

*Research Article*

## The Influence of Income and Lifestyle on Financial Management Behavior through Financial Knowledge in BMKG Employees of Bali Province

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**Abstract:** Individual financial management is the process of planning, regulating, and controlling income and expenses so that the needs of life can be met in a balanced manner. The study aims to analyze the influence of income and lifestyle on financial management behavior through financial knowledge in BMKG employees of Bali Province. The population and sample in this study were all employees of BMKG Bali Province as many as 199 respondents who were determined using census techniques. Data collection was carried out using questionnaires, interviews and documentation. Data analysis was carried out using partial least square (PLS) analysis. The results of the analysis show that income has a positive and significant effect on financial management behavior through BMKG employees of Bali Province, that lifestyle has a negative and significant effect on financial management behavior in BMKG employees of Bali Province, financial knowledge has a positive and significant effect on financial management behavior in BMKG employees of Bali Province, income has a positive and significant effect on financial knowledge in BMKG Bali Province employees, lifestyle has a negative and significant effect on financial knowledge in BMKG Bali Province employees, income has a positive and significant effect on financial management behavior through financial knowledge in Bali Province BMKG employees and lifestyle has a negative and significant effect on financial management behavior through financial knowledge in Bali Province BMKG employees.

**Keywords:** Employee Behavior; Financial Behavior; Financial Knowledge; Income; Lifestyle.

Received: February 11, 2026;

Revised: March 22, 2026;

Accepted: April 28, 2026;

Published: May 31, 2026;

Curr. Ver.: May 30, 2026.



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### 1. Introduction

Maintaining financial stability requires more than generating sufficient earnings; it depends on the ability to exercise prudent judgment in allocating and controlling financial resources. Accordingly, financial management behavior represents an essential competency that enables individuals to balance current consumption with future financial commitments. Nevertheless, the growing culture of consumption and the increasing complexity of daily financial demands have reduced the effectiveness of personal financial decision-making. Consequently, many individuals remain financially vulnerable even when their income is relatively secure, as expenditure patterns often exceed planned financial limits (Halim, 2021). Similar circumstances were identified during preliminary observations conducted at the Bali Province Meteorology, Climatology, and Geophysics Agency (BMKG), where several

employees demonstrated a tendency to engage in discretionary spending beyond their financial plans, potentially weakening their long-term financial resilience.

The effectiveness of personal financial management is influenced by a combination of economic capacity and individual consumption behavior. Individuals with stronger financial resources generally possess greater flexibility to organize their finances, distribute expenditures according to priorities, accumulate savings, and prepare investment plans that support future financial security. Accordingly, income has been recognized as one of the essential determinants of effective financial management (Suroto, 2021). This proposition is reinforced by the empirical findings of Mashud et al. (2022), Rahmahsari and Fatmawati (2023), Rhamadhiana and Prapanca (2023), and Rahmawati et al. (2023), all of whom reported a significant positive relationship between income and financial management behavior. In contrast, financial management may deteriorate when individuals adopt consumption-oriented lifestyles characterized by impulsive purchasing, excessive spending, and a preference for non-essential consumption over long-term financial objectives (Kotler, 2021). Such behavioral tendencies reduce financial discipline and hinder the efficient allocation of financial resources. Similar conclusions have been documented by Sari and Apriyanti (2023), Rahmayanti et al. (2023), Nesia and Sartika (2024), and Asih et al. (2024), whose studies consistently identified lifestyle as a significant factor associated with weaker financial management behavior.

Inconsistency across previous empirical findings indicates that the theoretical explanation of financial management behavior remains incomplete. The absence of significant relationships reported in earlier studies implies that the influence of socioeconomic and behavioral characteristics may operate through a more complex process than previously assumed. For instance, Jati and Rahardani (2023) were unable to verify the predictive role of income, while Salsabila et al. (2024) reached a similar conclusion regarding lifestyle. Rather than interpreting these findings as contradictory evidence, the present study considers them as an indication that an intermediate construct may be required to clarify the causal process. Accordingly, financial knowledge is introduced into the proposed framework to capture the indirect pathway through which income and lifestyle contribute to financial management behavior.

Empirical evidence has increasingly suggested that the relationship between socioeconomic characteristics and financial management cannot be adequately explained without considering the role of financial knowledge. Individuals with stronger financial competence are generally more capable of evaluating financial alternatives, prioritizing expenditures, and developing effective long-term financial strategies. Such competencies arise from the ability to comprehend financial information and transform that understanding into appropriate financial decisions, which constitutes the essence of financial knowledge (Huston, 2022). Previous investigations have consistently demonstrated that financial knowledge contributes directly to improvements in financial management behavior (Ridwan et al., 2022; Hayati & Wardana, 2022; Megawati & Moin, 2023; Abigail et al., 2025). Other empirical findings further indicate that financial knowledge does not develop independently but is shaped by both economic and behavioral conditions. Higher income has been associated with enhanced financial knowledge because greater financial resources facilitate broader access to financial education and learning opportunities (Syarif & Putri, 2022; Fajriyah & Handayani, 2022; Ahmad et al., 2024; Hamidah et al., 2025). In contrast, lifestyle has also been identified as an important antecedent, with consumption-oriented behavioral patterns influencing the extent to which individuals acquire and apply financial knowledge (Syalih et al., 2022; Widyakto et al., 2022; Sutrisno & Aulia, 2025). Taken together, these empirical findings provide a theoretical rationale for positioning financial knowledge as an intervening construct that explains how income and lifestyle are translated into financial management behavior.

The issues identified in previous studies, together with the inconsistencies observed in earlier empirical findings, provide a strong rationale for undertaking the present investigation. Accordingly, this study seeks to examine the structural relationships among income, lifestyle, financial knowledge, and financial management behavior, with particular emphasis on the mediating role of financial knowledge among employees of the BMKG Regional Office in Bali Province. Unlike previous studies that primarily focused on direct relationships, the present research proposes an integrated analytical framework that incorporates financial knowledge as an intervening construct to clarify the mechanism through which income and

lifestyle influence financial management behavior. The findings are expected to extend the existing body of knowledge in personal financial management while offering practical insights for organizational policymakers in designing initiatives aimed at strengthening employees' financial literacy and promoting sound financial behavior. The remainder of this article is organized into four sections: the theoretical background and hypothesis formulation, the research methodology, the presentation and interpretation of empirical findings, and the concluding section outlining the implications and recommendations of the study.

## **2. Preliminaries or Related Work or Literature Review**

### **Theory of Planned Behavior (TPB)**

According to Ajzen's (1991) Theory of Planned Behavior (TPB), human actions are primarily driven by behavioral intentions, which emerge from a combination of psychological and social determinants. Within this framework, intention is formed through individuals' personal evaluations of a behavior, the influence of their surrounding social environment, and their perception of being capable of performing the behavior (Chishti & Barberis, 2021). As a result, financial activities, including financial management, are viewed as behavioral outcomes that reflect the interaction of these underlying determinants.

### **Income**

The capacity of individuals to maintain their economic well-being largely depends on the financial resources generated through productive engagement. These resources originate from employment, business activities, or the utilization of productive assets and may be received in either monetary or non-monetary forms (Suroto, 2021). Economic theory regards such returns as compensation derived from production factors, including labor, capital, and natural resources, accumulated over a particular period (Sumitro, 2022). As financial resources increase, individuals are generally provided with greater opportunities to satisfy essential living requirements, organize household expenditures, and strengthen long-term economic stability.

### **Lifestyle**

Individual financial behavior is often shaped by lifestyle, as it reflects the patterns through which people allocate their time, utilize financial resources, and express personal values in everyday life (Kotler, 2021). Lifestyle is manifested through consumption preferences, purchasing habits, and behavioral responses toward products and services, illustrating the way individuals make choices in various aspects of daily living (Laksono & Iskandar, 2021; Al Shabiyah, 2021). Consequently, differences in lifestyle may influence financial decision-making by determining how individuals distinguish essential needs from discretionary desires.

### **Financial Knowledge**

Effective management of personal finances begins with a solid foundation of financial knowledge. This competency involves more than simply recognizing financial terminology; it requires individuals to interpret financial information accurately and employ that understanding when selecting appropriate financial alternatives (Huston, 2022). Through stronger financial knowledge, individuals become more capable of allocating resources efficiently, balancing short-term expenditures with long-term financial objectives, and avoiding financial difficulties associated with poor planning or inappropriate credit decisions (Krishna, 2023). As a result, the continuous development of financial knowledge plays a crucial role in fostering prudent financial conduct and sustaining individual financial prosperity (Besri, 2023).

### **Financial Management**

Financial management behavior refers to the manner in which individuals make, implement, and evaluate decisions concerning the utilization of their financial resources to maintain both present and future financial stability (Halim, 2021). This behavior encompasses a series of financial activities, including expenditure allocation, saving practices, and investment decisions, all of which require careful planning and systematic management to promote long-term financial well-being (Purwidiyanti & Mudjiyanti, 2022). Individuals who demonstrate effective financial management are generally capable of distributing their income efficiently while exercising accountability in every financial decision.

## **3. Materials and Method**

An explanatory quantitative research design was employed to investigate the structural relationships proposed in this study. The analysis focused on determining whether financial

knowledge functions as an intervening construct in the association between income, lifestyle, and financial management behavior. The study involved all 199 employees of the BMKG Regional Office in Bali Province, as the entire target population was included through a census sampling strategy. Primary data were collected using a structured survey instrument developed from established measurement indicators for each construct. Prior to hypothesis testing, the instrument underwent psychometric evaluation to confirm that every measurement item demonstrated acceptable levels of validity and reliability.

To examine the proposed relationships among the research constructs, a variance-based structural equation modeling approach was adopted. This analytical technique was selected because it provides reliable parameter estimation for predictive models involving multiple latent variables measured by several indicators. The analytical process commenced with an assessment of the measurement instrument, where the suitability of each indicator was verified through construct validity and reliability testing before any structural relationships were interpreted. After confirming the adequacy of the measurement model, the structural framework was evaluated by examining the coefficients of determination ( $R^2$ ) and predictive relevance ( $Q^2$ ), which indicate the extent to which the endogenous constructs are explained by the model. Statistical inference for every structural path was obtained using a non-parametric resampling procedure (bootstrapping) with a significance level of 0.05. The final stage focused on investigating indirect relationships to determine whether financial knowledge served as the intervening mechanism linking income and lifestyle to financial management behavior.

## 4. Results and Discussion

### Results

#### *Inferential Analysis*

#### a. Evaluation of Measurement Models (*Measurement Model/Outer Model*)

##### 1) Convergent Validity

**Table 1.** Outer Loading Calculation Results.

| Indicator                                 | Outer Loading | T-Statistic | P Values |
|-------------------------------------------|---------------|-------------|----------|
| Main Income (X1.1)                        | 0.830         | 37.786      | 0.000    |
| Additional Income (X1.2)                  | 0.825         | 34.480      | 0.000    |
| Income from Household Receipts (X1.3)     | 0.907         | 84.536      | 0.000    |
| Other Income (X1.4)                       | 0.892         | 60.979      | 0.000    |
| Time-Oriented Lifestyle (X2.1)            | 0.947         | 136.163     | 0.000    |
| Network-Oriented Lifestyle (X2.2)         | 0.936         | 87.691      | 0.000    |
| Price-Oriented Lifestyle (X2.3)           | 0.943         | 111.741     | 0.000    |
| General Financial Knowledge (M1)          | 0.910         | 67.061      | 0.000    |
| Understanding of Inflation (M2)           | 0.907         | 59.004      | 0.000    |
| Risk Diversification (M3)                 | 0.902         | 61.729      | 0.000    |
| Ability to Choose Financial Products (M4) | 0.908         | 69.283      | 0.000    |
| Budgeting (Y1)                            | 0.949         | 104.686     | 0.000    |
| Savings and Emergency Fund (Y2)           | 0.945         | 144.816     | 0.000    |
| Debt Control (Y3)                         | 0.965         | 204.513     | 0.000    |
| Investment (Y4)                           | 0.946         | 135.005     | 0.000    |
| Fulfillment of Basic Needs (Y5)           | 0.943         | 132.098     | 0.000    |
| Positive Cash Flow (Y6)                   | 0.963         | 195.930     | 0.000    |
| Financial Goal Planning (Y7)              | 0.918         | 60.838      | 0.000    |
| Financial Protection (Y8)                 | 0.943         | 128.665     | 0.000    |

Assessment of the outer measurement model confirmed that all observed indicators satisfied the recommended validity requirements. Every indicator associated with the income, lifestyle, financial knowledge, and financial management constructs produced outer loading coefficients above the minimum acceptable threshold of 0.50, while the corresponding t-statistics consistently

exceeded the critical value of 1.96. These results provide robust empirical evidence that the measurement items possess adequate convergent validity and are appropriate for representing their respective latent constructs. Among the indicators evaluated, X1.3 exhibited the greatest contribution to the income construct (outer loading = 0.907), whereas X2.1, M1, and Y3 emerged as the most representative indicators of lifestyle (0.947), financial knowledge (0.910), and financial management (0.965), respectively. Collectively, these findings demonstrate that the measurement model exhibits satisfactory construct validity and is sufficiently robust to support subsequent structural model analysis.

## 2) Discursive Validity

**Table 2.** Discriminant Validity Calculation Results.

| Indicator | Lifestyle | Income | Financial Management | Financial Knowledge |
|-----------|-----------|--------|----------------------|---------------------|
| X1.1      | -0.649    | 0.830  | 0.622                | 0.517               |
| X1.2      | -0.614    | 0.825  | 0.597                | 0.504               |
| X1.3      | -0.663    | 0.907  | 0.710                | 0.676               |
| X1.4      | -0.618    | 0.892  | 0.669                | 0.676               |
| X2.1      | 0.947     | -0.702 | -0.739               | -0.676              |
| X2.2      | 0.936     | -0.645 | -0.682               | -0.654              |
| X2.3      | 0.943     | -0.723 | -0.797               | -0.747              |
| M1        | -0.728    | 0.674  | 0.734                | 0.910               |
| M2        | -0.632    | 0.604  | 0.694                | 0.907               |
| M3        | -0.656    | 0.590  | 0.707                | 0.902               |
| M4        | -0.655    | 0.641  | 0.714                | 0.908               |
| Y1        | -0.770    | 0.724  | 0.949                | 0.742               |
| Y2        | -0.707    | 0.703  | 0.945                | 0.743               |
| Y3        | -0.750    | 0.718  | 0.965                | 0.763               |
| Y4        | -0.769    | 0.707  | 0.946                | 0.728               |
| Y5        | -0.727    | 0.702  | 0.943                | 0.750               |
| Y6        | -0.750    | 0.717  | 0.963                | 0.779               |
| Y7        | -0.723    | 0.733  | 0.918                | 0.712               |
| Y8        | -0.767    | 0.704  | 0.943                | 0.735               |

The discriminant validity assessment indicates that every measurement indicator demonstrates its strongest association with the latent construct it is intended to represent. For the income, lifestyle, financial knowledge, and financial management constructs, the loading coefficients on their respective constructs exceed those on all other constructs, confirming the validity of the measurement model.

## 3) Reliability

**Table 3.** Reliability Test Results.

| Variable                  | Cronbach's Alpha | Composite Reliability | Description |
|---------------------------|------------------|-----------------------|-------------|
| Income (X1)               | 0.887            | 0.897                 | Reliable    |
| Lifestyle (X2)            | 0.936            | 0.941                 | Reliable    |
| Financial Knowledge (Y1)  | 0.928            | 0.929                 | Reliable    |
| Financial Management (Y2) | 0.983            | 0.984                 | Reliable    |

The adequacy of the measurement instrument was verified through reliability testing. Across all latent constructs, namely income, lifestyle, financial knowledge, and financial management, both Composite Reliability and Cronbach's Alpha surpassed the minimum acceptable benchmark of 0.70. These findings demonstrate a satisfactory degree of internal consistency, confirming that the measurement items consistently capture the intended constructs.

## b. Structural Model/Inner Model Evaluation

1) Evaluation of structural models through R-Square ( $R^2$ )**Table 4.** R-Square Test Results.

| Variable             | R Square | R Square Adjusted |
|----------------------|----------|-------------------|
| Financial Knowledge  | 0.594    | 0.590             |
| Financial Management | 0.741    | 0.737             |

Considerable variation was observed in the explanatory capability of the endogenous variables incorporated into the proposed structural framework. Financial management emerged as the construct with the highest level of explained variance, where the integrated influence of income, lifestyle, and financial knowledge accounted for 74.1% of its variability ( $R^2 = 0.741$ ), reflecting robust model performance. Conversely, the variance explained for financial knowledge reached 59.4% ( $R^2 = 0.594$ ), indicating that the combined effects of income and lifestyle provided only a moderate degree of explanatory precision. Collectively, these findings suggest that the model possesses stronger predictive relevance for financial management than for financial knowledge.

2) Structural Model Evaluation through Q-Square Predictive Relevance ( $Q^2$ )**Table 5.** Q-square Test Results.

| Variable             | R Square | R Square Adjusted |
|----------------------|----------|-------------------|
| Financial Knowledge  | 0.594    | 0.590             |
| Financial Management | 0.741    | 0.737             |

The structural assessment indicates that the endogenous constructs exhibit different levels of predictive strength. A moderate degree of explanatory capacity was observed for financial knowledge, with income and lifestyle jointly accounting for 59.4% of its total variance ( $R^2 = 0.594$ ). By comparison, the financial management construct demonstrated substantially greater predictive performance, as the simultaneous contribution of income, lifestyle, and financial knowledge explained 74.1% of the observed variation ( $R^2 = 0.741$ ). These results suggest that the proposed model provides stronger explanatory capability for financial management than for financial knowledge.

**Discussion*****The Influence of Income on the Financial Management of BMKG Employees in Bali Province***

The analysis revealed that employees with greater financial resources consistently exhibited more effective financial management practices than those with relatively lower earnings. Enhanced income capacity appears to provide individuals with broader flexibility to allocate funds efficiently, maintain spending discipline, build financial reserves, and formulate sustainable financial objectives for the future. Accordingly, income should be interpreted not merely as a monetary outcome but as an enabling resource that facilitates prudent financial behaviour and strengthens overall financial capability. This empirical phenomenon lends support to the conceptual perspective advanced by Suroto (2021), which emphasizes that the availability of economic resources constitutes one of the principal drivers of sound personal financial management. Similar empirical patterns have also been documented by Mashud et al. (2022), Rahmahsari and Fatmawati (2023), Rhamadhiana and Prapanca (2023), and Rahmawati et al. (2023), all of whom likewise concluded that higher income significantly enhances financial management performance.

***The Influence of Lifestyle on the Financial Management of BMKG Employees in Bali Province***

Employees of the BMKG in Bali Province who exhibited stronger consumption-oriented behavioral tendencies consistently demonstrated weaker financial management capabilities. An excessive preference for immediate gratification, fashionable consumption, and unplanned purchasing gradually undermines financial discipline by diverting economic resources toward discretionary expenditure instead of productive financial objectives. As a consequence, opportunities to accumulate savings, expand investment assets, and establish sustainable long-term financial strategies become increasingly constrained (Kotler, 2021). From the perspective of the Theory of Planned Behavior, this phenomenon can be interpreted as evidence that habitual lifestyle preferences influence perceived behavioral control, thereby diminishing individuals' capacity to regulate financial behavior in a rational

and disciplined manner. The present findings also reinforce the conclusions reported by Sari and Apriyanti (2023), Rahmayanti et al. (2023), Nesia and Sartika (2024), and Asih et al. (2024), all of whom similarly identified lifestyle as a statistically significant antecedent contributing to poorer financial management outcomes.

#### ***The Influence of Financial Knowledge on the Financial Management of BMKG Employees in Bali Province***

Employees possessing a more comprehensive level of financial knowledge demonstrated greater effectiveness in managing their personal finances than those with limited financial literacy. The empirical findings suggest that a thorough understanding of financial principles equips individuals with the capability to allocate income judiciously, regulate expenditure, accumulate savings, and formulate sustainable long-term financial strategies. Beyond expanding conceptual understanding, financial knowledge strengthens analytical competence, enabling individuals to evaluate financial alternatives critically and exercise greater accountability in economic decision-making, which ultimately enhances the overall standard of financial management (Huston, 2022). These observations provide empirical affirmation of the Theory of Planned Behavior, which posits that knowledge reinforces both attitudes and perceived behavioral control, thereby encouraging more disciplined and purposeful financial behavior. Consistent evidence has likewise been reported by Ridwan et al. (2022), Hayati and Wardana (2022), Megawati and Moin (2023), and Abigail et al. (2025), whose investigations similarly identified financial knowledge as a statistically significant determinant of effective financial management.

#### ***The Effect of Income on the Financial Knowledge of BMKG Employees in Bali Province***

Variations in employees' financial knowledge were found to correspond closely with differences in their income levels, indicating that stronger financial literacy was generally associated with greater economic resources among BMKG personnel in Bali Province. Access to a higher level of income enables individuals to participate more actively in financial learning, accumulate practical experience, and utilize diverse informational resources, all of which contribute to the development of competencies related to financial planning, budget administration, wealth preservation, and investment decision-making (Sukirno, 2022). Accordingly, income extends beyond its conventional role as a monetary asset by serving as an enabling condition that facilitates the enhancement of financial capability through continuous knowledge acquisition. Such empirical evidence substantiates the assumptions of the Theory of Planned Behavior, which proposes that adequate resources reinforce perceived behavioral control and encourage individuals to cultivate more informed financial judgments. A comparable pattern has been consistently documented by Syarif and Putri (2022), Fajriyah and Handayani (2022), Ahmad et al. (2024), and Hamidah et al. (2025), whose empirical investigations likewise recognized income as a salient determinant of financial knowledge.

#### ***The Influence of Lifestyle on the Financial Knowledge of BMKG Employees in Bali Province***

Employees exhibiting pronounced consumption-oriented lifestyles were observed to possess comparatively lower levels of financial knowledge than those adopting more restrained spending behaviors. This finding implies that habitual indulgence in discretionary consumption may impede the development of financial literacy by reducing individuals' interest in acquiring financial insights and practical money-management skills. Instead of fostering informed financial reasoning, persistent attention to personal desires and market trends encourages impulsive expenditure while discouraging continuous learning in financial matters (Al Shabiyah, 2021). Such empirical evidence reinforces the central premise of the Theory of Planned Behavior, whereby enduring behavioral dispositions shape cognitive beliefs and ultimately influence knowledge-related decisions. The present findings further corroborate previous investigations conducted by Syaliha et al. (2022), Widyakto et al. (2022), and Sutrisno and Aulia (2025), which similarly identified lifestyle as a statistically significant antecedent associated with lower financial knowledge.

#### ***The Effect of Income on Financial Knowledge Through Financial Knowledge of BMKG Employees in Bali Province***

An indirect pathway connecting income to financial management was substantiated through the mediating influence of financial knowledge among employees of the BMKG in Bali Province. Merely possessing greater financial resources was insufficient to ensure sound financial management, as the positive implications of higher earnings became apparent only when accompanied by an adequate level of financial literacy. Individuals with well-developed

financial knowledge demonstrated greater proficiency in orchestrating financial plans, exercising expenditure restraint, accumulating savings, and allocating capital to investment opportunities, thereby maximizing the productive use of their income (Yustiawati, 2021). This empirical pattern is congruent with the Theory of Planned Behavior, which postulates that cognitive competence strengthens perceived behavioral control, enabling financial resources to be converted into disciplined financial conduct. Analogous evidence has been reported by Afifi and Setyorini (2023), Dewi and Darma (2023), and Nurani et al. (2023), whose investigations likewise identified financial knowledge as the explanatory conduit through which income ultimately shapes financial management outcomes.

### ***The Influence of Lifestyle on Financial Knowledge Through Financial Knowledge of BMKG Employees in Bali Province***

A substantial indirect association was identified between lifestyle and financial management through the intervening role of financial knowledge among employees of the BMKG in Bali Province. The empirical evidence suggests that deficiencies in financial literacy amplify the adverse consequences of consumption-driven behavioral patterns, ultimately leading to less effective financial management. Conversely, individuals equipped with extensive financial knowledge are more capable of exercising fiscal discipline by allocating resources strategically, supervising expenditure, and evaluating monetary alternatives with greater discernment, thereby attenuating the unfavorable repercussions of excessive consumption (Sunarto, 2022). This phenomenon lends empirical support to the Theory of Planned Behavior, which posits that knowledge enhances perceived behavioral control, enabling individuals to preserve prudent financial conduct despite pressures arising from their preferred lifestyle. Consistent evidence has likewise been documented by Arpiyani et al. (2023), Pujiyanti and Umaimah (2024), and Rokhmawati et al. (2024), whose investigations similarly recognized financial knowledge as the underlying explanatory pathway linking lifestyle to financial management.

## **5. Conclusion**

Evidence derived from the investigation involving employees of the Meteorology, Climatology, and Geophysics Agency (BMKG) in Bali Province demonstrates that financial management is shaped by several interrelated determinants. The statistical findings reveal that higher income levels substantially reinforce both financial literacy and the effectiveness of financial management practices. By contrast, a consumption-oriented lifestyle exerts a statistically significant adverse influence, undermining individuals' financial competence as well as their ability to administer personal finances prudently. Moreover, financial knowledge emerges as a pivotal antecedent of sound financial management, suggesting that greater financial proficiency facilitates more rational and efficient financial decision-making.

The findings demonstrate that financial knowledge functions as an intermediary variable linking income and lifestyle to financial management practices. Higher earnings contribute to more effective financial management only when individuals possess sufficient financial literacy. Conversely, adopting a consumption-oriented lifestyle tends to weaken financial management performance by diminishing the level of financial knowledge applied in financial decision-making.

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