied by actual budgeting behavior to enhance financial stability. Thus, attitudes alone do not guarantee financial security without behavioral implementation.

The Influence of Social Norms on Budgeting Practices and Financial Stability

The results indicate that social norms do not significantly influence budgeting practices. This finding supports [Jamal and Rizwan \(2022\)](#), who argued that budgeting is a private activity that depends largely on personal discipline rather than social visibility. Unlike spending patterns, which are observable and subject to peer influence, the act of tracking expenses is often conducted privately and may not be strongly shaped by external expectations.

However, social norms exert a significant positive direct effect on financial stability ($\beta = 0.322$, $p < 0.01$). This finding suggests that students who are surrounded by supportive financial environments, including family guidance and responsible peer modeling, may experience greater financial confidence and reduced anxiety. This result aligns with [Pak et al. \(2024\)](#), who demonstrated that positive financial socialization directly enhances individuals' perceived financial control. Therefore, social norms function as an emotional and psychological buffer that strengthens financial stability beyond behavioral mechanisms alone.

The Mediating Role of Budgeting Practices

Budgeting practices play a critical mediating role in the relationship between cognitive factors and financial stability. The results show that budgeting practices significantly predict financial stability ($\beta = 0.539$, $p < 0.001$). This confirms that structured financial behavior is a central mechanism through which financial knowledge and attitudes translate into improved financial outcomes.

The mediation findings indicate that financial literacy and financial attitudes influence financial stability indirectly through budgeting practices (Teoh et al., 2024). This supports the behavioral transformation argument that financial stability is not merely a product of knowledge or beliefs but of consistent financial behavior. Additionally, social norms exert both direct and indirect influences, suggesting a complementary mechanism whereby emotional support and behavioral modeling jointly enhance financial stability.

Managerial and Educational Implications

From a managerial and educational perspective, the findings suggest that universities should redesign financial education programs to emphasize behavioral implementation rather than solely theoretical knowledge. Financial literacy modules should incorporate hands-on budgeting exercises, digital expense tracking simulations, and real-life financial planning assignments (Susanto & Fridayani, 2022).

For policymakers, fostering financial education initiatives that combine knowledge, behavioral practice, and social reinforcement may produce more sustainable financial outcomes among young adults. For families and society, promoting positive financial communication and modeling responsible money management behaviors can directly enhance students' financial confidence and stability.

CONCLUSION

This study examined the determinants of financial stability among university students, with a particular focus on the mediating role of budgeting practices. The findings provide empirical evidence that budgeting practices function as a central behavioral mechanism linking financial literacy, financial attitudes, and social norms to financial stability.

Financial literacy and financial attitudes significantly influence budgeting practices, indicating that students with greater financial knowledge and more positive attitudes toward money management are more likely to engage in structured budgeting behavior. However, neither financial literacy nor financial attitudes directly affect financial stability. This suggests that knowledge and attitudes alone are insufficient unless translated into consistent budgeting practices, supporting the cognition–behavior–outcome framework.

Social norms, in contrast, exert a direct positive effect on financial stability, even though they do not significantly influence budgeting practices. This implies that supportive financial environments shaped by family and peers can directly enhance students' financial confidence and reduce financial stress.

Overall, budgeting practices serve as the key behavioral bridge that converts financial knowledge and attitudes into tangible financial outcomes. The study contributes to financial behavior literature by clarifying the behavioral pathway through which financial competence improves stability. Practically, the findings highlight the need for universities to emphasize experiential financial education, incorporating hands-on budgeting and financial planning activities to strengthen students' financial resilience.

LIMITATION

This study has several limitations that should be acknowledged. First, the use of convenience sampling may limit the generalizability of the findings beyond the sampled universities, thereby restricting the external validity of the study. Second, the reliance on self-reported measures may introduce common method bias and social desirability bias, which could influence the accuracy of respondents' answers. Third, the cross-sectional research design limits the ability to establish causal relationships among the variables and does not allow for the observation of changes in financial behavior over time.

An additional limitation is related to the data collection process using Google Forms. During the data collection period, additional items measuring financial stability were incorporated into the questionnaire. As a result, not all respondents answered an identical set of questions, and only a portion of the sample provided responses to the newly added financial stability items. This inconsistency in instrument administration may affect the comparability and completeness of the data, particularly for the financial stability construct. Consequently, the findings related to variables measured using the added items should be interpreted with caution, as this limitation may influence the overall robustness and validity of certain results.

Given these limitations, several directions for future research are recommended. Future studies may adopt longitudinal research designs to examine how budgeting practices influence financial stability over extended periods. Researchers are also encouraged to ensure consistency in questionnaire design throughout the data collection process to enhance internal validity. Additionally, future research may explore other mediating or moderating variables, such as financial stress tolerance, the use of digital financial management tools, or parental income background, to gain deeper insights into the mechanisms underlying students' financial behavior. Comparative cross-country studies involving contexts with varying levels of financial literacy may further enrich understanding of structural and cultural influences.

Moreover, experimental research designs that evaluate the effectiveness of structured budgeting interventions could provide stronger causal evidence regarding the behavioral mechanisms identified in this study. Such approaches would contribute to both theoretical advancement and practical application in the field of financial education research.

ACKNOWLEDGMENT

The authors would like to gratefully acknowledge the contribution of supervisors, 205 respondents and all individuals who supported this research to their participation and engagement. Their involvement played a vital role to the success of this research.

DECLARATION OF CONFLICTING INTERESTS

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

REFERENCES

- Bai, R. (2023). Impact of financial literacy, mental budgeting and self-control on financial wellbeing: Mediating impact of investment decision making. *PLOS ONE*, 18(11), e0294466. <https://doi.org/10.1371/journal.pone.0294466>
- Cappelli, T., Banks, A. P., & Gardner, B. (2024). Understanding money-management behaviour and its potential determinants among undergraduate students: A scoping review. *PloS one*, 19(8), e0307137. <https://doi.org/10.1371/journal.pone.0307137>

- Dahal, L. (2024). *Exploring the influence of financial literacy, parental, self-control, and peer factors on saving behavior* (Doctoral dissertation, Shanker Dev Campus).
- Ebhota, O. S., Hongxing, Y., & Sampene, A. K. (2024). Investigating the influence of digital transformation, budgeting and budgetary control on the financial performance of SMEs. *Scientific African*, 26, e02429. <https://doi.org/10.1016/j.sciaf.2024.e02429>
- Ezisi, J. O., & Chine, B. C. (2023). Relationship between financial prudence, ATM card use and compulsive buying behavior among University Students. *Nnadiabube Journal of Social Sciences*, 4(1), 50-77.
- Jamal, A. H., & Rizwan, M. F. (2022). The impact of social influence on the relationship between behavioral biases and portfolio diversification. *Journal of Workplace Behavior (JoWB)*, 3(2). <https://doi.org/10.70580/jwb.03.02.0150>
- Jumady, E., Alam, S., Hasbiyadi, H., Fajriah, Y., & Anggraini, Y. (2024). The effect of financial planning on consumer debt management: the role of financial literacy, self-efficacy, and financial motivation. *Atestasi: Jurnal Ilmiah Akuntansi*, 7(1), 340-368. <https://doi.org/10.57178/atestasi.v7i1.793>
- Katnic, I., Katnic, M., Orlandic, M., Radunovic, M., & Mugosa, I. (2024). Understanding the role of financial literacy in enhancing economic stability and resilience in Montenegro: A data-driven approach. *Sustainability*, 16(24), 11065. <https://doi.org/10.3390/su162411065>
- Klapper, L., & Lusardi, A. (2020). Financial literacy and financial resilience: Evidence from around the world. *Financial Management*, 49(3), 589-614. <https://doi.org/10.1111/fima.12283>
- Llena-Nozal, A., Martin, N., & Murtin, F. (2019). The economy of well-being: Creating opportunities for people's well-being and economic growth. *OECD Statistics Working Papers*, 2019(2), 0_1-54. <https://doi.org/10.1787/498e9bc7-en>
- Marinov, K. M. (2023). Financial literacy: Determinants and impact on financial behaviour. *Economic Alternatives*, 1, 89–114. <https://doi.org/10.37075/EA.2023.1.05>
- Morris, T., Maillet, S., & Koffi, V. (2022). Financial knowledge, financial confidence and learning capacity on financial behavior: a Canadian study. *Cogent Social Sciences*, 8(1), 1996919. <https://doi.org/10.1080/23311886.2021.1996919>
- Németh, E., & Deák-Zsótér, B. (2022). The anxious unwary, prudent risk-averse, and consciously confident–financial goals, competencies and strategies of young people studying in higher education. *Services Marketing Quarterly*, 43(4), 425-444. <https://doi.org/10.1080/15332969.2021.1994177>
- Nezhad, K. K., Ahmadirad, Z., & Mohammadi, A. T. (2024). *The dynamics of modern business: integrating research findings into practical management*. Nobel Sciences.
- Nguyen, T. T. T. (2024). Toward financial optimization: assessing the influence of budget process on effective accounting management. *Management dynamics in the knowledge economy*, 12(2), 116-132.
- Pak, T. Y., Fan, L., & Chatterjee, S. (2024). Financial socialization and financial well-being in early adulthood: The mediating role of financial capability. *Family Relations*, 73(3), 1664-1685. <https://doi.org/10.1111/fare.12959>
- Parfenova, A., & Romashova, S. (2020). The role of procrastination in students' consumer behavior: Budget planning and impulse buying. *International Journal of Sociology and Social Policy*, 40(1-2), 133-144. <https://doi.org/10.1108/IJSSP-10-2019-0199>
- Perry, J. M., Ravat, H., Bridger, E. K., Carter, P., & Aldrovandi, S. (2024). Determinants of UK students' financial anxiety amidst COVID-19: Financial literacy and attitudes towards debt. *Higher Education Quarterly*, 78(3), 625-639. <https://doi.org/10.1111/hequ.12473>

- Prakoso, T., & Apriliani, R. (2024). Budgeting and saving effectiveness as the main pillar of sustainable personal financial management. *Indonesian Journal of Islamic Economics and Finance*, 4(2), 257-272. <https://doi.org/10.37680/ijief.v4i2.6187>
- Sapira, B., Juhari, J., Suhardi, S., & Makrus, M. (2025). Financial self-efficacy, lifestyle, and peer influence on credit decisions: The mediating role of financial control in Gen Z. *Economic: Journal Economic and Business*, 4(2), 292-307. <https://doi.org/10.56495/ejeb.v4i2.1082>
- Sari, R., & Putri, R. Y. (2024). The influence of the role of financial literacy and financial discipline on budgeting skills. *Growth: Journal Management and Business*, 2(02), 85-92. <https://doi.org/10.59422/growth.v2i02.650>
- Setiyani, R., & Solichatun, I. (2019). Financial well-being of college students: An empirical study on mediation effect of financial behavior. *KnE Social Sciences*, 451-474. <https://doi.org/10.18502/kss.v3i11.4026>
- Sirait, A., Nagari, A., Rokhimah, S., & Wickasono, C. A. (2025). Financial Alpha: This research and lifestyle mediated by financial methods with 90 respondents on Generation Alpha's money respondents. *International Journal of Accounting & Finance in Asia Pacific*, 8(2), 209–223. <https://doi.org/10.32535/ijafap.v8i2.3953>
- Susanto., & Fridayani. (2022). The effect of financial knowledge, technology, and behavioral control on student financial behavior. *International Journal of Accounting & Finance in Asia Pacific*, 5(3), 50–60. <https://doi.org/10.32535/ijafap.v5i3.1873>
- Tan, X., Xiao, J. J., Meng, K., & Xu, J. (2025). Financial education and budgeting behavior among college students: extending the theory of planned behavior. *International Journal of Bank Marketing*, 43(3), 506-521. <https://doi.org/10.1108/IJBM-05-2024-0285>
- Teoh, K. B., Nerkar, S. R., Darware, S. A., Nazurah, S., Zaki, N. M., Aqif, N. A. M. T., Najmi, H. A., Zhay, Z., Padam, C., & Kee, D. M. H. (2024). Analyzing savings behavior among university students: A case study of bank's financial education initiatives. *International Journal of Accounting & Finance in Asia Pacific*, 7(3), 361–375. <https://doi.org/10.32535/ijafap.v7i3.3617>
- Yoganandham, G. (2025). Mastering economic and financial sources with reference to budgeting, savings, early investing, debt management and the power of financial planning: A comprehensive analysis. *Degrés*, 10(1), 19–33.

ABOUT THE AUTHOR(S)

1st Author

Ts. Dr. Teoh Kok Ban is a Senior Lecturer at the National Higher Education Research Institute (IPPTN), Universiti Sains Malaysia. His work centers on higher education, human development, and organizational wellbeing, integrating research, counseling, and professional training to generate meaningful impact in education and society. He holds a PhD in Organizational Behavior and Development, along with Master's degrees in Statistics and Counseling, enabling him to combine quantitative expertise with human-centered approaches. A Professional Technologist (Ts.) registered with the Malaysian Board of Technologists and a Registered Counselor with the Malaysian Board of Counselors, he bridges technical and psychological perspectives in his work. As an HRD Corp Accredited Trainer, he leads capacity-building initiatives and academic collaborations, while actively contributing to research and professional service.

2nd Author

Syazwina Nadiah Binti Zulkurnein is affiliated with the School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia. She obtained her Bachelor's degree in Management from Universiti Sains Malaysia and is currently engaged in academic

research focusing on financial behavior, budgeting practices, and financial stability among young adults. She is currently a university student and serves as the corresponding author of this study.

3rd Author

Yinghao Sun is affiliated with the School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia. He holds a Bachelor's degree in Management and is currently pursuing academic research in financial literacy, behavioral finance, and financial decision-making. His research interests include budgeting behavior and financial resilience among university students.

4th Author

Syamimi Izzureen Binti Shahrin is affiliated with the School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia. She earned her Bachelor's degree in Management and is currently involved in research examining financial attitudes and personal financial planning among students. Her academic focus includes financial education and behavioral financial management.

5th Author

Syarifah Nur Adawiyah Binti Syed Rizauddin is affiliated with the School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia. She obtained her Bachelor's degree in Management and is currently conducting research in the areas of financial literacy, social norms, and financial stability among young adults. Her academic interests include personal financial management and financial well-being.

6th Author

Peehu Goyal is affiliated with the Institute of Management Studies, Ghaziabad, Uttar Pradesh, India. She holds a degree in Management and is currently involved in academic and research activities related to financial management, behavioral finance, and financial education. Her research interests focus on financial decision-making and financial resilience among students.

7th Author

Daisy Mui Hung Kee is affiliated with the School of Management, Universiti Sains Malaysia, Pulau Pinang, Malaysia. She holds a doctoral degree in Management and currently serves as a faculty member and researcher at Universiti Sains Malaysia. Her research interests include international business, strategic management, entrepreneurship, and financial behavior. She has published extensively in international journals and actively supervises research in business and management fields.