
Understanding Financial Well-Being Through Social and Psychological Lenses: Evidence from Muslim Working Adults in Malaysia

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Abstract

Financial well-being has gained increasing scholarly attention due to its relevance in economic resilience. Its significance lies in the stability of individuals' finances to navigate uncertainties in living expenses. Malaysia, with Islam as its most widely practiced religion, boasts approximately 22 million Muslims as of 2023, constituting a crucial demographic contributing to the country's economic growth. However, studies indicate that low financial well-being among Muslim working adults contributes to high bankruptcy rates in Malaysia. Thus, the objective of this study is to investigate the determinants of financial well-being among Muslim working adults in Malaysia. This study employed a quantitative method, collecting data through a survey utilizing purposive sampling. A total of 153 Muslim working adults in Malaysia were surveyed, and data were analysed using Structural Equation Modelling through SmartPLS software. The findings confirmed the pivotal roles of social trust and financial self-efficacy in shaping financial well-being, while social networks exhibited an insignificant relationship. This finding suggests that while social networks may provide emotional or informational support, they might not directly impact financial outcomes without accompanying factors such as financial literacy, or trust in the source of information. This study makes a significant contribution to the existing literature by enhancing our understanding of the relationship between social trust, social networks, financial self-efficacy, and financial well-being within a unified framework. By exploring the importance of financial well-being and investigating its determinants, the research adds depth to the existing literature in the context of Malaysian Muslim working adults. From a practical standpoint, this study highlights the necessity of nurturing individuals' confidence in managing finances, prompting educators and practitioners to focus on enhancing financial self-efficacy among Muslim working adults to improve their financial well-being.

Keywords : *Financial self-efficacy; Financial well-being; Malaysia; Muslim working adults; Social trust*

I. INTRODUCTION

Financial well-being is an emerging focus within the research field, drawing increasing interest in recent years. This term is employed to characterize an individual's financial condition, encompassing their

ability to manage financial shocks and exercise discretion in spending [1]. Additionally, it denotes the capacity to meet current lifestyle demands, while concurrently planning for future needs and responsibilities [2]. Furthermore, financial well-being extends to an entity's or individual's

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comprehensive financial health, embracing aspects such as stability, security, and satisfaction with their financial circumstances [3].

While these general concepts apply broadly, the financial well-being of Muslim working adults is shaped by distinct religious and cultural values. For instance, a lot of Muslims follow the principles of Islamic banking, which forbid charging or paying interest (*riba*) and being overly doubtful (*gharar*) [4]. Alternatively, individuals could choose to use Sharia-compliant Islamic banking products including Islamic investment funds, Islamic mortgages, and Islamic savings accounts. Moreover, earning a lawful (*halal*) income is central to their financial practices, as income must be derived through Islamically permissible means to align with religious expectations.

Despite the availability of Shariah-compliant financial instruments, Muslim working adults face considerable financial challenges, as reflected in rising bankruptcy rates. Muslim working adults are individuals who identify as Muslim and are actively employed in the workforce. Like all working adults, they encounter various challenges and opportunities related to their employment, career advancement, financial well-being, and work-life balance.

Recent data reveals that 31,387 bankruptcy cases were recorded between 2020 and December 2024, out of a total of 133,884 cases being administered up to that point [5]. Notably, nearly 66% of bankruptcies during that five-year period involved individuals aged 25 to 44 years, with the 35–44 age group alone accounting for the highest share at 39.20%, followed by the 45–54 group (27.59%) and the 25–34 group (16.35%). These figures reflect the significant burden of financial stress among working-age adults.

The causes of bankruptcy further underscore the challenges faced by these working adults. The top contributing factor was personal loans, making up 49.11% of cases, followed by business loans (18.69%), vehicle hire-purchase loans (9.25%), and housing loans (7.76%). These debt categories are closely tied to household obligations and lifestyle needs, which can strain finances, especially for those with dependents and limited savings.

These trends paint a concerning picture of poor financial resilience, even among those with access to Shariah-compliant financial systems. Therefore, this study aims to investigate the underlying factors influencing the financial well-being of Muslim working adults in Malaysia. The following sections present the theoretical and empirical review of financial well-being, followed by the methodology employed in this study. Subsequently, the article discusses and interprets the research findings, and finally, a conclusion will be drawn to shed light on the issues surrounding

financial well-being

II. LITERATURE REVIEW

In this chapter the researcher discusses the highlights of the study relating to the factors contributing to financial well-being of Muslim working adults such as problem-solving skills, creative and critical thinking skills, and analytical skills to students[1].

A. Theory of Social Capital

Based on social capital theory [6], this study posits that social trust, and networks underpin financial well-being in working adults. Social ties help human capital expand over time, according to the theory [7]. This definition of "social capital" refers to social relationships. It helps organisations share resources and bring forth fresh ideas [8]. This study also examines financial self-efficacy and financial well-being. The relationship between working people's psychological beliefs, such as financial self-efficacy, social capital (social trust and social networks), and financial well-being in Malaysia and its mechanisms has been understudied.

According to social capital theory, social networks, relationships, and norms can foster cooperation, trust, and mutual assistance in communities. These networks can affect many things, including financial security. A community-based savings group or family loan can increase financial well-being [9]. Social networks simplify professional and financial information sharing. Social media users can share investing, financial planning, and problem-solving tips. Information sharing through social capital can promote financial literacy and help people make better financial decisions, improving their financial well-being.

Community social capital is built on trust and cooperation. Trust makes people more likely to collaborate on economic projects, do financial commerce, and help one other when they need money [10]. Reliable relationships can lower transaction costs, remove barriers to financial transactions, and increase investment in enterprises and projects that benefit society, promoting financial well-being.

B. Financial Well-being

Financial well-being is defined as a state in which individuals have control over daily and monthly expenses, can withstand financial shocks, are progressing towards their financial goals, and possess the financial freedom to make choices that enhance their quality of life [11]. Previous studies on financial well-being can be categorized into three approaches: objective measurement (e.g., income and wealth), subjective measurement (e.g., personality, attitudes, and knowledge), and a combination of objective and subjective measurements [2]. However, given the personal

nature of financial experience, this study emphasizes subjective assessment, aligning with [2].

Government policies, cultural norms, economic situations, and religious opinions affect Malaysian Muslims' financial well-being [12]. Malaysia leads Islamic finance with Shariah-compliant financial services and products. Malaysian Muslims favour Shariah-compliant banking, which bans interest (riba) and promotes profit-sharing and asset-backed transactions. Islamic banking products including savings accounts, loans, and Takaful promote financial stability and religious observance. It also involves saving and budgeting. Budgeting and saving are crucial for financial stability. Malaysian Muslims can save (sadaqah) and spend properly. Leaving a percentage of income for zakat and sadaqah fulfils religious responsibilities and fosters financial discipline and social responsibility.

Financial well-being encompasses several facets of an individual's financial and psychological well-being. A systematic literature study by [13] examined financial well-being factors and measures. The authors stressed the necessity of evaluating financial well-being using financial literacy, behaviour, socialisation, and inclusion [13]. Financial well-being and other factors impacting behaviour are understudied, according to [14]. Social trust, social networks, and financial self-efficacy affect financial well-being. Hence this study seeks to fill this gap.

C. Social Trust

Social trust can be defined as having faith in strangers or society, exemplifying a reliance on the goodwill of humankind [15]. Various studies conducted in different areas have demonstrated that social trust can mitigate social crimes [16], stimulate angel investment [17], encourage the use of open B2B e-commerce [18], and enhance subjective financial well-being in China [15]. It has also been linked to improved psychological resilience, perceived social support during adversity [19], and greater engagement in long-term financial planning, including retirement savings and financial literacy, especially when trust in financial institutions is present [20, 21, 22, 23]. These further highlights how social trust is strongly correlated with subjective well-being through various channels [24].

In the context of Malaysia, where Islam significantly shapes societal values and financial behavior, social trust is particularly impactful for the Muslim community [25]. The operation of Islamic financial institutions depends on trust. Muslims in Malaysia depend on banking and financial services that adhere to Shariah, and the stability and expansion of Islamic finance depend heavily on their trust in these organizations. Within the Muslim community, high levels of social trust might encourage increased participation by fostering faith

in Islamic banks, Takaful corporations, and other Shariah-compliant financial enterprises [12].

Furthermore, initiatives for community development and empowerment that improve Muslims' economic well-being are supported by social trust [26]. Financial well-being is influenced by one's level of faith in governmental institutions, regulatory agencies, and legal frameworks. In Malaysia, Muslims rely on laws and rules from the government to protect their financial rights and interests. Participation in formal financial markets and institutions is encouraged and confidence in the financial system is bolstered by trust in the efficacy and fairness of legal and regulatory frameworks. Therefore, the following hypothesis is proposed:

H1: There is a significant relationship between social trust and the financial well-being of Muslim working adults in Malaysia.

D. Social Network

Social networks encompass social ties or relationships with friends, co-workers, and the community, all viewed as forms of social capital by economists [27]. [28] explores the concept of social capital and its role in creating human capital, discussing how social networks and relationships provide individuals with resources, opportunities, and support contributing to overall well-being, including financial well-being. Social networks also grant access to valuable information and resources related to personal finance, empowering individuals to make informed financial decisions and improve their financial well-being [29]. Interactions with friends, family, and online communities enable individuals to learn about financial strategies, investment opportunities, and money-saving tips. Thomas and Gupta (2021) emphasize how employees' financial well-being may be influenced by their social networks. A lack of supportive social networks critically impacts health management and one's mental and physical well-being [30].

In the context of Malaysia, social networks are vital to the financial security of Muslims. Within the Muslim community, social media platforms and interpersonal relationships often act as support systems [31]. These networks provide not only emotional encouragement but also practical assistance, such as job referrals, business collaborations, or temporary financial aid to those facing hardship. Additionally, they facilitate the sharing of financial knowledge which enable individuals to exchange insights on entrepreneurship, budgeting, saving, and investment strategies within trusted circles.

Furthermore, social networks frequently serve as the catalyst for neighbourhood-based financial projects that support financial empowerment and inclusion. Within their social networks, Muslims in Malaysia might form

cooperative ventures, investment clubs, or savings organizations to share risks, pool money, and promote community-beneficial economic development projects [32]. Strong social ties within the Muslim community can promote prosperity, empowerment, and resilience, which in turn can improve the financial stability and standard of living for individuals and their families. Given the significant role played by social networks in well-being, this study hypothesizes the following:

H2: There is a significant relationship between social networks and the financial well-being of Muslim working adults in Malaysia.

E. Financial Self-efficacy

Financial self-efficacy is the level of assurance a person has in their ability to acquire and use financial goods and services, make complex financial decisions, and manage challenging financial situations [33]. [34] investigated the influence of money attitude, financial practices, self-efficacy, and emotional coping on employees' financial well-being, finding that financial self-efficacy positively impacts financial well-being. [35] also contributed to the literature by demonstrating that financial self-efficacy is positively associated with financial satisfaction and financial independence, while negatively associated with financial distress. These findings highlight the importance of individuals' confidence in their financial abilities in achieving positive financial outcomes and overall financial well-being [35]. Moreover, [36] conducted a study on women's personal finance behaviour and found that higher levels of financial self-efficacy are associated with more positive financial behaviours, such as budgeting, saving, and investing. These studies collectively demonstrate the importance of financial self-efficacy in determining financial well-being.

According to [37], financial self-efficacy is the belief in one's own competence to manage one's finances. It includes assurance in one's capacity to make sound financial decisions, establish and meet financial objectives, and deal with financial difficulties. Conversely, a person's total financial health and contentment with their financial circumstances are referred to as their financial well-being. Both cultural and religious variables affect Muslims' financial well-being and financial self-efficacy.

Trusting in Allah's guidance and believing in His provision can have a big impact on one's financial self-efficacy. When Muslims believe that their efforts to earn, save, and invest are in line with Islamic teachings and have faith in Allah's decree, they may feel more empowered to manage their finances [38]. In many Muslim communities, cooperation and mutual assistance are highly valued. This can take many different forms, like interest-free

loans (qard al-hasan), and giving to the poor. These kinds of support systems can improve overall financial well-being and strengthen financial resilience. This study, therefore, proposes the following hypothesis:

H3: There is a significant relationship between financial self-efficacy and the financial well-being of Muslim working adults in Malaysia

F. The Framework of Financial Well-being

The literature review forms the basis for developing a conceptual framework in this study, aligned with the theory of Social Capital. A framework was developed specifically to study the relationship between financial well-being and social trust, social networks, and self-efficacy. Figure 1 illustrates the framework of the hypothesized relationships investigated in this study.

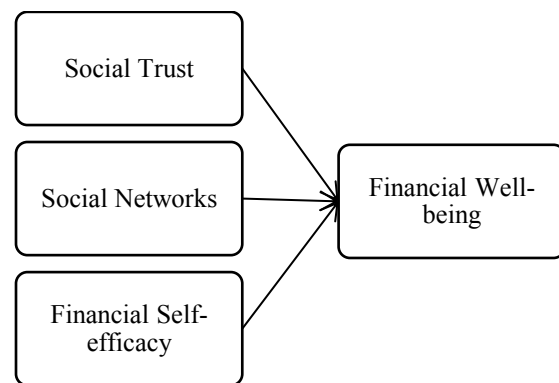


Figure 1 The Financial Well-being Framework

III. RESEARCH METHODOLOGY

A. Quantitative Analysis

A quantitative research approach was used to collect demographic data and validate qualitative findings on Malaysian Muslim working adults. Statista (2023) reported 15.39 million Malaysian employment. This population was chosen because of their importance in the Malaysian workforce. Participants were Muslim and employed. The research was cross-sectional, and questionnaire based. Using purposive sampling, Malaysian working individuals received the online self-administered questionnaire. The online survey link and study objectives were provided face-to-face and over WhatsApp. Participants had to be Malaysian, employed, and willing. Demographic characteristics (gender, age, employment, and years of working) and assessments of social trust, social networks, financial self-efficacy, and financial well-being were collected in the questionnaire. Based on 3 latent variables, a significance level of 0.05, a power level of 0.95, and an effect size of 0.15, GPower determined the minimal sample size as 119

respondents [39]. The study obtained 153 samples.

Screening was done following this to include people who met the criteria. Further, validity and reliability tests ensured data robustness, followed by descriptive analysis to summarise data. To assess model fitness and path coefficient significance between variables, PLS-SEM was used. The Malaysian Muslim working adult financial well-being framework was examined by these approaches.

1) Measures

Social trust: The five-item social trust scale was adapted from [40] and [41] to assess respondents' trust towards others.

Social networks: To measure participants' social connections, the five-item scale from [40] and [42] was adapted.

Financial self-efficacy: The five-item scale to measure participants' assurance in their financial capacity was adopted from [43] and [44]

Financial well-being: To measure respondents' financial stability and security, the five-item scale by [45] was adapted.

All responses were scored on a five-point Likert scale ranging from 1=strongly disagree to 5=strongly agree

2) Data Analysis

This study used SmartPLS 4.0 for variance-based PLS-SEM. As [46] advised, the measurement model was analysed first, followed by the structural model. A Cronbach's alpha cut-off of more than 0.7 assessed the measurement model's internal consistency. Composite reliability (CR) was used to assess construct dependability, with a +0.7 threshold. Convergent validity requires CR of 0.7 or greater, AVE of 0.5, and AVE smaller than CR [47]. As per the Fornell–Larcker criterion, the square root of the AVE for each construct should be larger than its association with other constructs to determine discriminant validity. To evaluate discriminant validity, the Heterotrait-Monotrait ratio of correlations (HTMT) matrix was utilised, with all values over 0.85 [48]. With 5,000 bootstraps, the structural model and hypotheses were tested.

IV. RESULT AND DISCUSSION

A. Respondents' Profile

The current research conducted a comprehensive assessment of various demographics and attributes within the surveyed population. The sample comprised 65 males and 88 females, with 36.6% of total respondents falling in the age group of 25-34

years. Moreover, 93% of the total respondents were government servants, 42% had been working for 11-15 years, and 51% came from the Southern region. These detailed demographic insights, presented in Table 1, highlight the extensive scope and diversity within the surveyed population, enriching the understanding of the research.

Table 1 Demographic Profile of Respondents

Characteristics		Frequency (n)	Percentage (%)
Employment	Entrepreneurs	40	26.1
	Government servant	93	60.8
	Private sector	20	13.1
Age	18-24 years old	21	13.7
	25-34 years old	56	36.6
	35-44 years old	55	35.9
	45-54 years old	15	9.8
	55-60 years old	5	3.3
	61 years old and above	1	0.7
Gender	Male	65	42.5
	Female	88	57.5
Number of workers	1-2	23	15
	3-4	23	15
	More than 4 workers	107	69.9
Duration of working/ operation year	Less than a year	15	9.8
	1-5 years	37	24.2
	6-10 years	13	8.5
	11-15 years	42	27.5
	16-20 years	8	5.2
	More than 20 years	38	24.8

Sector	Wholesale and retail trade	5	3.3
	Food and beverages	38	24.8
	Accommodation	8	5.2
	Information and communication	6	3.9
	Transportation and storage	3	2.0
	Health	7	4.6
	Education and art	10	6.5
	Entertainment and recreation	3	2.0
	Professional	14	9.2
	Real estate	1	0.7
	Others	58	37.9
Location	Northern region	47	30.7
	East coast region	4	2.6
	Central region	50	32.7
	Southern region	51	33.3
	East Malaysia	1	0.7

B. Descriptive Analysis

Using the statistical software IBM for SPSS 26, the mean and standard deviation for the items in the questionnaire were calculated and presented in

Table 2. Mean and standard deviation are statistical measures describing the distribution or characteristics of a dataset. The mean represents the average value, while standard deviation measures the amount of variation or dispersion.

Table 2 Results of Descriptive Analysis

Constructs	Items	Mean	Standard Deviation
Social Trust	I know my co-workers will try and help me out if I get into difficulties.	3.88	0.873
	I can always trust my co-workers to lend me a hand if I need it.	3.97	0.760
	I can always rely on my co-workers to make my job easier.	3.69	0.927
	I believe most people in the society are honest.	3.51	0.889
	I believe most people will respond kindly when they are trusted by others	3.92	0.716
Social Networks	In general, I have a very good relationship with my co-workers	4.15	0.741
	In general, I am very close to my co-workers	3.98	0.815
	I am able to hold a discussion with my co-workers	3.99	0.835
	I am able to seek advice from others on mundane problems.	4.10	0.709
	I am able to seek advice from others on job related issues	4.10	0.686
Financial Self-efficacy	I am fully capable of making personal financial decision	3.67	0.811
	I am confident in my ability to make personal financial decision	3.73	0.778
	I am able to utilize the available financial information	3.75	0.799
	My past experiences increase my confidence in making sound financial decisions	3.87	0.758

	I stick to my spending plan even when unexpected expense arises	3.82	0.753
Financial Well-being	I could handle a major unexpected expense.	3.54	0.725
	I am securing my financial future	3.75	0.737
	I have control of my financial situation	3.71	0.760
	I have money left at the end of every month	3.68	0.694
	I am financially stable and secure	3.75	0.730

Social trust elements provided fascinating insights. *"I can always trust my co-workers to lend me a hand if I need it"* had the highest mean score of 3.97, showing that respondents trust and expect support from coworkers. *"I believe most people in society are honest"* had the lowest mean score of 3.51, indicating that respondents in this dataset had less faith in society. In the social networks construct, *"In general, I have a very good relationship with my co-workers"* had a mean score of 4.15, showing significant positive workplace relationship perceptions. However, *"I am very close to my co-workers"* had a slightly lower mean score of 3.98, indicating a less intense sense of connection.

In financial self-efficacy, *"I stick to my spending plan even when unexpected expenses*

arise" received a mean score of 3.87, showing high financial plan adherence. However, *"I am fully capable of making personal financial decisions"* had a slightly lower mean score of 3.67, indicating less consensus among respondents about absolute financial decision-making abilities. Financial well-being perceptions varied across respondents. The mean scores for *"I have control of my financial situation"* and *"I am financially stable and secure"* were 3.75, showing a good perspective. However, *"I could handle a major unexpected expense"* had a lower mean score of 3.54, indicating that respondents were less confident in their capacity to handle such charges.

C. Measurement Model Assessment

Table 3 Results of Measurement Model

Latent Variable	Indicators	Loadings	Composite Reliability	AVE	Cronbach's Alpha
Social Trust	ST1	0.751	0.895	0.662	0.873
	ST2	0.904			
	ST3	0.800			
	ST4	0.778			
	ST5	0.828			
Social Networks	SN1	0.861	0.931	0.774	0.927
	SN2	0.891			
	SN3	0.868			
	SN4	0.885			
	SN5	0.893			
Financial Self-efficacy	SE1	0.907	0.939	0.790	0.932
	SE2	0.928			
	SE3	0.923			
	SE4	0.906			
	SE5	0.770			
Financial Well-being	WB1	0.824	0.925	0.760	0.921
	WB2	0.877			
	WB3	0.918			
	WB4	0.835			
	WB5	0.902			

The strength of the indicator-latent variable link is represented by loadings. Greater loadings suggest a stronger link. Composite reliability measures internal consistency dependability, while Average

Variance Extracted (AVE) measures convergent validity by measuring the latent variable's variance from its indicators. Another internal consistency reliability measure is Cronbach's Alpha. Social trust

has substantial loadings from 0.751 to 0.904, demonstrating a connection between the latent variable and its indicators. AVE of 0.662 and Cronbach's Alpha of 0.873 indicate strong indicator reliability, while composite reliability of 0.895 indicates that the indicators correctly assess the latent construct.

Social networks have loadings from 0.861 to 0.893, demonstrating a strong association between the variable and its indicators. AVE of 0.774 and Cronbach's Alpha of 0.927 confirm these indicators' reliability, while composite reliability of 0.931 indicates great internal consistency. Financial self-efficacy indicators had substantial loadings from 0.770 to 0.928, indicating a strong connection with the hidden variable. Composite Reliability of 0.939 indicates great internal consistency reliability. Good reliability is shown by the AVE of 0.790 and

Cronbach's Alpha of 0.932. Financial well-being indicators had substantial loadings from 0.824 to 0.918, indicating a strong link with the latent variable. The high Composite Reliability score of 0.925 suggests strong internal consistency reliability, while AVE of 0.760 and Cronbach's Alpha of 0.921 imply solid indication reliability. These results show that the selected indicators are substantially correlated with their latent variables, which are credible assessments of their underlying components.

1) Discriminant Validity

The Fornell-Larcker Criterion and Heterotrait-Monotrait Ratio of Correlations were used to measure discriminant validity. The results are portrayed in Table 4 and Table 5, respectively.

Table 4 Fornell-Larcker Criterion

	Financial self- efficacy	Financial well-being	Social networks	Social trust
Financial self- efficacy	0.889			
Financial well-being	0.497	0.872		
Social networks	0.569	0.465	0.880	
Social trust	0.294	0.384	0.489	0.814

The diagonal elements represent the square root of the AVE for each latent variable, while the off-diagonal elements represent the correlations between latent variables. The square root of the AVE for each latent variable is shown to be greater

than the correlation between that latent variable and other latent variables. Therefore, the Fornell-Larcker Criterion is satisfied, indicating adequate discriminant validity between most of the constructs.

Table 5 Heterotrait-Monotrait Ratio of Correlations

	Financial self- efficacy	Financial well-being	Social networks	Social trust
Financial self- efficacy				
Financial well-being	0.533			
Social network	0.609	0.500		
Social trust	0.314	0.410	0.538	

The Heterotrait-Monotrait Ratio (HTMT) is another method used in Structural Equation Modelling (SEM) to evaluate discriminant validity. All the calculated HTMT ratios are below the commonly used threshold of 0.85. This suggests that the correlations between different constructs are significantly smaller than the correlations within constructs, indicating adequate discriminant validity between the latent variables in the model. Hence, based on the HTMT analysis, the results support the idea that each construct (financial self-efficacy,

financial well-being, social networks, and social trust) is distinct from the others, reinforcing the discriminant validity of the measurement model.

2) Collinearity Statistics

Collinearity statistics were carried out, and the results are shown in Table 6 below. These Variance Inflation Factor (VIF) values, all below 5, indicate that multicollinearity among the predictors (financial self-efficacy, social networks, social trust) regarding their influence on financial well-being is

relatively low. Low VIF values are favourable as they suggest that the predictors provide unique information and are not redundant due to high intercorrelations. Hence, the interpretation of the relationships between these predictors and their impact on financial well-being in the SEM model can be considered reliable and not unduly influenced by multicollinearity concerns.

Table 6 Collinearity Statistics

	VIF
Financial self-efficacy → Financial well-being	1.479
Social networks → Financial well-being	1.775
Social trust → Financial well-being	1.314

D. Structural Model Assessment

1) Coefficient of Determination (R²)

Table 7 Coefficient of Determination (R²)

Construct	R-square
Financial Well-being	0.326

The R² value measures the proportion of variance in the endogenous latent variable (financial well-being) explained by its exogenous latent variables
Table 9 Path Coefficient

	Path Coefficient	p-value
Financial self-efficacy → Financial well-being	0.339	0.000
Social network → Financial well-being	0.176	0.076
Social trust → Financial well-being	0.199	0.016

Financial self-efficacy has a significant relationship with a path coefficient of 0.339 and a p-value of 0.000. For every unit of financial self-efficacy, financial well-being rises by 0.339 units. Given its statistical significance, this relationship is accepted. However, social networks had a insignificant relationship with a path coefficient of 0.176 and p-value of 0.076. A p-value above 0.05 indicates that this association is not significant. Thus, social networks do not directly improve financial well-being. With a path coefficient of 0.199 and p-value of 0.016, social trust is positively correlated. Social trust increases financial well-being by 0.199 units per unit. This correlation is statistically significant.

(financial self-efficacy, social networks, social trust). The provided R-squared value for financial well-being is 0.326, which means that the exogenous variables collectively explain 32.6% of the variance in financial well-being.

2) Effect Size (F²)

Table 8 Effect Size

	F-square
Financial self-efficacy → Financial well-being	0.115
Social network → Financial well-being	0.026
Social trust → Financial well-being	0.045

The Effect Size (F-square) further explores the proportion of variance explained by individual predictors (exogenous variables) in the model. Even though financial self-efficacy appears to have a larger individual impact compared to the other predictors, the combined effect of all predictors is significant in explaining the variance in financial well-being, as indicated by the r-squared value of 0.326. This collective impact suggests that these variables jointly contribute to understanding financial well-being, with financial self-efficacy being relatively more influential among them.

3) Path Coefficient

Financial self-efficacy and social trust directly affect financial well-being, but social networks do not in this model.

4) Predictive Power (Q²)

Another means to assess the model's predictive accuracy is the Q² value [49]. The smaller the difference between the predicted and original values, the greater the Q² criterion, and therefore, the predictive accuracy and relevance. If the value of Q² is below zero, it means that the model is poor where all independent variables cannot explain the dependent variable, and there is no predictive relevance. Q² value should be above than 0 and values above than 0.02, 0.15, and 0.35 indicates

small, medium, and large predictive relevance respectively [50]. The findings revealed Q^2 value of 0.275 which is medium predictive relevance for the financial well-being model.

V. CONCLUSION

The objective of this study is to investigate the determinants of financial well-being among Muslim working adults in Malaysia. According to quantitative data, social trust and financial self-efficacy significantly affected financial well-being, although social networks did not. [51] and [23] found that social trust improves financial well-being. This study found a positive association between subjective well-being, social trust, trust in people, self-compassion, and social empathy. The relationship between social networks and financial well-being was insignificant. Unlike [52], who found that informal and formal social networks help households recover financially from financial or physical calamities by buffering them. These findings show that social networks affect financial well-being differently, highlighting the need to better understand these interactions.

Financial well-being is notably linked to financial self-efficacy, supporting the results of [44] and [53]. [44] observed that individuals with elevated financial self-efficacy tend to engage in responsible financial behavior, ultimately predicting a positive financial well-being outcome. Additionally, [53] study not only reaffirms this positive correlation but also reveals an interconnected relationship between financial literacy, financial self-efficacy, and financial well-being.

This study adds to the literature by providing a complete framework for understanding social trust, social networks, financial self-efficacy, and financial well-being. The study expands the literature on Malaysian Muslim working adults' financial well-being and its causes. Refining the financial well-being paradigm and understanding how trust, networks, and financial capacities affect financial decisions and well-being advances the literature. This study has practical consequences for working adults, politicians, and financial practitioners beyond its theoretical contributions. Social trust is important for financial and general well-being, especially for Muslim working people. Government initiatives to boost social trust may improve Muslim working adults' well-being. The positive relationship between financial self-efficacy and financial well-being emphasises the need to build confidence in managing finances, urging educators and practitioners should focus on improving Muslim working adults' financial self-efficacy.

By managing their finances well, Muslims can become more self-sufficient and grow. Having enough money allows Muslims to support fair trade,

ethical investing, and socioeconomic equality programmes in and outside their communities. Finally, Muslims can improve by pursuing financial stability and following Islamic financial rules.

Despite its benefits, this study has several drawbacks. Findings may be limited by focusing on Muslim working adults in Malaysia. The current research also explores social trust, social networks, and financial self-efficacy for financial well-being. Adding varied demographic groups to the research region may help future researchers overcome this issue. Future studies may include other races and other financial well-being aspects including financial innovation and psychology. Researchers can better comprehend financial well-being by overcoming these limitations.

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