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THE DYNAMICS OF CASHLESS SOCIETY AND FINANCIAL WELL-BEING: A STUDY OF INFORMAL WORKERS IN BANYUMAS REGENCY

Raehsya Aidha Utari[1*], Arintoko[2], Anzar Alfat Firdaus[3], Krista Linda Dyaswari [4]

[123]Faculty of Economics and Business, Universitas Jenderal Soedirman, Indonesia
[4]Regional Research and Innovation Development Agency (Bapperida) of Banyumas Regency, Indonesia

[*]Email corresponding author: raehsya.utari@mhs.unsoed.ac.id

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Abstract

The rapid advancement of digitalization has accelerated the transition toward a cashless society in Indonesia, particularly among informal workers. However, increased access to non-cash payment systems is not always accompanied by adequate financial capability, which may affect financial well-being. This study aims to examine the effects of cashless payment use, behavioral biases, financial capability, financial inclusion, and self-control on the financial well-being of informal workers in Banyumas Regency. This study employs a quantitative approach using primary data collected through a survey of 385 respondents selected through purposive sampling. The data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results indicate that cashless payment use, financial inclusion, and self-control do not have a significant effect on financial well-being. In contrast, behavioral biases and financial capability have a positive and significant effect on financial well-being, with financial capability emerging as the strongest predictor. These findings suggest that improving financial capability plays a crucial role in enhancing the financial well-being of informal workers. However, the insignificant effects of cashless payment use, financial inclusion, and self-control indicate that expanding access to financial services and promoting digital payment adoption alone are insufficient to improve financial well-being without strengthening individuals' financial management capability

Keywords: cashless payment, financial well-being, financial capability, behavioral bias, self-control

INTRODUCTION

Indonesia's financial transaction system has changed due to the quick development of digitization, hastening the country's shift to a cashless society. Consumer behavior has changed from cash-based transactions to digital payment methods due to the increasing adoption of electronic payment systems (Khoiroh & Agustianto, 2025). The value of electronic money transactions increased to more than IDR 1.5 quadrillion in the first half of 2025, according to Bank Indonesia, from IDR 37.46 trillion in April 2023 (Jagaddhita & Kusuma, 2024; Kusnandar, 2025). Adoption of digital payments has been further expedited by the development of electronic money, including card-based and server-based systems like e-wallets, as well as the Quick Response Code Indonesian Standard (QRIS) (Amory et al., 2025). By 2024, there were 32.7 million QRIS customers and over 50.5 million merchants connected, a 49.4% year-over-year increase (Maulida, 2024).

A cashless society refers to a condition in which financial transactions rely primarily on electronic payment instruments rather than physical cash (Nazar et al., 2023). As digital payment technologies continue to evolve, this transformation is accompanied not only by technological innovation but also by changes in financial behavior and decision-making (Valeria, 2020). At the

national level, the 2025 National Survey of Financial Literacy and Inclusion Otoritas Jasa Keuangan & Badan Pusat Statistik (2025) reported that Indonesia's financial inclusion index reached 80.51%, while the financial literacy index remained considerably lower at 66.46%. This gap suggests that increased access to financial services is not always accompanied by adequate financial capability, which may ultimately affect individuals' financial well-being, particularly among groups with unstable income such as informal workers.

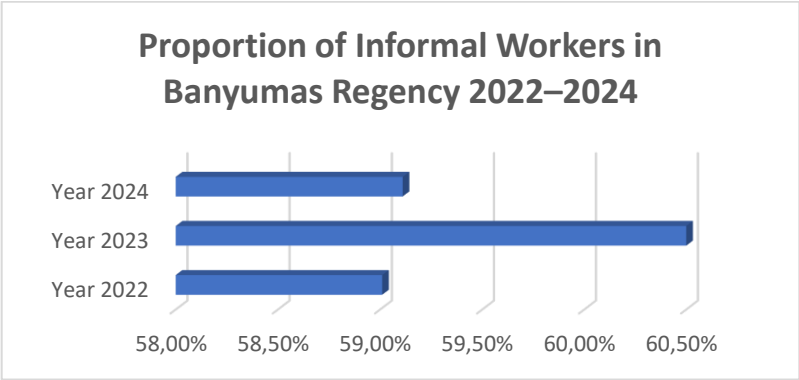


Figure 1. Proportion of Informal Workers in Banyumas Regency 2022-2024

Banyumas Regency provides a relevant context for examining this phenomenon because its economy is highly dependent on the informal sector. In 2025, the labor force participation rate reached 69.87%, while the open unemployment rate stood at 6.18% (BPS, 2025; BPS Jawa Tengah, 2025). As shown in Figure 1, informal workers accounted for more than half of total employment in Banyumas Regency during 2022–2024, representing 59.01% in 2022, increasing to 60.50% in 2023, and remaining relatively high at 59.11% in 2024 (Badan Pusat Statistik Kabupaten Banyumas, 2024) In addition, Banyumas had 91,323 micro, small, and medium enterprises (MSMEs) in 2024, with micro-enterprises representing the largest proportion (Dinas Komunikasi dan Informatika Kabupaten Banyumas, 2025). These figures indicate that informal workers play a substantial role in the regional economy and are directly affected by the ongoing digital transformation in financial services.

Despite the rapid adoption of digital payment systems, the financial condition of many households in Banyumas remains vulnerable. In 2024, the poverty rate reached 11.95%, representing approximately 207.8 thousand people, while the Gini ratio increased from 0.353 in 2022 to 0.397 in 2023 (Badan Pusat Statistik Kabupaten Banyumas, 2024a, 2024b), the average monthly income of informal workers was IDR 1,325,882, substantially below the Banyumas minimum wage of IDR 2,338,410 (Pemerintah Provinsi Jawa Tengah, 2024). This limited income leaves little room for savings, emergency funds, or long-term financial planning, making financial well-being an important concern for informal workers. Financial well-being refers to an individual's ability to meet current financial obligations, feel secure about future financial conditions, and maintain control over financial decisions.

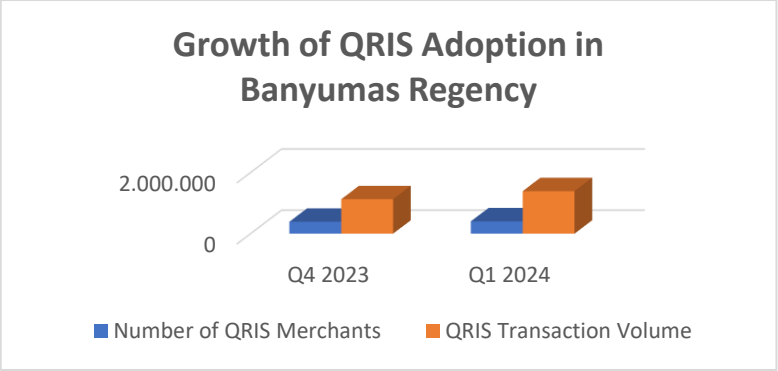


Figure 2. Growth of QRIS Adoption in Banyumas Regency

As presented in Figure 2, QRIS adoption in Banyumas Regency continued to increase between the fourth quarter of 2023 and the first quarter of 2024. The number of QRIS merchants grew from 389,907 to 402,986, while transaction volume increased from 1,127,195 to 1,390,551 transactions (Asfendi et al., 2025). These figures demonstrate that digital payment systems are increasingly utilized by informal workers and micro-businesses. However, greater use of cashless payments may produce both positive and negative outcomes depending on individuals' ability to manage their financial resources effectively.

Previous studies have reported inconsistent findings regarding the relationship between cashless payment adoption and financial well-being. Some studies suggest that digital payment systems contribute to poverty reduction in both the short and long term (Nasution et al., 2024)). In contrast, other studies argue that the convenience of digital payments may encourage changes in consumption behavior (Atmaja & Paulus, 2022) and increase the risk of over-indebtedness, particularly among financially vulnerable groups (Chai & Qi, 2025). These mixed findings indicate that digital payment adoption alone may not be sufficient to improve financial well-being.

In addition to technological factors, behavioral and financial capability factors are likely to influence financial well-being. Behavioral biases, such as overconfidence, herding behavior, and present bias, may distort financial decision-making and lead to suboptimal financial outcomes (Farhana, 2025; Kadhum & Saidi, 2022) However, previous studies have reported inconsistent evidence, with certain behavioral biases producing positive effects under specific circumstances (Sahi, 2017) Financial capability also plays a fundamental role because it reflects individuals' ability to understand, plan, and manage their financial resources effectively (Xiao, 2016). Previous studies have shown that financial capability significantly improves financial well-being (Aziz et al., 2025; Jaffar et al., 2024), financial inclusion enables individuals to access formal financial services that support saving, borrowing, and risk management, thereby contributing to financial well-being (Sabir & Ahmed, 2018; Yanti, 2019). Self-control is another important psychological factor, particularly in the digital payment environment, where frictionless transactions may increase impulsive spending if individuals are unable to regulate their financial behavior. Previous studies have found that self-control significantly influences financial well-being among employees and university students (Christiany et al., 2021; Helena & Evelyn, 2024; Payokwa et al., 2025).

Although previous studies have examined the relationships between cashless payment use and financial well-being, the findings remain inconclusive. While some studies have reported a positive effect of cashless payment use on financial well-being, others have suggested that digital payment systems may encourage unfavorable financial behaviors. In addition, although previous studies have examined the relationships between cashless payment use, behavioral biases, financial capability, financial inclusion, self-control, and financial well-being, these factors have generally been investigated separately. Empirical evidence integrating these technological, behavioral, and financial factors into a comprehensive framework remains limited, particularly among informal workers at the regional level. Given the unique financial characteristics and income

instability of informal workers, understanding how these factors jointly influence financial well-being is essential.

Therefore, this study aims to examine the effects of cashless payment use, behavioral biases, financial capability, financial inclusion, and self-control on the financial well-being of informal workers in Banyumas Regency. By providing evidence from the context of a developing regional economy, this study contributes to the literature on financial well-being in the digital era and offers practical insights for policymakers in designing strategies to improve the financial well-being of informal workers.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Behavioral Economics Theory

Behavioral Economics explains that individuals do not always make rational economic decisions, as their choices are influenced by psychological factors, emotions, and cognitive limitations (Thaler, 2014). This perspective continues to provide an important framework for understanding financial decision-making in contemporary economic settings, particularly in the digital economy (Witynski, 2025). The theory suggests that financial behavior is shaped by both internal factors, such as self-control and behavioral biases, and external factors, including cashless payment systems and financial inclusion. In the context of a cashless society, the use of digital payment systems may reduce the pain of paying, potentially encouraging impulsive spending when individuals lack adequate financial capability. Conversely, individuals with stronger self-control and financial capability are more likely to make sound financial decisions and maintain better financial well-being. Therefore, Behavioral Economics provides the theoretical foundation for this study by explaining how technological, behavioral, and financial factors jointly influence the financial well-being of informal workers.

Financial Well-Being

Financial well-being refers to an individual's ability to meet current financial obligations, feel secure about future financial conditions, and maintain control over financial decisions. From the perspective of Behavioral Economics, financial well-being is not determined solely by economic resources but also by individuals' financial behavior, psychological characteristics, and decision-making processes. Behavioral factors, such as self-control and behavioral biases, together with financial capability and access to financial services, influence how individuals manage their financial resources and achieve long-term financial security. Previous studies have shown that financial well-being is affected by various factors, including financial behavior, financial stress, financial literacy, and financial inclusion (Hernandez-Perez & Cruz Rambaud, 2025; Mawadah & Sumiati, 2025). Therefore, financial well-being serves as an important indicator for evaluating individuals' financial conditions in the context of the transition toward a cashless society.

Conceptual Framework

The conceptual framework of this study is developed based on Behavioral Economics Theory, which explains that financial decisions are influenced by psychological, behavioral, and external factors. Accordingly, this study proposes that cashless payment use, behavioral biases, financial capability, financial inclusion, and self-control influence the financial well-being of informal workers in Banyumas Regency. The proposed relationships among these variables are illustrated in Figure 3.

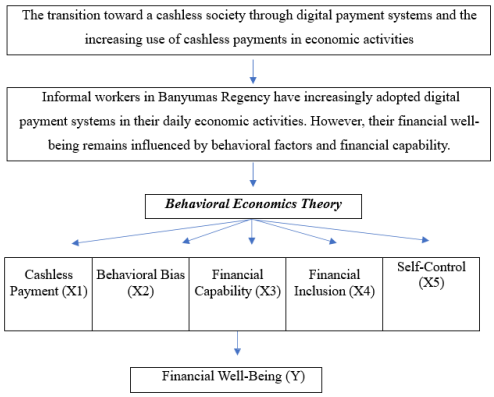


Figure 3. Conceptual Framework

The Effect of Cashless Payment on Financial Well-Being

Behavioral Economics suggests that the adoption of cashless payment systems may influence individuals' financial decisions by reducing the pain of paying, thereby making transactions more convenient and potentially affecting spending behavior. At the same time, cashless payments can improve transaction efficiency, facilitate financial management, and support economic activities when used appropriately. Previous studies have shown that cashless payment use has a positive effect on financial well-being (Fikri et al., 2025; Sari et al., 2026). In addition, Yesi et al. (2025) reported that the adoption of cashless payments among informal workers contributes to improvements in both economic conditions and financial behavior. Based on Behavioral Economics Theory and previous empirical findings, the following hypothesis is proposed:

H1: Cashless payments positively affect the financial well-being of informal workers in Banyumas Regency.

The Effect of Behavioral Bias on Financial Well-Being

Behavioral Economics explains that individuals often make financial decisions that deviate from rationality because of cognitive limitations and psychological biases. Behavioral biases, such as overconfidence, herding, and present bias, may lead individuals to make suboptimal financial decisions, resulting in inefficient financial management and lower financial well-being. Previous studies have shown that behavioral biases influence individuals' economic and financial decision-(Joharudin, 2023; Wijaya et al., 2023). Consequently, biased financial decisions may reduce individuals' ability to manage financial resources effectively and negatively affect their financial well-being. Based on Behavioral Economics Theory and previous empirical findings, the following hypothesis is proposed:

H2: Behavioral bias negatively affects the financial well-being of informal workers in Banyumas Regency.

The Effect of Financial Capability on Financial Well-Being

Behavioral Economics suggests that individuals with stronger financial capability are better able to make informed financial decisions, allocate financial resources effectively, and achieve long-term financial goals, Adequate financial capability enables individuals to plan, manage, and control their financial resources, thereby improving financial stability and overall financial well-being. Previous studies have consistently shown that financial capability has a positive effect on financial well-being because it supports better financial decision-making and financial management (Aziz et al., 2025; Garcìa-Santillàn, 2026; Rahmadhani & Nasution, 2025; Xiao, 2016). Therefore, individuals

with higher financial capability are more likely to achieve greater financial well-being. Based on Behavioral Economics Theory and previous empirical findings, the following hypothesis is proposed:
H3: Financial capability positively affects the financial well-being of informal workers in Banyumas Regency.

The Effect of Financial Inclusion on Financial Well-Being

Behavioral Economics suggests that access to financial services provides individuals with greater opportunities to make informed financial decisions and manage their financial resources effectively.Financial inclusion enables individuals to access formal financial services, such as savings, credit, payment, and insurance, which can improve financial security and support long-term financial well-being (Omar & Inaba, 2020). Previous studies have shown that financial inclusion has a positive effect on financial well-being by expanding access to financial resources and promoting better financial management (Mawadah & Sumiati, 2025; Sabir & Ahmed, 2018). Therefore, individuals with greater access to formal financial services are more likely to achieve higher financial well-being. Based on Behavioral Economics Theory and previous empirical findings, the following hypothesis is proposed:
H4: Financial inclusion positively affects the financial well-being of informal workers in Banyumas Regency.

The Effect of Self-Control on Financial Well-Being

Behavioral Economics suggests that self-control plays an important role in financial decision-making by enabling individuals to resist immediate gratification and prioritize long-term financial goals. Individuals with higher self-control are more likely to regulate their spending, avoid impulsive consumption, and manage their financial resources more effectively, thereby improving their financial well-being. Previous studies have consistently shown that self-control has a positive effect on financial well-being. Mengal et al. (2026) found that self-control significantly improves individuals' financial well-being, while Hernandez-Perez & Cruz Rambaud (2025) emphasized that self-control is an important psychological factor in financial management and the achievement of long-term financial goals. Therefore, individuals with stronger self-control are more likely to maintain better financial well-being. Based on Behavioral Economics Theory and previous empirical findings, the following hypothesis is proposed:
H5: Self-control positively affects the financial well-being of informal workers in Banyumas Regency.

RESEARCH METHODS

The population of this study consisted of informal workers in Banyumas Regency who use digital payment systems in their daily economic activities. Since the exact population size is unknown, the minimum sample size was determined using the Lemeshow formula with a 95% confidence level and a 5% margin of error, resulting in a minimum sample of 385 respondents. The sample was selected using purposive sampling based on the following criteria: (1) informal workers in Banyumas Regency, (2) aged 18–55 years, (3) actively working in the informal sector, (4) users of cashless payment systems, and (5) willing to complete the questionnaire.

$$n = \frac{Z^2 \, x \, P(1-P)}{d^2} \quad \text{..... (1)}$$

where n is the minimum sample size, Z is the z-score at the 95% confidence level (1.96), P is the estimated population proportion (0.5), and d is the margin of error (0.05). Accordingly, a total of 385 respondents were included in this study.

This study employed primary cross-sectional data collected through a structured questionnaire using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The study examined six variables: cashless payment, behavioral bias, financial capability, financial inclusion, self-control, and financial well-being. Cashless payment was measured through the frequency of e-wallet or QRIS use, transaction intensity, and perceived ease of use and usefulness. Behavioral bias was measured using indicators of overconfidence, herding behavior, present bias, and mental accounting. Financial capability was assessed through financial planning, budgeting, and expenditure control, while financial inclusion was measured based on access to and use of formal financial services. Self-control was measured by individuals' ability to control impulsive spending and delay gratification, whereas financial well-being was assessed through the ability to meet current financial needs, financial resilience, and confidence in future financial security.

Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS) with SmartPLS 4. The analysis consisted of data preparation, evaluation of the measurement model (outer model), and evaluation of the structural model (inner model) (Hair et al., 2021). The outer model was assessed through indicator reliability (outer loading), convergent validity using Average Variance Extracted (AVE), discriminant validity using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT), and internal consistency reliability using Cronbach's Alpha and Composite Reliability. The inner model was evaluated using the Variance Inflation Factor (VIF) to assess multicollinearity, the coefficient of determination (R^2), effect size (f^2), and hypothesis testing based on path coefficients, t-statistics, and p-values at a 5% significance level.

RESULTS AND DISCUSSION

This study analyzed the effects of cashless payment, behavioral bias, financial capability, financial inclusion, and self-control on the financial well-being of informal workers in Banyumas Regency. A total of 385 informal workers who actively used cashless payment systems participated in this study. Most respondents were aged 20–30 years and were employed as freelancers, part-time workers, or digital-based informal entrepreneurs.

Table 1. Indicator Reliability (Outer Loadings)

Variabel	Indikator	Outer Loading
Cashless Payment	CP1	0,755
	CP2	0.886
	CP3	0.850
	CP4	0.716
	CP5	0.776
Behavioral Bias	BB1	0.685
	BB2	0.733
	BB3	0.796
	BB4	0.681
Financial Capability	FC1	0.629
	FC2	0.722
	FC3	0.828
	FC4	0.737
	FC5	0.796
Financial Inclusion	FI1	0.763
	FI2	0.772
	FI3	0.670
	FI4	0.719
	FI5	0.781
Self-Control	SC1	0.728
	SC2	0.751

	SC3	0.791
	SC4	0.747
	SC5	0.821
Financial Well-Being	FWB1	0.633
	FWB2	0.787
	FWB3	0.759
	FWB4	0.832
	FWB5	0.819

Table 1 shows that five indicators (BB1, BB4, FC1, FI3, and SC1) had outer loadings below the recommended threshold of 0.70. However, these indicators were retained because their loadings exceeded the minimum acceptable threshold of 0.40 and did not adversely affect the constructs' reliability or convergent validity (Hair et al., 2021).

Table 2. Construct Reliability and Convergent Validity

Construct	Cronbach's Alpha	rho_A	Rho_c	AVE
CP	0.861	0.909	0.898	0.639
BB	0.728	0.789	0.815	0.526
FC	0.802	0.819	0.861	0.556
FI	0.799	0.816	0.860	0.551
SC	0.831	0.875	0.878	0.592
FWB	0.827	0.837	0.878	0.590

As shown in Table 2, all constructs achieved Cronbach's Alpha, rho_A, and Composite Reliability values above the recommended threshold of 0.70, indicating satisfactory internal consistency. Furthermore, all Average Variance Extracted (AVE) values exceeded the recommended threshold of 0.50, confirming adequate convergent validity.

Table 3. Discriminant Validity: Fornell–Larcker Criterion

	CP	BB	FC	FI	SC	FWB
CP	0.799					
BB	0.052	0.725				
FC	0.154	-0.059	0.746			
FI	0.670	-0.045	0.310	0.742		
SC	0.127	-0.181	0.631	0.315	0.769	
FWB	0.180	0.148	0.521	0.251	0.301	0.768

Table 4. Discriminant Validity: Heterotrait–Monotrait Ratio (HTMT)

	CP	BB	FC	FI	SC	FWB
CP						
BB	0.103					
FC	0.183	0.230				
FI	0.811	0.129	0.390			
SC	0.155	0.288	0.765	0.379		
FWB	0.199	0.180	0.605	0.292	0.323	0

Tables 3 and 4 present the results of the discriminant validity assessment. As shown in Table 3, the square root of the Average Variance Extracted (AVE) for each construct exceeded its correlations with other constructs, satisfying the Fornell–Larcker criterion. Furthermore, all Heterotrait Monotrait Ratio (HTMT) values presented in Table 4 were below the recommended threshold of 0.85, indicating that the measurement model achieved adequate discriminant validity.

Table 5. Collinearity Assessment (Variance Inflation Factor)

	CP1	CP2	CP3	CP4	CP5
VIF	1.984	2.543	2.264	1.612	1.966
	BB1	BB2	BB3	BB4	
VIF	1.452	1.494	1.178	1.570	
	FC1	FC2	FC3	FC4	FC5
VIF	1.489	1.759	1.959	1.455	1.720
	FI1	FI2	FI3	FI4	FI5
VIF	2.127	2.072	1.483	1.529	1.583
	SC1	SC2	SC3	SC4	SC5
VIF	1.429	1.882	1.754	1.827	1.733
	FWB1	FWB2	FWB3	FWB4	FWB5
VIF	1.658	1.705	1.676	2.043	2.370

As shown in Table 5, all Variance Inflation Factor (VIF) values ranged from 1.178 to 2.543, which are below the recommended threshold of 5.0. Therefore, the measurement model did not exhibit multicollinearity issues.

Table 6. Coefficient of Determination (R^2)

	R-Square	R-Square Adjusted
FWB	0.315	0.306

As shown in Table 6, the R^2 value of 0.315 indicates that the exogenous variables explained 31.5% of the variance in financial well-being, while the remaining 68.5% was explained by other factors outside the research model. According to Hair et al. (2021) this represents weak to moderate explanatory power. However, such an R^2 value is considered acceptable in social science research, where the primary objective is to explain the relationships among variables rather than to achieve perfect prediction (Ozili, 2023).

Table 7. Effect Size (f^2)

	f^2
CP --> FWB	0.001
BB --> FWB	0.043
FC -->FWB	0.226
FI --> FWB	0.004
SC --> FWB	0.000

As shown in Table 7, financial capability had the largest effect on financial well-being, with an effect size (f^2) of 0.226, indicating a medium effect according to Hair et al. (2021). In contrast, cashless payment, behavioral bias, financial inclusion, and self-control exhibited negligible to small effect sizes.

Table 8. Hypothesis Testing Results

Hypothesis	β	t-value	p-values
CP --> FWB	0.043	0.733	0.463
BB --> FWB	0.175	3.695	0.000
FC -->FWB	0.515	8.471	0.000
FI --> FWB	0.077	1.200	0.230
SC --> FWB	-0.021	0.392	0.695

As shown in Table 8, financial capability had a positive and significant effect on financial well-being (β = 0.515, t = 8.471, p < 0.001), supporting H3. Behavioral bias also had a significant effect on financial well-being (β = 0.175, t = 3.695, p < 0.001). However, the relationship was positive rather than negative as hypothesized; therefore, H2 was rejected. In contrast, cashless payment (β = 0.043, p = 0.463), financial inclusion (β = 0.077, p = 0.230), and self-control (β = −0.021, p = 0.695) did not have significant effects on financial well-being. Consequently, H1, H4, and H5 were rejected. Overall, only H3 was supported, while H2 was statistically significant but inconsistent with the proposed hypothesis

Discussion

The results indicate that cashless payment does not have a significant effect on the financial well-being of informal workers in Banyumas Regency. This finding suggests that the use of QRIS, e-wallets, and other digital payment instruments primarily facilitates transactions rather than directly improving financial well-being. From the perspective of Behavioral Economics Theory, digital payment systems do not necessarily lead to better financial outcomes because financial decisions are influenced by psychological factors and financial management behavior rather than technology alone (Thaler, 2014). This finding is consistent with Muat et al. (2025) who reported that digital payment adoption does not directly improve financial well-being, and Niankara & Islam (2023), who found that digital payment has a stronger influence on financial inclusion than on financial well-being. Therefore, expanding cashless payment adoption alone is unlikely to improve the financial well-being of informal workers without strengthening their financial capability and financial management practices.

Unlike cashless payment, behavioral bias was found to have a positive and significant effect on the financial well-being of informal workers in Banyumas Regency, contrary to the proposed hypothesis. This finding suggests that behavioral bias does not necessarily reduce financial well-being but may contribute positively under certain circumstances. Behavioral Economics Theory explains that financial decisions are influenced by cognitive biases and heuristics rather than purely rational considerations. In the context of informal workers with unstable income, behavioral tendencies such as debt aversion, familiarity bias, and loss aversion may encourage more cautious financial decisions, helping individuals cope with financial uncertainty. This finding is consistent with Wang & McGroarty (2022) and Liana (2026) who reported that certain behavioral characteristics and financial behavior can positively influence financial well-being. Similarly, Calzadilla et al. (2021) and Bulte et al. (2020) argued that behavioral biases may generate favorable outcomes when they function as adaptive responses to uncertainty. Therefore, the positive relationship identified in this study indicates that the effect of behavioral bias on financial well-being is context-dependent, particularly among informal workers facing unstable income and financial uncertainty.

Beyond behavioral factors, financial capability was identified as the strongest determinant of financial well-being among informal workers in Banyumas Regency. The results indicate that financial capability has a positive and significant effect on financial well-being, suggesting that individuals with better financial management skills are more likely to achieve higher levels of financial well-being. This finding supports the concept of financial capability, which emphasizes that financial well-being depends not only on income but also on an individual's ability to manage expenses, plan finances, and make sound financial decisions. The results are consistent with Xiao & Porto (2022) who found that financial capability significantly improves financial well-being, particularly among economically vulnerable groups. Similar findings were reported by Guo & Huang (2023), who highlighted the importance of financial capability in enhancing financial well-being

through effective financial management and the utilization of financial services, and by Fu (2020), who identified financial capability as a key predictor of financial well-being. Therefore, these findings suggest that financial capability plays a more important role than cashless payment use or financial inclusion in improving the financial well-being of informal workers, indicating that the benefits of digital financial services can only be fully realized when individuals possess adequate financial management skills.

Unlike financial capability, financial inclusion was not found to have a significant effect on the financial well-being of informal workers in Banyumas Regency. This finding suggests that access to formal financial services alone does not automatically improve financial well-being. Behavioral Economics Theory explains this result through the implementation gap, where individuals have access to financial services but lack the ability to use them effectively to achieve better financial outcomes. This condition is particularly relevant for informal workers, who generally use financial services for basic transactions rather than for financial planning or risk management. These findings are consistent with Biru et al. (2024) who reported that the impact of financial inclusion depends on the socioeconomic context and the type of financial services used. Similarly, Kamble et al. (2024) emphasized that financial capability and financial behavior are essential for translating financial access into improved financial well-being, while Yang et al. (2024) found that the relationship between financial inclusion and well-being remains inconclusive across empirical studies. Therefore, expanding financial access alone is unlikely to improve the financial well-being of informal workers without strengthening their financial capability.

Finally, self-control was not found to have a significant effect on the financial well-being of informal workers in Banyumas Regency. This finding suggests that controlling spending and resisting impulsive consumption alone are insufficient to improve financial well-being. Behavioral Economics Theory explains that financial outcomes are influenced not only by psychological factors but also by economic conditions and resource constraints. This is particularly relevant for informal workers, whose unstable income makes financial well-being more dependent on effective financial management than on self-control alone. These findings are consistent with Ramadhini (2023) who reported that self-control does not significantly affect financial well-being. However, Strömbäck et al., 2017) found that self-control can improve financial well-being through better financial behavior, suggesting that its role may vary across different populations and economic conditions. Therefore, strengthening financial capability may be more effective than focusing solely on self-control in improving the financial well-being of informal workers.

CONCLUSION

This study concludes that financial capability and behavioral bias are significant determinants of the financial well-being of informal workers in Banyumas Regency. Financial capability emerged as the strongest predictor, indicating that individuals with better financial management skills are more likely to achieve higher levels of financial well-being. In contrast, cashless payment, financial inclusion, and self-control were not found to have significant effects on financial well-being. Overall, these findings highlight that strengthening financial capability is more important than expanding digital payment adoption or financial access alone in improving the financial well-being of informal workers.

This study has several limitations. First, the research was limited to informal workers in Banyumas Regency, which may restrict the generalizability of the findings to other regions. Second, the study employed a cross-sectional design and relied on self-reported questionnaire data, which may not fully capture changes in financial behavior over time. In addition, the model explained 31.5% of the variance in financial well-being, indicating that other relevant factors were not included in this study. Therefore, future research is encouraged to examine broader populations, apply longitudinal research designs, and incorporate additional variables, such as financial literacy,

financial resilience, financial stress, and income stability, to provide a more comprehensive understanding of the factors influencing financial well-being.

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