

When Money Talks: Understanding the Underlying Role of Financial Wellbeing in Our Life

Nur Hanani Muhammad

University Technology of MARA

ABSTRACT

This systematic literature review examines the underlying role of financial wellbeing as both mediator and moderator across diverse contexts published between 2014 and 2024. We analysed recent empirical studies that specifically investigate financial wellbeing's intermediate function in various relationships, finding a significant shift from traditional economic conceptualizations toward a multidimensional construct that interacts with numerous aspects of human experience. The predominance of studies focusing on wellbeing, health, and life satisfaction outcomes compared to purely financial outcomes highlights this paradigmatic evolution. Our findings reveal financial wellbeing's critical function during societal disruptions like the COVID-19 pandemic, where it both mediated the relationship between pandemic distress and mental health outcomes and moderated the strength of these relationships across different populations. Subjective perceptions of financial adequacy consistently demonstrated greater significance for health and wellbeing outcomes than objective financial measures alone. In economic contexts, financial wellbeing serves as an essential pathway through which financial knowledge, attitudes, and behaviours are translated into tangible outcomes for both individuals and businesses. This review contributes to the literature by synthesising current understanding of financial wellbeing's dual role and proposing a comprehensive research agenda that includes longitudinal studies, theoretical framework development, cross-cultural comparisons, intervention research, integrated measurement approaches, exploration of emerging economic contexts, and investigation of underlying mechanisms. These findings have significant implications for policy and practice, suggesting that interventions should address both objective financial circumstances and subjective perceptions of financial security to effectively promote holistic wellbeing.

Keywords: Economic outcomes; health outcomes; life satisfaction; systematic review; wellbeing.