

Exploring the Determinants of Financial Well-being in the Millennial Generation: A Systematic Literature Review (SLR)

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Abstract

Financial well-being (FWB) refers to a state of having sufficient resources to lead a comfortable life. Millennials, born between 1980 and 2000, have faced greater financial challenges compared to other generations. This article aims to explore the existing body of knowledge and provide a comprehensive understanding of the factors that impact FWB among millennials. By utilizing the combined PICO (Population, Intervention, Comparison, and Outcome) and SPIDER (Sample, Phenomenon of Interest, Design, Evaluation, Research type) tools, fifteen articles were reviewed, leading to identification of the five key themes influencing FWB among millennials: financial management behaviour, economic literacy, personality traits, socioeconomic environment, and life phase characteristics. Among these factors, economic literacy emerged as the strongest determinant; as it enables individuals to effectively manage their finances leading to greater FWB. Financial management behaviour and economic literacy are also crucial, as they involve skills, motivation, and confidence in applying financial knowledge and understanding. Personality traits, socioeconomic environment and social support from organizations and institutions are additionally influential factors that significantly affect FWB. Overall, this paper highlights the key factors that play a substantial role in determining FWB among millennials. Further research is recommended to validate the identified factors in this study.

Keywords: Generation Y, Economic Status, Financial Security, Financial Decision, Financial Downturn

Introduction

Financial well-being (FWB), as defined by Xiao (2016), refers to the state in which individuals possess sufficient resources to lead a comfortable life. It represents being on track to meet financial goals and obligations, gaining assurance about one's financial future, and having the freedom to make choices that enhance life enjoyment (Consumer Financial Protection Bureau, 2015). Effective management of one's economic life is recognized as the key to achieving FWB, reducing stress, and increasing financial security. However, global statistics from the Gallup- Healthways Well-Being Index indicated that only 25 % of adults are thriving in FWB, while 45% are struggling and 30% are suffering. This disparity is influenced by factors such as the rapid changes in the financial system resulting from the global economy, technological advancements, and the proliferation of financial products and services (Sehrawat et al., 2021). The consequences of poor FWB extend beyond financial aspects, impacting physical, mental, and social well-being, which in turn can lead to diminished job performance, impaired decision-making, reduced concentration, absenteeism, and lower productivity (Abdullah et al., 2019). Recognizing these implications, policymakers worldwide have dedicated significant efforts to improve and enhance the financial sector's stability (World Bank, 2013). To enhance strategies various strategies focusing on financial inclusion, access to diverse financial products and services, financial literacy, and financial capability, have been implemented. These approaches aim to elevate the FWB of individuals by empowering them with necessary knowledge and skills to make informed financial decisions and improve their overall FWB.

The Millennial generation, also known as "the Generation Y", encompasses individuals born between 1980 and 2000. They are commonly regarded as a generation that has experienced less financial prosperity compared to previous generations such as the silent generation (1928 to 1945), and baby boomers (1943 – 1960) (Kalish, 2016). Despite being recognized for their tech-savvy nature and proficiency in adopting and utilizing technology (Arsalan and Latif, 2021), millennials who are currently aged between 22-41 years in 2022, have faced significant financial challenges. They were particularly impacted by the 2008 Great Recession and have been burdened by soaring costs of higher education and the ensuing student loan debts crisis. Additionally, the COVID-19 pandemic and subsequent economic shutdowns have presented another economic crisis for this generation (Bolognesi et al., 2020).

The National Financial Capability Study (NFCS) findings indicate that millennials tend to rely heavily on debt, frequently engage in expensive short- and – long term money management practices, and exhibit low levels of financial literacy. Given that millennials make up a substantial portion of the global population arguably the largest (23 %) and are highly educated, they possess significant influence and are poised to play a crucial role in the long-term social and economic development of society (Bolognesi et al., 2020). This paper aims to provide a comprehensive understanding of the factors reported to affect financial well-being (FWB) among millennials by examining the existing body of knowledge. The research process will follow a systematic literature review (SLR) approach similar to the method employed by (Shaffril et al., 2020). This involves formulating a central research question, identifying relevant literature reports based on specific criteria and search (e.g., keywords used, article selection), appraisal of the quality of the selected literature reports, summarizing the evidence, and interpreting the results (Rys et al., 2009).

This review will be guided by the central research question: *What factors contribute to the financial well-being (FWB) of Millennials?* The objective of this review is to gather relevant reports that shed light on the factors influencing the FWB of millennials. It is important to note that millennials have been selected primarily due to their status as the largest global

population comprising approximately 23% of the population, and the high expectations for their future economic growth (Bishop, 2006).

While this review aims to explore the factors affecting FWB among millennials, it does not specifically focus on delineation findings based on specific regions or locations. This is because there are a limited number of reports in the literature that directly address the issue of millennials and their FWB within specific geographic contexts.

The main purpose of this review is to present compelling evidence supporting the urgent need to integrate strategies related to economic and financial stability among millennials. By doing so, it is hoped that the financial crisis resulting from ill-informed financial decisions can be mitigated. The intended audience for this work includes policymakers, economists, financiers, researchers, and authors of systematic evidence synthesis, readers of reviews, and the broader research community.

Methodology

The Review Protocol

In this present study, the researchers have adopted the Reporting standards for Systematic Evidence Syntheses (ROSES) proposed by Haddaway et al (2018) to ensure the provision of accurate and detailed information. The research question was formulated using a combination of PICO (Population, Intervention, Comparison, and Outcome) and SPIDER (Sample, Phenomenon of Interest, Design, Evaluation, Research type) tools. While PICO tool is primarily useful for quantitative evidence synthesis, the SPIDER tool, on the other hand, is usually employed for qualitative and mixed methods (Tawfik et al., 2019). Following that, the systematic search strategy, as described by Shaffril et al (2020) was explained, which involved identification, screening (based on inclusion and exclusion criteria), and determining the eligibility of literature reports. The selected reports were then assessed for quality, and data abstraction and analysis were conducted. In the subsequent section, reports directly relevant to the research question, capable of providing answers, were organized in a table. Furthermore, employing the methodology outlined by Braun and Clarke (2006), a thematic analysis was performed to identify and analyse themes within the collected data.

Formulation of the Research Question

To ensure the validity of research question and prevent duplication, a preliminary search was conducted to identify relevant literature reports prior to finalizing the proposed review topic. This was done through simple searches using platforms such as Science Direct, Emerald Insights, Scopus, Google Scholar, Google Advanced Search, or Web of Science, using search terms such as “financial well-being (FWB)” and millennials.

To address resource limitations and maintain an interesting, relevant, and timely research question, a combined PICO-SPIDER approach was employed. While the PICO tool is commonly used for quantitative evidence synthesis, the SPIDER tool is typically employed for qualitative and mixed methods research (Tawfik et al., 2019).

The current review utilized a modified flow diagram for systematic review, based on the works of Tawfik et al (2019); Shaffril et al (2020), which is depicted in Figure 1. In evaluating the eligibility of the literature reports, the widely accepted Preferred Reporting Items for Systematic Review and Meta-analysis statement (PRISMA checklist, 2009; Moher et al., 2009) was adopted.

Systematic Searching Strategies

Following the recommendations of Tawfik et al (2019), the initial search was developed in accordance with the formulation of the research question. For instance, in Google Advanced Search, search strategies were implemented by including the terms “financial well-being publication” together with “millennials” in exact word or phrase entry. Additionally, relevant subject indexing was utilized to increase the likelihood of retrieving pertinent studies. The literature reports obtained from the search were then subjected to a screening and evaluation process to determine their eligibility, as illustrated by Figure 1.

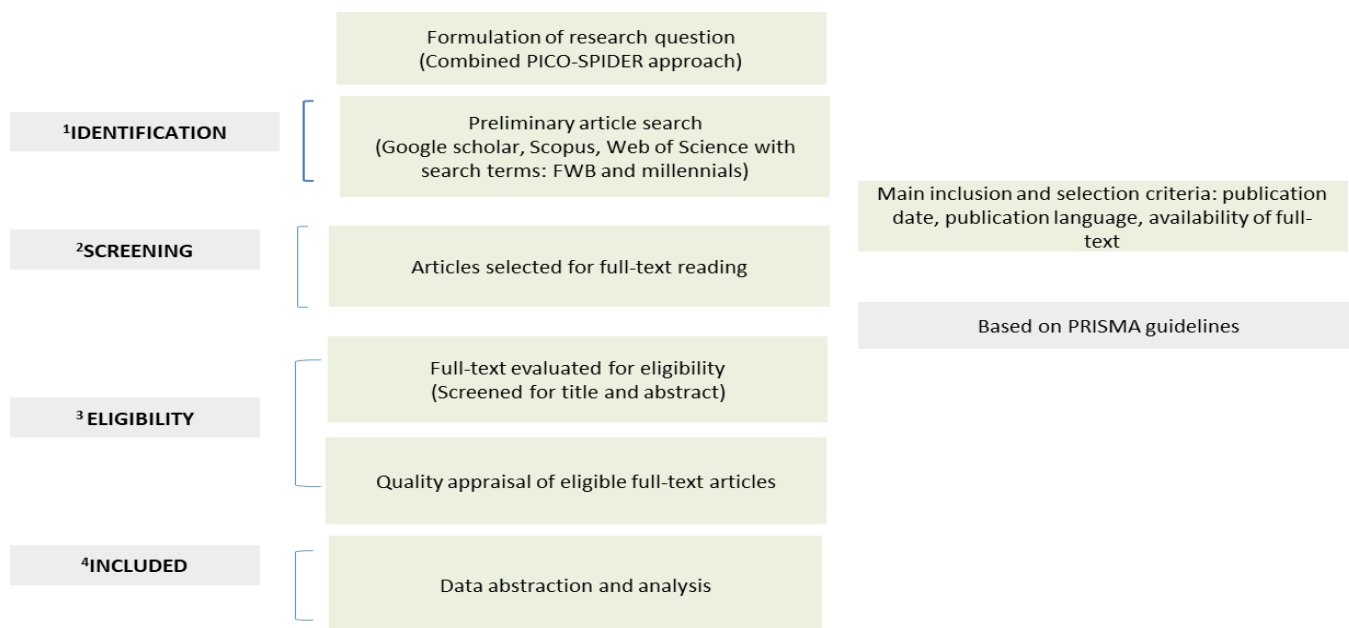


Figure 1. Flow diagram of systematic review applicable for the present review.

Results

Background of the Selected Articles

There is an increasing global consensus emphasizing the importance of individuals enhancing their financial lives. In their pursuit of improving financial well-being, individuals are compelled to make financial decisions that aim to expand their assets and safeguard their resources (Sehrawat et al., 2021). The objective of this paper is to present compelling evidence regarding factors related to economic and financial stability, with the potential to mitigate financial crisis among millennials. Through a systematic literature review on financial well-being, a total of 15 articles were carefully chosen for thorough examination and subsequently categorized into the following themes grouped according to the following themes: financial management behaviour, economic literacy, personality traits, socioeconomic environment, and life phase characteristics. These articles were primarily selected as they specifically focus on millennial respondents, particularly those from middle and lower-class families, young and emerging adults, as well as working professionals. The publication dates of the selected articles are provided in Table 1.

Table 1

Article title, authors, and publication dates of select articles corresponding to financial well-being among millennials.

Article title	Author(s)	Date of publication	Thematic classification
1. Millennials' Retirement Saving Behaviour: Account Ownership and Balance	Yao & Cheng	2017	Financial Management Behaviour
2. Antecedents and Consequences of Household Financial Management in Brazilian Lower Middle Class	Mioto & Parente	2015	Financial Management Behaviour, Personality Traits
3. Personality and young adult financial distress	Xu et al	2015	Financial Management Behaviour, Economic Literacy, Personality Traits
4. The relationship of debt management, compulsive buying behavior and financial well-being.	Kuknor & Sharma	2017	Financial Management Behaviour
5. Recession Jitters Among Professional Class Families: Perceptions of Economic Strain and Family Adjustments	Zvonkovic et al	2013	Financial Management Behaviour, Personality Traits
6. The Mediating Role of Rational Buying in the Relationship between Financial Literacy and Financial Well-being	Shusha	2016	Financial Management Behaviour
7. Credit constraints and the delay of homeownership by young households in Japan	Yukutake & Moriizumi	2017	Financial Management Behaviour
8. Pathways to life success: A conceptual model of financial well-being for young adults	Shim et al	2009	Economic Literacy, Socioeconomic Environment

9. Factors influencing adult earnings: Findings from a nationally representative sample	Furnham & Cheng	2013	Economic Literacy, Personality Traits, Socioeconomic Environment
10. The Influence of Financial Literacy, Money Attitude, Financial Strain and Financial Capability on Young Employees' Financial Well-being	Sabri et al	2015	Economic Literacy, Socioeconomic Environment
11. Does family affect financial outcomes and psychological biases? Evidence from small investors in Bangladesh	Khan & Tan	2020	Economic Literacy, Life Phase Characteristics
12. User-Source Fit and Financial Information Source Selection of Millennials	Huang et al	2018	Personality Traits, Life Phase Characteristics
13. Patterns of financial attributes and behaviors of emerging adults in the United States	Sinha et al	2018	Personality Traits
14. Understanding Financial Well-being Over the Lifecourse: An Exploration of Measures	Collins & Urban	2018	Life Phase Characteristics
15. Exploring Family Millennials' Involvement in Family Business Internationalization; who should be their Leader?	Cirillo et al	2022	Life Phase Characteristics

The Themes

Financial Management Behaviour

Saving practices are considered crucial for the financial well-being of millennials. The ability to restrain current expenditures and set aside money for the future requires self-discipline and focus on long term goals (van Raaij, 2016). According to a 2020 survey conducted by Bank of America, retirement savings (75%) and establishing an emergency fund (51%) rank as the top financial concerns for millennials. Millennials who exhibit a higher level of risk tolerance,

enjoy better health, and possess retirement accounts are more inclined to save for retirement (Yao et al., 2017). However, planning for retirement has become more challenging for millennials due to the combination increased life expectancy and low-interest-rate economic climate (Genay & Podjasek, 2014). Shim et al (2009) suggest that socialization factors such as personal values, formal financial education in school, and financial education at home plays essential roles in enhancing academic achievement, overall life satisfaction, and both psychological and physical well-being.

To gain further insights into financial management behaviour, Sinha et al (2018) identified four distinct classes among emerging adults: financially precarious, financially at-risk, financially striving, and financially stable. The first two classes are characterized by limited financial socialization opportunities, restricted access to banking services, and a pressing need for intervention (Lin et al., 2014). Another factor influencing financial well-being is the interpersonal variation in attitude towards debt. Since maintaining debt at sustainable levels is associated with financial well-being (Agyei et al., 2019), effective debt management is crucial for both economic stability and the mobilization of financial resources. Almenberg et al (2018), found that individuals who are uncomfortable with debt tend to have significantly lower debt level, and there is evidence of intergenerational transmission of debt-related behaviour and attitudes between parents and children.

The theory of planned behaviour, which predicts an individual's intention to engage in a behaviour at a specific time and place (Ajzen, 1991), has been extensively studied, particularly in Western countries, with regards to the impact of compulsive buying on FWB (Lins and Lage, 2016). Compulsive buying, characterized by cravings, withdrawal, and a sense of euphoria and/or relief from negative emotions (Weinstein et al., 2016), increases the risk of excessive reliance on loans and indirectly contributes to financial difficulties of individuals (Owusu et al., 2021). Individuals who possess greater awareness of the consequences of their purchasing behaviour and exercise more control over their spending and perceived to have a higher level of financial well-being (Ajzen, 2001).

Economic Literacy

Recognizing its significance in effectively managing income and expenses, understanding personal financial difficulties has gained increased recognition as an area of great financial relevance. It directly impacts an individual's ability to make informed financial decisions, including those related to investments, financial risk tolerance, savings, borrowing, and lifestyle choices that influence economic stability and growth (Widdowson & Hailwood, 2007; Sarigül, 2014). Without adequate knowledge and expertise in handling budgetary concerns, interest rates, investments, loans, and other banking services, individuals may unknowingly make mistakes that can have significant repercussions on their financial situations. However, by enhancing their financial management skills and improving economic literacy, families can potentially increase their surplus and mitigate challenging financial situations. Higher levels of economic literacy are associated with better financial management, enabling families to boost their financial reserves and reduce the occurrence of financial difficulties.

A study by Lusardi and Oggero (2017), found that millennials in major advanced economies (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) exhibit higher levels of economic literacy compared to their counterparts in emerging economies (Brazil, China, India, Russian Federation, and South Africa). However, even within these groups, economic literacy rates vary significantly, ranging from 43 % in Japan to 72 % in Germany among advanced economies and from 27 % in India to 43 % in South Africa among emerging countries. In general, economic literate millennials are expected to demonstrate

better financial behaviours that contribute to their economic security and overall well-being, thereby fostering economic development within the broader community (Dewi et al., 2020). Huang et al (2018) proposed strategies for financial practitioners, educational institutions, and employers to enhance their effectiveness as financial information sources for millennials. These strategies include co-creating financial information with millennials, tailoring communication channels to their preferences, and improving the accessibility of information. Recognizing that financial knowledge is a significant predictor of an individual's financial well-being (FWB), these initiatives aim to align financial information with millennials' needs and preferences.

Economic literacy encompasses not only the knowledge and understanding of financial concepts and risks but also the ability, motivation and confidence to apply that knowledge effectively, as stated by (Lusardi, 2019). Financial behaviour and financial attitude are crucial dimensions of economic literacy. Insufficient financial skills can lead to various challenges, particularly an increased susceptibility to debt. Studies have shown that individuals with low levels of economic literacy tend to exhibit sub-optimal financial behaviour and are less likely to engage in recommended financial practices (Hilgert et al., 2003).

Therefore, improving economic literacy among millennials becomes vital to empower them with necessary skills and confidence to make informed financial decisions, manage their finances effectively, and avoid potential pitfalls associated with inadequate financial knowledge.

Apart from various factors that influence economic literacy, Danes and Yang (2014) highlighted the importance of early childhood consumer experiences (ECCE) as a significant determinant of financial strain in adulthood. Positive ECCE, as identified by Sabri and MacDonald (2010), has been associated with greater engagement in active financial behaviour and a lower likelihood of experiencing financial problems. This suggests that ECCE plays a role in facilitating sound financial decision-making and reducing financial strain, ultimately contributing to adults' financial well-being.

Furthermore, Zabri and Zakaria (2015) found that positive early consumer experiences have a positive impact on the economic literacy of young employees, which in turn influences their financial management and perceived level of financial well-being. In light of these findings, it becomes important to provide young employees with fundamental personal finance education to equip them with the necessary knowledge and skills to become responsible and savvy consumers (Zabri & Zakaria, 2015).

Therefore, recognizing the significance of ECCE and its potential effects on financial strain and well-being, it is beneficial to emphasize the importance of positive consumer experiences during early childhood and to incorporate financial education programs for young employees. By doing so, individuals can develop the necessary financial capabilities and behaviours that contribute to their long term financial well-being.

Personality Traits

Research indicates a correlation between personality traits and financial security. The Consumer Financial Protection Bureau (CFPB) conducted studies that suggest attitudes and non-cognitive skills may mediate the relationship between financial knowledge and behaviour. Key characteristics that have been identified include internal locus of control (have a sense of control over outcomes), persistence, executive functioning (such as planning and self-control), and financial self-efficacy (confidence in one's financial abilities) (CFPB, 2015). Additionally, Mito et al (2015) highlight the importance self-control and planning propensity in models aimed at improving default predictions for companies. Individuals with lower levels

of self-control and a weaker inclination to plan tend to exhibit ineffective financial management, which can lead to a higher incidence of debt-related problems.

Xu et al (2015) conducted a study to examine how personality factors contribute to variations in financial hardship among young adults, recognizing that millennials' financial security in early adulthood lays the groundwork for lifelong financial well-being. The researchers found that certain indicators of financial hardship were significantly associated with the Big Five personality traits. Specifically, young adults with higher levels of neuroticism were more likely to experience financial hardship compared to those who were more conscientious. Similarly, Furnham & Cheng (2013) corroborated and expanded on the connection between personality traits and financial well-being, highlighting the importance of intellect (openness), emotional stability (low neuroticism, high adjustment), and trait intellect (openness) as factors that strongly influence financial well-being. These personality traits were found to be almost as influential as parental social class and education in relation to financial well-being.

According to a study by Kuknor and Sharma (2017), working professionals who hold a more positive attitude toward debt tend to have higher levels of financial well-being. Conversely, individuals who engage in compulsive buying experience financial distress as a consequence of their behaviour, which negatively impacts their financial well-being. Additionally, Zvonkovic, et al (2013) highlighted the adjustments made by families in the professional class during times of economic uncertainty. These families tend to feel reasonably secure in their employment but they make various adaptations in response to economic stress and uncertainty, including reducing spending on leisure activities and dining out. It is crucial to understand how individuals perceived economic strain and the impact of factors such as a fast-paced environment and work pressure on family's financial well-being.

Social and Economic Environment- Socioeconomic Environment

Financial services play a crucial role as valuable resources and opportunities within the economic environment, directly influencing the financial well-being of families. In a study conducted by Huan et al (2028), focused was on how Millennials select sources of financial information to enhance their financial well-being. The findings of the study provide valuable insights for financial services firms and other institutions to better understand Millennials' perspective (Woudstra & van den Hooff, 2008). This understanding can facilitate the alignment between these institutions and Millennials as financial information sources through three recommended actions (a) involving Millennials in the cocreation of financial information, (b) tailoring the communication channels to meet their preferences, and (c) improving the accessibility of financial information. By implementing these steps, financial services providers can enhance their relevance and effectiveness in serving Millennials' financial information.

As demonstrated in the study conducted by Zvonkovic et al (2013), family leisure activities, particularly the frequency and cost of eating out, have an impact on family expenses. This emphasis on how families adapt to economic challenges contributes to our understanding in two significant ways: (a) by revealing the various tendencies families have when making specific types of adaptations, and (b) by highlighting the associations between different variables and family adaptations. The experience of economic hardship exposed the sense of financial vulnerability felt by adult workers, as reflected in reduced investments, decreased discretionary income, and less positive perceptions of their family's financial situation. From a life course perspective, adult workers faced subjective pressure and time constraints related to their work that were unprecedented in the historical context of their careers at that particular moment in time.

Moreover, Furnham & Cheng (2013) explored the relationship between adult earnings and various factors, including family background, childhood intelligence, educational and occupational achievements, and personality traits. Their finding confirmed that educational attainment and occupational success were the strongest predictors of adults' financial well-being, and these factors were interconnected. It is worth noting that parental social status (class) directly influenced the educational achievements of adults.

Life Phase Characteristics

Millennials the largest living adult generation are characterized as well-educated and ethnically diverse cohort (Lusardi, 2019). Their formative years were shaped by challenging financial and economic conditions during the Great Recession. The lives of millennials can be understood through three distinct periods: the information or digital age, the globalization age, and the crisis age (Cirillo et al., 2022). Entering the workforce during a period of low employment, they face economic vulnerability. While there is a significant wealth gap among millennials, two key factors offer reasons for optimism: time and education. With the majority of their working lives still ahead, millennials have more opportunities for higher earnings, savings, and investments, all contributing to increased wealth accumulation. This generation possesses advantages over previous ones, including technological proficiency, higher education levels, and openness to diversity, proficiency in social networking, and a focus on socially responsible activities (Collins et al., 2018). The globalization age that millennials have experienced has resulted in higher education attainment compared to earlier generations (Crumpacker & Crumpacker, 2007), along with a strong drive for goal achievement and a determination to succeed in their aspirations (Kaifi et al., 2012). Additionally, millennials are highly educated, with approximately four out of ten having obtained a four year college degree (Bialik & Fry, 2019). Considering the strong connection between education and wealth, their income and wealth trajectories have the potential to accelerate, enabling them to overcome significant financial challenges and regain stability.

Lusardi (2019) conducted a comprehensive analysis of the financial well-being of millennials, revealing that they tend to have lower financial well-being compared to older individuals in the working-age group. This disparity can attribute in differenced in life phases. Furthermore, the study highlighted that millennials who possess financial knowledge and skills are more likely to have higher levels of financial well-being. The financial status and life experiences of Millennials also play a significant role. It was observed that millennials with assets tend to exhibit better financial health, but if these assets are accompanied by debt, there overall financial well-being is considered diminished. Additionally, millennials with higher levels of education, such as holding a bachelor's or post-graduate degrees, generally experience higher financial well-being compared to those who attended some college but did not obtain a bachelor's degree. This discrepancy may be due to the burden of student loan debt and the ability to manage loan repayment. The study also found that single and unemployed millennials are more likely to experience lower financial well-being compared to their married and employed counterparts. Moreover, the younger millennials tend to have higher financial well-being than older millennials, indicating a potential improvement in financial well-being over time (Lusardi, 2019).

In a study conducted by Mohamad et al (2015) that aim to identify the factors influencing perceived financial well-being among employees, it was found that financial capability plays a crucial role in determining the financial well-being. This is because having financial capability allows young employees from the millennial generation to effectively manage their money, ensuring they can meet their financial obligations and make sound decisions in unexpected

circumstances. Additionally, a positive attitude and confidence toward money among young employees indicate a sense of control over their finances. This enables individuals to be mindful of their spending through budgeting and planning for future financial needs. Moreover, the research highlights the positive impact of early consumer experiences on financial literacy among young employees, which in turn contributes to better financial management and an increased perception of financial well-being. Recognizing the significance of financial literacy as an essential life skill for millennials, this initiative emphasizes the importance of educating them and leveraging their life phase to foster and maintain healthy financial behaviour and habits that promote financial well-being.

Discussion

This systematic literature review examined a total of fifteen articles and identified five themes (Financial management behaviour, Economic literacy, Personality traits, Socioeconomic environment, and Life phase characteristics). In this section, we delve into a detailed analysis of these developed themes. Among the identified themes, economic literacy emerged as one of the strongest predictors due to its direct link between financial knowledge and the ability to make informed financial decisions, as it plays crucial role in the millennials capacity to make sound financial decisions. Economic literacy encompasses more than just knowledge and understanding of financial concepts and risks; it also encompasses skills, motivation, and confidence in applying that knowledge to make effective financial decisions across various contexts. It enables individuals to navigate complex financial situations and empowers them to take control of the financial lives. At the same time, economic literacy fosters skills such as budgeting, savings, and managing debt. When one possesses these skills, they are more likely to effectively manage their income, expenses, and financial obligations, leading to improved financial well-being. In economic literacy, it helps individuals understand the importance of long-term financial planning and setting realistic financial goals. Moreover, it increases individuals' awareness of financial opportunities, such as investments, and protection against unforeseen circumstances. By understand financial risks, individuals can take appropriate measures to protect their financial security. The Organization for Economic Cooperation and Development emphasizes that economic literacy is essential for improving the financial well-being of individuals and society as a whole, enabling active participation in economic life (Lusardi, 2019). Therefore, a higher level of economic literacy equips individual with better financial management skills, allowing them to increase their savings and reduce the likelihood of encountering challenging financial situations. Furthermore, it is important to note that connection between economic literacy and financial management behaviour, as economic literacy extends beyond mere knowledge to encompass actual financial practices. Generally, financially literate millennials are expected to exhibit responsible financial management behaviour, contributing to their own economic security and well-being while also fostering the overall economic development of the community (Dewi et al., 2020).

It is important to note that while economic literacy is a significant predictor, other factors such as personality traits, socioeconomic environment, and life phase characteristics can also influence financial well-being. However, the strong correlation between economic literacy and improved financial decision-making makes it a key determinant of financial well-being.

Financial well-being among millennials is influenced by their financial management behaviour, with retirement savings and perceived behavioural control playing significant roles. The way individuals handle their debts and their attitudes towards debt management are also strong predictors of their financial well-being. In contrast, compulsive buying behaviour leads to financial distress and negatively impacts overall financial well-being.

Therefore, attitudes towards debt management and the presence of compulsive buying tendencies are important factors to consider when assessing financial well-being.

A person-centered approach, which considers individuals' financial attitudes and behaviours perceived through financial education, is linked to financial well-being, which in turn affects their overall life satisfaction. Effective debt management is another crucial aspect that enables individuals to mobilize financial resources while maintaining economic stability.

Additionally, the financial well-being of millennials is strongly influenced by their personality traits. Understanding the correlation between the big five personality traits and financial well-being can provide insights into the connection between behavioural intentions, financial well-being, and personality, ultimately leading to long-term behavioural changes and improved financial stability. Individuals who exhibit traits such as extroversion, conscientiousness, and openness tend to have a stronger association with financial well-being.

When examining the financial well-being of millennials in the contexts of their socio economic environment, it becomes evident that financial services play a crucial role. The economic environment, including financial service, significantly impacts the financial well-being of families. Notably, millennials have specific preference when it comes to financial information channels. Their preferred sources include family and employers, while social media and advertisements are ranked lower. Financial service firms are perceived as valuable sources, although millennials are less likely to turn to them for financial information.

Furthermore, amid the economic challenges brought about the recession and the pandemic, families in professional occupations tend to adopt behavioural and financial adjustments to safeguard their economic situation and cope with the downturns. While education and occupational achievement are the primary indicators financial well-being, other factors such as family background, childhood intelligence, educational and occupational attainment, and personality traits also play significant roles.

The lives of millennials have been shaped by the information or digital age, the era of globalization, and the crisis era resulting from the Great Recession and the Covid 19 pandemic. However, being well-educated and diverse generation with exposure to the globalization era, millennials thrive and achieve their goals and aspirations. Considering the strong connection between wealth and education, it is likely that millennials will experience accelerated income and wealth growth to bridge the significant financial gaps and regain financial stability. Notably, Lusardi (2019) found that financial literate millennials, those with assets, higher levels of education, marital status, and employment tend to have higher financial well-being. Additionally, the optimistic attitudes and confidence displayed by young millennial workers indicate their ability to manage their finances effectively through careful planning and budgeting.

By providing financial education to millennials, this initiative underscores the importance of economic literacy as a vital life skill, leveraging their life phase as millennials to promote the development and maintenance of healthy financial management behaviour and habits, ultimately contributing to their financial well-being.

Conclusion

This paper aims to provide a comprehensive understanding of the factors that influence financial well-being of millennials. A total of fifteen articles were examined, leading to the identification of five key themes: financial management behaviour and economic literacy, personality traits, socioeconomic environment, and life phase characteristics. Among these factors, economic literacy emerged as the most influential as individuals with higher financial literacy possess better financial management skills, leading to a surplus and ultimately

contributing to improved financial well-being. Additionally, financial behaviour and attitudes play a crucial role, as they require the ability, motivation, and confidence to apply financial knowledge effectively. Personality traits, as well as socio economic environmental factors, including support from organizations and institutions, were also identified as strong predictors of financial well-being.

The literature on millennials and financial well-being is limited, which represents a notable weakness of this review. Therefore, the present review does not focus on specific regions or localities. Additionally, only five themes were developed in this systematic review, leaving room for future researchers to expand on these themes or explore sub-themes in more detail. The purpose of this review is to highlight the increasing need for millennials to incorporate solutions that promote economic and financial stability, aiming to mitigate the potential financial hardships caused by uninformed financial decisions. Policymakers, economists, financiers, researchers, authors of systematic evidence syntheses, review readers, and the wider research community are intended audience for this work.

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