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Financial Well-Being of Young Entrepreneurs: The Integration of Fintech Use in Managing Financial Literacy and Financial Stress

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Abstract

The low financial well-being index in Indonesia highlights the urgency of improving financial well-being, especially for young entrepreneurs in the vulnerable startup phase. Within the COR Theory framework, this study analyzes the influence of financial knowledge and financial stress on financial well-being, with fintech use as a mediating variable, among young entrepreneurs in Ponorogo Regency. This quantitative research used purposive sampling to select 161 young entrepreneurs actively utilizing fintech, with data analyzed via PLS-SEM 4.0. The results demonstrate that financial knowledge, financial stress, and fintech use each have a significant positive effect on financial well-being. Additionally, financial knowledge significantly drives fintech use, whereas financial stress has a non-significant positive effect. Furthermore, fintech use successfully mediates the impact of financial knowledge on financial well-being but fails to mediate the effect of financial stress. This research implies that young entrepreneurs must optimize fintech services to gain better financial control and simplify cash flow management, which ultimately improves long-term financial well-being.

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INTRODUCTION

In recent years, global attention to the aspects of an optimal quality of life has increasingly focused on the dimension of well-being, particularly financial well-being. Financial well-being plays a very important role in everyone's life. This aspect is not merely an indicator of a country's economic success but also a key pillar of social and psychological stability in society. This state is achieved when an individual can spend money on necessities and still have some money left over, manage their budget effectively, and feel financially secure both in the present and for the future. Financial well-being is linked to various dimensions of life, ranging from academic achievement, physical health, and mental stability to life satisfaction.

According to Iramani & Lutfi (2021) financial well-being reflects a financial condition in which one has sufficient resources to lead a comfortable and prosperous life. According to the Consumer Financial Protection Bureau (2015), financial well-being is the ideal state a person achieves to feel financially secure. Therefore, this condition serves as a crucial indicator in measuring an individual's overall quality of life. In Indonesia, a focus on well-being is crucial. Based on a collaborative study between the Management Institute of the Faculty of Economics and Business, University of Indonesia (FEB UI) and tSurvey.id (2023), the financial well-being index for the Indonesian population stands at 53.1% (Nur et al., 2023), which falls into the "low" category according to OECD classification standards. This highlights the importance of continuing to improve financial well-being, as it is the ultimate goal of sound financial management for every individual.

In the context of this study, the urgency of achieving financial well-being is emphasized more among young entrepreneurs. This is based on the fact that within the national economic structure, entrepreneurs play a crucial role as the primary drivers of economic growth ; however, this vital role is also overshadowed by the risks of cash flow uncertainty, market fluctuations, and high operational pressures (Heo et al., 2020; Bappenas , 2022). These conditions place young entrepreneurs in the startup phase in a financially vulnerable position, thereby affecting their level of financial well-being (Oktavianus et al., 2025). Stephens et al. (2025) emphasize that financial well-being among entrepreneurs is not merely about the amount of income, but rather the ability to maintain a sense of security and financial control amid unpredictable business dynamics.

Unlike previous studies, which largely employed the Theory of Planned Behavior (TPB) to explain financial well-being such as those by Iramani & Lutfi (2021); Kusuma (2025); Oktavianus et al. (2025); Sabri et al. (2021), Hobfoll (1989) Conservation of Resources (COR) Theory offers a different perspective on explaining financial well-being. The Conservation of Resources Theory posits that individuals have an innate drive to acquire, obtain, protect, and build resources they consider valuable. Based on this theory, the factors influencing financial well-being stem from an individual's internal capabilities. Internally, financial knowledge serves as a personal resource for protecting assets, while financial stress represents a real threat of resource loss. To address this threat, the use of fintech emerges as an instrumental resource a form of an individual's behavioral adaptability in leveraging technology to achieve resource efficiency.

The first internal factor that serves as a key determinant of financial well-being is financial literacy. As a form of personal resource, financial literacy is not merely theoretical understanding but rather the foundational capital that determines the quality of an individual's decision making. According to Lusardi & Mitchell (2014), financial literacy is a fundamental prerequisite for sound decision making and a strong predictor of financial well-being. An financial literacy plays a crucial role in building and maintaining well-being and wealth throughout life (Sabri et al., 2021). For entrepreneurs, this financial literacy serves as the foundation for making sound financial decisions, with the primary goal of sustainably enhancing and achieving financial well-being (Lusardi & Mitchell, 2007).

Previous studies supporting the influence of financial literacy on financial well-beingincluding research by Guo & Huang (2023) and She et al. (2022) show that financial literacy has a significant effect: the more someone knows about finance, the more likely they are to feel financially secure. However, findings from Kusuma (2025) reveal that financial knowledge does not affect financial well-being, indicating that having good financial knowledge does not guarantee financial well-being. This aligns with the research by Bhatia & Singh (2024), which shows that

financial literacy alone is not sufficient to achieve financial well-being. Therefore, even strong financial literacy often must contend with other internal factors, namely financial stress.

Lacombe & Khatun (2023) argue that financial stress is also a key factor in financial well-being. Financial stress is the manifestation of the threat of losing resources experienced by an individual. Financial stress is a psychological factor that, in theory, has a negative impact on well-being. The inability to meet financial obligations causes a person to experience financial stress. This financial stress manifests as emotional, relational, and physiological reactions to inadequate financial circumstances (Heo et al., 2020). Financial stress can lead to various negative consequences, such as a decline in mental and physical health, as well as a reduction in quality of life and productivity. This situation makes financial stress a significant barrier to achieving well-being. Therefore, prudent financial management is crucial to avoiding these impacts and improving financial well-being (Tesfaw & Yitayih, 2018).

Several research findings support the impact of financial stress on financial well-being, among them, the findings by Rahman et al. (2021) indicate a significant negative effect, whereby the higher an individual's level of financial stress, the lower their financial well-being. Other findings indicate that when a person feels pressured by their financial situation, their sense of security and control decreases drastically (Sabri et al., 2021). A similar study by Muat & Henry (2023) also shows that financial stress is one of the most important factors that directly pressures and lowers a person's financial well-being score. However, there are conflicting findings, namely that financial stress has a significant positive effect on financial well-being (Riswanto et al., 2025), where higher levels of financial stress significantly increase financial well-being. In line with this, a study by Aminarti & Siregar (2025) found that an increase in financial stress is actually correlated with higher financial well-being, suggesting that financial stress serves as a challenge to manage finances more actively, thereby improving well-being. This discrepancy highlights the need for other factors capable of bridging the relationship between these variables.

The use of fintech serves as an internal instrumental resource to optimize knowledge and mitigate the negative impacts of stress. In this study, the use of fintech is positioned as an important internal instrumental resource for entrepreneurs in accelerating the achievement of financial well-being in the digital age. Within the framework of COR Theory, the use of fintech is not merely a tool at one's disposal, but an embodiment of an individual's capabilities and behavioral decisions to manage and optimize resources more effectively. Through mastery of financial technology, barriers to financial management can be minimized, thereby granting individuals greater control over their financial circumstances and strengthening the path toward financial well-being (Balatif et al., 2024).

The role of fintech as a mediator is based on the logic that financial literacy requires the ability to adopt technology as a bridge that transforms theoretical understanding into concrete action (Asosiasi FinTech Indonesia, 2021). Meanwhile, when facing financial stress, the ability to utilize fintech emerges as an internal adaptive strategy to access efficient capital amid the limitations of conventional collateral (Bappenas, 2022). Therefore, the use of fintech serves as a bridge that transforms knowledge and emotional responses into management actions that support the financial well-being of young entrepreneurs.

Nevertheless, the role of fintech as a mediator still yields mixed results in the academic literature. Research by Aminarti & Siregar (2025) demonstrates that fintech can serve as an effective mediator between financial education and financial stress in relation to financial well-being ; however, other findings indicate that fintech has no significant impact on the financial well-being of business owners due to low levels of financial literacy (Damayanti & Amaniyah, 2024). This is reinforced by findings from Nasution & Balatif (2025) and Balatif et al. (2024) which show that the use of fintech fails to mediate the relationship between financial stress and financial well-being.

Based on the above discussion, there is a gap in the research findings. The urgency of this study is further emphasized when considering young entrepreneurs who are highly tech-savvy yet remain vulnerable to the risks of business failure and financial pressure. Therefore, this study is crucial for testing strategies to achieve financial stability among business owners. The results of this study are expected to serve as a practical guide for business ownersparticularly young entrepreneursin making wise decisions regarding the use of fintech in this digital age.

Financial knowledge refers to an understanding of concepts, risks, and skills in managing financial instruments. Financial knowledge serves as a crucial foundation for individuals in managing their finances (Iramani & Lutfi, 2021)This financial knowledge acts as a knowledge asset that determines the quality of an individual's decision-making in achieving long-term financial goals. From the perspective of COR Theory, financial knowledge is a personal resource. Possessing adequate financial knowledge provides an individual with the "tools" to make sound financial decisions. Individuals with adequate personal resources are better able to invest their resources effectively to create financial security and avoid losses, thereby achieving financial well-being. Previous research has shown that financial literacy serves as a foundational capital that influences levels of financial well-being (Iramani & Lutfi, 2021; Kurniawati & Lestari, 2022; Rahman et al., 2021). Similarly, the study by Tanjung & Muat (2025) found that the better a person's financial literacy, the better their financial well-being.

H1: Financial literacy influences the financial well-being of young entrepreneurs in Ponorogo Regency.

Financial stress is a psychological factor arising from an imbalance between needed resources and available resources. It serves as a key indicator for measuring the extent to which financial pressure disrupts an individual's life stability. COR theory posits that threats or losses of valuable resources such as financial pressure automatically trigger the implementation of resource-protection strategies. In a psychological context, stress does not only have negative effects it can also serve as a challenge that triggers coping strategies to protect mental and psychological well-being from the social environment, thereby helping to preserve the remaining resources an individual possesses. This leads to a sense of security and a feeling of being in full control, which ultimately fosters an increased sense of well-being. Research findings by Riswanto et al. (2025) indicate that financial stress has a significant positive effect on financial well-being; the higher the financial pressure, the more an individual's quality of life and financial well-being will improve. In line with this, research by Aminarti & Siregar (2025) found that as financial stress increases, financial well-being also increases, indicating that financial stress serves as a challenge to manage finances more actively, thereby improving well-being.

H2: Financial stress influences the financial well-being of young entrepreneurs in Ponorogo Regency.

The use of fintech reflects the adoption of digital technology in conducting modern financial transactions, record-keeping, and planning. The use of fintech demonstrates a transformation in individual behavior regarding financial management, shifting from conventional methods to more efficient digital methods. Based on COR Theory, individuals tend to use their existing knowledge to acquire instrumental resources in the form of fintech as a tool. Sufficient knowledge encourages individuals to choose tools that can enhance security and operational efficiency in managing assets. Several findings indicate that financial education plays a crucial role in ensuring that digital technology is used to its fullest potential and safely, thereby equipping individuals with financial knowledge and increasing the frequency of their use of fintech services (Balatif et al., 2024; Nasution & Balatif, 2025).

H3: Financial literacy influences the use of fintech by young entrepreneurs in Ponorogo Regency.

In the context of technology, financial stress is viewed as a driving factor that compels individuals to seek new ways to manage their finances. It is important to examine whether financial pressure can change a person's behavior to become more adaptable to technology. COR theory states that when there is a threat of losing resources, individuals are challenged to find alternative resources. Financial stress triggers coping mechanisms, whereby individuals seek quick, easy, and efficient solutions through technology to regain control over their finances. Previous research has revealed that stress related to financial problems drives individuals to use technology as a way out (Balatif et al., 2024; Nasution & Balatif, 2025). Therefore, this confirms that financial stress is a strong driver for using fintech as an effort to regain financial control.

H4: Financial stress influences the use of fintech by young entrepreneurs in Ponorogo Regency.

Fintech usage acts as a behavioral tool that demonstrates how technology assists individuals in their financial activities. Thus, financial literacy becomes a determining factor in creating efficiency that supports long-term economic stability. Within the framework of COR Theory, Fintech functions as an instrumental resource a tool to achieve resource gain, which is the ultimate outcome of acquiring resources. The convenience, speed, and efficiency offered by Fintech enable individuals to maintain full control, reduce uncertainty, and enhance efficiency, ultimately leading to a sense of financial security. Field evidence indicates that digital financial management apps

help individuals feel more organized in managing their expenses. Previous research confirms that ease of access through digital technology directly supports various dimensions of financial well-being (Balatif et al., 2024; Nasution & Balatif, 2025).

H5: There is an effect of fintech use on the financial well-being of young entrepreneurs in Ponorogo Regency.

The mediating role of fintech usage in this relationship explains how theoretical understanding is transformed into actual behavior through the use of the right tools. This mediating role is crucial to demonstrate that knowledge alone is insufficient without implementation through the use of technological tools. Based on COR Theory, financial knowledge requires an instrumental resource in the form of Fintech as an investment tool to achieve financial well-being. Financial knowledge enables an individual to select the appropriate Fintech and use it consistently, thereby bridging the gap between theoretical understanding and actual financial management behavior that yields benefits. Several research findings indicate that the use of Fintech acts as an effective bridge that strengthens the influence of financial knowledge on an individual's economic condition, ultimately maximizing well-being (Aminarti & Siregar, 2025; Balatif et al., 2024; Nasution & Balatif, 2025).

H6: The use of fintech mediates the influence of financial knowledge on the financial well-being of young entrepreneurs in Ponorogo Regency.

This mediation mechanism highlights the role of fintech usage as a solution to counter the negative impacts of financial stress. It is important to demonstrate that fintech usage can transform stress reactions into productive actions that enhance financial well-being. According to COR Theory, when an individual experiences stress referred to as "resource loss" it requires a mechanism for resource recovery through the use of practical tools. Fintech provides practical tools to respond directly to stress through risk management and cash flow management, thereby transforming financial stress into adaptive actions that restore an individual's financial well-being. Several studies identify the use of fintech as an intervening variable that helps individuals cope with financial shocks. Individuals who respond to stress by using digital technology tend to return to a state of well-being more quickly than those who do not (Balatif et al., 2024; Nasution & Balatif, 2025).

H7: The use of fintech mediates the effect of financial stress on the financial well-being of young entrepreneurs in Ponorogo Regency.

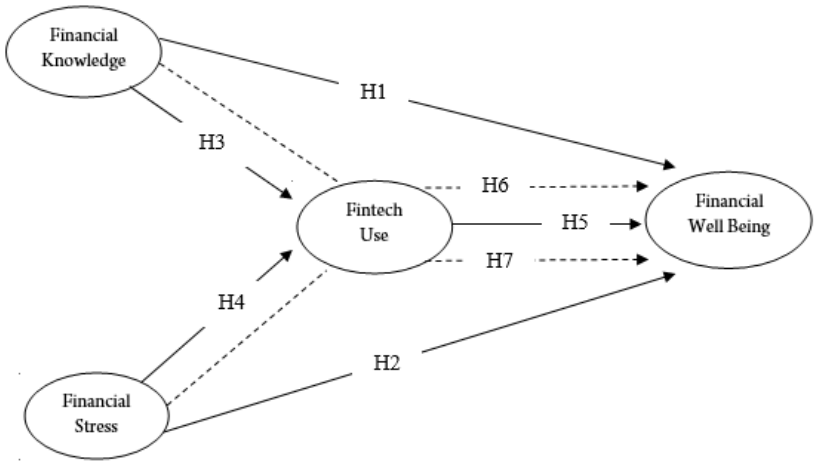


Figure 1. Research Model
Source: Autor (2026)

METHOD

This study employs a quantitative approach, focusing on the causal relationship between financial knowledge and financial stress and their effects on financial well-being, as mediated by the use of fintech, among young entrepreneurs in Ponorogo Regency. The data used in this study consists of primary data obtained from respondents. Data collection was conducted through the distribution of questionnaires. The sampling technique used was non-probability sampling with a purposive sampling method to ensure that respondents met the specified

criteria, namely: (1) young entrepreneurs aged 16–30 years, (2) owning and actively running businesses in Ponorogo Regency within the startup or early stages (0–5 years old) and (3) actively using fintech services for at least the past 3 months, including fintech payments (such as QRIS, e-wallets, GoPay, OVO, DANA, etc.) as well as digital financial/business record-keeping applications. The final sample size was determined using the guidelines from Hair et al. (2021) in Structural Equation Modeling (SEM), resulting in a total of 161 valid respondents. The research instrument for measuring the variables utilized a 5-point Likert scale, ranging from strongly disagree to strongly agree. Data analysis and hypothesis testing in this study were conducted using Partial Least Squares-Structural Equation Modeling (PLS-SEM) processed through SmartPLS 4.0 software. The evaluation of the PLS-SEM model was carried out in two sequential stages: (1) Outer model analysis, (2) Inner Model Analysis.

RESULT AND DISCUSSION

Result

This study was conducted on 161 respondents who met the criteria for purposive sampling, namely business owners aged 16–30 years who had actively used fintech services in running their business operations for at least 3 months. Based on respondent demographics, the majority of respondents were female (102 respondents, or 63%) and male (59 respondents, or 37%), the most common age was 22 years (21 respondents, or 13%) and the highest level of education was high school graduation (104 respondents, or 65%). Meanwhile, based on business profiles, the majority of respondents operate in the food and beverage sector 103 respondents (64%) with most businesses having been in operation for 1–3 years 106 respondents (66%) and the majority are run independently without employees 117 respondents (73%). Advanced analysis reveals that the majority of respondents started their businesses on their own 137 respondents or 85%, with most earning a daily income of less than Rp500,000 (59%).

In the initial stage of the validity test, one indicator, X2.1 (Financial Stress), was eliminated because its outer loading value was below the standard. This indicator was subsequently removed from the model. After recalculating the remaining indicators X2.2, X2.3, and X2.4 all indicators were deemed valid and reliable.

Table 1. Outer Loading

Variable	Indicator	Outer Loading	Criteria	Description
Financial Knowledge	X1.1	0.819	≥ 0.70	Valid
	X1.2	0.830	≥ 0.70	Valid
	X1.3	0.793	≥ 0.70	Valid
	X1.4	0.840	≥ 0.70	Valid
Financial Stress	X2.2	0.821	≥ 0.70	Valid
	X2.3	0.729	≥ 0.70	Valid
	X2.4	0.724	≥ 0.70	Valid
Financial Well Being	Y1	0.788	≥ 0.70	Valid
	Y2	0.784	≥ 0.70	Valid
	Y3	0.853	≥ 0.70	Valid
	Y4	0.857	≥ 0.70	Valid
Fintech Use	Z1	0,746	≥ 0.70	Valid
	Z2	0,825	≥ 0.70	Valid
	Z3	0,827	≥ 0.70	Valid
	Z4	0.795	≥ 0.70	Valid

Source: SmartPLS 4.0 Processed Data, 2026

Table 1 shows the outer loadings for the variables financial knowledge, financial stress, fintech usage, and financial well-being, which were deemed valid based on the factor loading criterion of > 0.70 (Hair et al., 2021). Furthermore, table 2 shows the average variance extracted (AVE) values for each variable, which meet the criterion of > 0.50, and the composite reliability values for each variable fall within the range of 0.70–0.90, meaning all variables were found to be reliable

Table 2. Average Variance Extracted & Composite Reliability

	Average Variance Extracted	Composite Reliability	Description
Fiunancial Knowledge	0.674	0.892	Valid dan Reliable
Financial Stress	0.674	0.892	Valid dan Reliable
Financial Well Being	0.638	0.876	Valid dan Reliable
Fintech Use	0.577	0.803	Valid dan Reliable

Source: SmartPLS 4.0 Processed Data, 2026

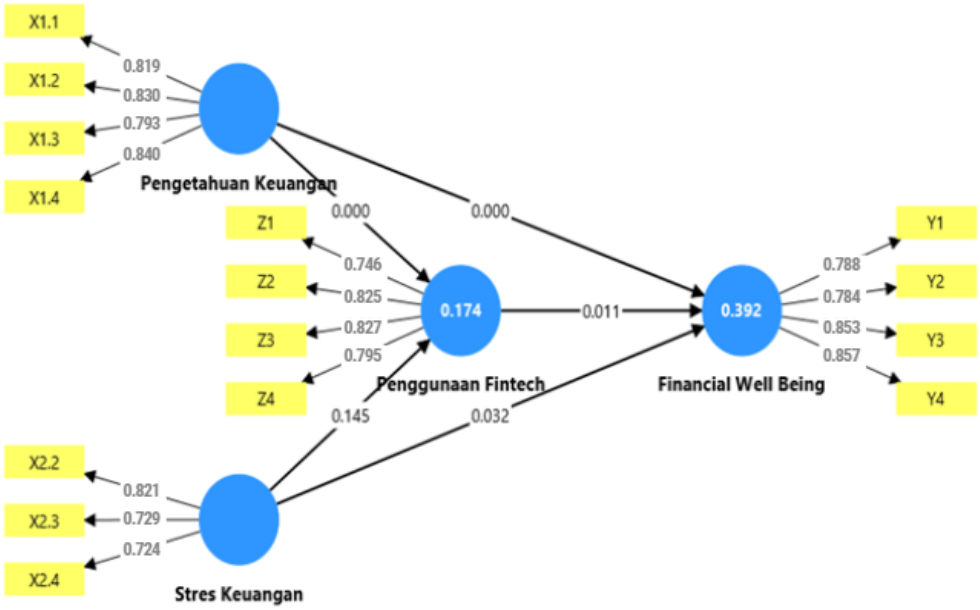


Figure 2. Evaluation of the Structural Model
Source: SmartPLS 4.0 Processed Data, 2026

Table 3. R-square

	R-square
Financial Well Being	0.392
Fintech Use	0.174

Source: SmartPLS 4.0 Processed Data, 2026

Based on the R-squared model criteria in table 3, the results show the model values for the structural model of financial well-being and fintech usage. Thus, the value of 0.392 falls into the moderate category, indicating that the variables of financial knowledge, financial stress, and fintech usage account for 39.2% of the variation in financial well-being in this study, while the remaining 60.8% is influenced by other variables outside the scope of this study. The R-squared value of 0.174 falls into the weak category, indicating that the variables of financial knowledge and financial stress can only explain 17.4% of the variation in fintech usage in this study. This value suggests that the

research model does not yet have a strong contribution to the fintech usage variable, and the remaining 82.6% is influenced by other variables outside the scope of this study.

Table 4. Q-square

	Q^2predict	RMSE	MAE
Fintech Use	0.141	0.937	0.787
Financial Well Being	0.337	0.823	0.657

Source: SmartPLS 4.0 Processed Data, 2026

Based on table 4, the Q-Square predictor value for the fintech usage variable is 0.141 and the financial wellbeing variable is 0.337 with a value > 0. This proves that this research model has good relevant predictions for both endogenous variables.

Table 5. Path Coefficient

	Original Sample	T Statistics	P Value	Description
FK-FWB	0.490	6.999	0.000	H1 accepted
FS-FWB	0.137	2.145	0.032	H2 accepted
FK-FU	0.385	4.690	0.000	H3 accepted
FS-FU	0.103	1.458	0.145	H4 rejected
FU-FWB	0.175	2.539	0.011	H5 accepted
FK-FU-FWB	0.067	2.112	0.035	H6 accepted
FS-FU-FWB	0.018	1.230	0.219	H7 rejected

Source: SmartPLS 4.0 Processed Data, 2026

Table 5 shows the effect of financial knowledge on financial well-being, with an original sample value of 0.490, indicating a positive relationship, a T-statistic of 6.999 > 1.96, and a p-value of 0.000 < 0.05, meaning the effect is significant and H1 is accepted. These findings indicate that the better a person's financial knowledge, the more it supports the achievement of that person's financial well-being.

Meanwhile, the effect of financial stress on financial well-being, with an original sample value of 0.137, indicates a positive relationship; the T-statistic value of 2.145 is greater than 1.96, and the p-value of 0.032 is less than 0.05, meaning the effect is significant and H2 is accepted. This finding suggests that an increase in financial stress actually further enhances an individual's level of financial well-being.

The effect of financial knowledge on fintech usage, with an original sample value of 0.385, indicates a positive relationship; the T-statistic value of 4.690 is greater than 1.96, and the p-value of 0.000 is less than 0.05, meaning the effect is significant and H3 is accepted. This finding suggests that individuals with good financial knowledge are more likely to decide to use fintech services.

The effect of financial stress on fintech adoption, with an original sample value of 0.103, indicates a positive relationship; however, the T-statistic value of 1.458 is less than 1.96, and the p-value of 0.145 is greater than 0.05, meaning the effect is not significant and H4 is rejected. This finding indicates that the level of financial stress experienced by an individual does not encourage the adoption and use of fintech services as a coping mechanism during times of stress.

The effect of fintech usage on financial well-being, with an original sample value of 0.175, indicates a positive relationship; the T-statistic value of 2.539 is greater than 1.96, and the p-value of 0.011 is less than 0.05, meaning the effect is significant and H5 is accepted. This finding indicates that the more optimal and effective the level of fintech usage, the better a person's level of financial well-being will be.

In the mediation test, the effect of financial knowledge on financial well-being, mediated by fintech usagewith an original sample value of 0.067 shows a positive relationship, a T-statistic of 2.112 > 1.96, and a p-value of 0.035 < 0.05, indicating that the effect is significant and H6 is accepted. This finding indicates a type of partial mediation, meaning that financial knowledge will have an optimal impact in supporting the achievement of financial well-being when an individual actively uses technology-based services.

Meanwhile, the effect of financial stress on financial well-being, mediated by fintech usage with an original sample value of 0.018 indicated a positive relationship; however, the T-statistic value of 1.230 < 1.96 and the p-value of 0.219 > 0.05 indicated a non-significant effect, and H7 was rejected. These findings indicate that fintech usage does not serve as a bridge in overcoming financial stress; therefore, fintech usage does not contribute to mitigating the impact of financial stress on an individual's financial well-being.

Discussion

Based on the research results, financial literacy has a significant positive effect on the financial well-being of young entrepreneurs in Ponorogo Regency. These findings indicate that the better one's financial literacy, the more it supports the achievement of an individual's financial well-being. When linked to COR Theory, this financial literacy acts as a personal resource in the form of highly valuable cognitive capital. Individuals with strong personal resources are better able to invest and manage their resources effectively, thereby avoiding risks of loss that could undermine their well-being. This argument is supported by the responses from young entrepreneurs in Ponorogo Regency, who scored in the "very good" category.

The highest average scores for the financial literacy variable were in the areas of understanding loan calculations and credit obligations, business loan history, and the effectiveness of budgeting and cash flow management. This indicates that entrepreneurs are aware of the importance of understanding interest rate structures and the risks associated with credit agreements to avoid falling into installment traps, as well as maintaining a good credit reputation to secure access to funding in the future. Huston (2010) also highlights the importance of understanding basic financial concepts to achieve economic stability. Individuals who are able to plan their budgets and separate cash flows will have greater control over their finance; according to Lusardi & Mitchell (2014), good control over one's financial situation directly enhances a sense of security and financial well-being. The results of this study align with several research findings indicating that financial literacy has a positive and significant effect on financial well-being (Kurniawati & Lestari, 2022; Rahman et al., 2021). Similar results from the findings of Iramani & Lutfi (2021) indicate that financial literacy is a fundamental foundation that influences financial well-being. Likewise, the study by Tanjung & Muat (2025) found a significant positive effect among Generation Z, showing that the better a person's financial literacy, the better their financial well-being.

Based on the research findings, financial stress has a significant effect on the financial well-being of young entrepreneurs in Ponorogo Regency. These findings indicate that an increase in financial stress actually further enhances an individual's level of financial well-being. Although these results contradict classical theory, they can be explained through COR Theory. The COR Theory posits that when an individual perceives a threat of losing resources in the form of financial problems, they are immediately challenged to implement resource protection strategies to safeguard their mental health (Hobfoll, 1989). This argument is supported by descriptive data from respondents' answers, which reveal a tendency among young entrepreneurs to be more reserved by choosing to avoid discussing financial issues with others.

From a financial psychology perspective, this tendency to withdraw when facing financial difficulties is a tangible manifestation of the coping process—a self-protective mechanism to safeguard their psychological resources. For young entrepreneurs, discussing financial problems with others can trigger emotional burdens such as shame, feelings of inferiority, and social pressure from their environment. This behavior demonstrates that young entrepreneurs successfully mitigate negative impacts and social pressure. As a result, young entrepreneurs are able to maintain good emotional stability, thereby retaining full control over their own lives. Within the concept of financial well-being, a sense of security, peace, and the ability to independently manage difficult situations are the primary indicators of an increase in young entrepreneurs' subjective financial well-being. These findings align

with research showing that financial stress has a significant positive effect on financial well-being (Riswanto et al., 2025), where higher levels of financial stress significantly enhance financial well-being. In line with this, research by Aminarti & Siregar (2025) found that an increase in financial stress is actually correlated with higher financial well-being, indicating that financial stress serves as a challenge to manage finances more actively, thereby improving well-being.

Based on the research findings, financial literacy has a significant positive effect on the use of fintech among young entrepreneurs in Ponorogo Regency. These findings indicate that individuals with strong financial literacy are more likely to decide to use fintech services. When linked to COR Theory, financial literacy serves as a personal resource that underpins an individual's ability to invest resources. Individuals with strong financial literacy view technology as a beneficial tool. This argument is supported by the descriptive data from respondents' answers; the highest average scores were found in the understanding of the ease of using digital technology services to achieve financial performance and the skills to utilize available infrastructure (smartphones, the internet). This indicates that young entrepreneurs use fintech because they have a technical grasp of how the technology simplifies business operations. According to Davis's (1989) Technology Acceptance Model (TAM), an individual's sustained use of technology in terms of both its benefits and ease of use is driven by their knowledge of the tool. These research findings align with previous studies showing that financial literacy has a positive and significant influence on fintech adoption (Balatif et al., 2024; Nasution & Balatif, 2025). In the context of education, financial education plays a crucial role in ensuring that Fintech can be used to its fullest potential and safely, thereby enhancing public knowledge and helping to foster better financial management in the digital age (Aminarti & Siregar, 2025).

Based on the research findings, financial stress has a non-significant positive effect on fintech usage among young entrepreneurs in Ponorogo Regency. These findings indicate that the level of financial pressure experienced by an individual does not drive them to adopt and use fintech services as a coping mechanism under stressful conditions. When linked to COR Theory, these results suggest the presence of resource paralysis or restricted action when under stress. When stress arises from the threat of losing resources, a person becomes very cautious and reverts to old habits to prevent greater losses. In the context of this study, the insignificant influence of financial stress on fintech usage may be attributed to the respondents' profile as young entrepreneurs. The use of fintech has become a basic necessity in daily business operations; therefore, the emotional stress experienced does not reduce the frequency of fintech usage. This is because the use of fintech is driven more by functional needs and the demands of the times. Thus, whether under stress or not, young entrepreneurs will continue to use the technology because it has become part of their daily operations; consequently, financial pressure does not act as a strong barrier or motivator to increase fintech usage.

Based on the research findings, the use of fintech has a significant positive effect on the financial well-being of young entrepreneurs in Ponorogo Regency. These findings indicate that the more optimal and effective the use of fintech, the better an individual's level of financial well-being. When linked to the COR Theory, the use of fintech represents a tangible form of successful resource investment. The use of fintech serves as a tool to help manage available resources. Successful resource investment through the use of this technology prevents losses and generates new resources. In the context of this study, the significant impact of fintech usage on financial well-being indicates that fintech use has a direct effect on the financial and psychological stability of young entrepreneurs in Ponorogo Regency.

Based on the analysis of respondents' answers, the highest average scores were found in their understanding of the ease of using digital technology services to achieve financial performance and their skills in utilizing available infrastructure (smartphones, the internet). This indicates that the effectiveness of the benefits offered makes it easier for entrepreneurs to manage and monitor their finances directly. This ease of use provides entrepreneurs with a sense of security in managing their finances. The presence of fintech fosters collaboration, enabling users to easily access financial services on their own (Aziz et al., 2020). This ease of access allows entrepreneurs to better monitor and control their finances, thereby enhancing the overall financial well-being of young entrepreneurs.

These research findings align with previous studies showing that the use of fintech has a significant positive impact on an individual's financial well-being (Balatif et al., 2024; Nasution & Balatif, 2025). Similarly, research by Aminarti & Siregar (2025) shows that the use of fintech can provide significant benefits in supporting an individual's well-being, indicating that fintech has a significant positive impact on the financial well-being of the community in Talawi Subdistrict.

Based on the research findings, fintech usage acts as a significant mediator in the relationship between financial knowledge and financial well-being among young entrepreneurs in Ponorogo Regency. This finding indicates a type of partial mediation, meaning that financial knowledge will have an optimal impact in supporting the achievement of financial well-being when an individual actively uses technology services. When linked to COR Theory, this phenomenon reflects the flow of resource strengthening. Financial knowledge serves as a form of personal resource that acts as the primary capital. According to COR Theory, cognitive abilities alone will not create well-being unless they are invested in tangible behavior. Thus, the use of fintech successfully serves as a tangible bridge for these resources. This means that the knowledge possessed by entrepreneurs does not stop at theoretical understanding but is put into practice through the use of digital technology.

Based on the descriptive data from respondents' answers, an understanding of business loan history, the effectiveness of budgeting, and the separation of cash flows has encouraged entrepreneurs to use fintech, which offers ease in monitoring business performance. This regular use of technology creates stronger financial control because all cash flows are neatly recorded. Nanda & Yunus (2024) note that the use of fintech is a form of resource strengthening, where technology serves as a bridge to financial access that depends on an individual's cognitive ability to use it. Thus, achieving ease in managing financial resources enhances a sense of security and provides satisfaction for young entrepreneurs, which ultimately can significantly improve their financial well-being. The results of this study align with several studies that have found that the use of fintech can mediate the relationship between financial knowledge and financial well-being; this indicates that with sufficient knowledge, an individual can optimally assess the cost-benefit analysis and risks associated with using fintech, thereby enhancing their financial well-being (Balatif et al., 2024; Nasution & Balatif, 2025; Aminarti & Siregar, 2025).

Based on the research findings, the use of fintech does not play a significant mediating role in the relationship between financial stress and financial well-being among young entrepreneurs in Ponorogo Regency. These findings indicate that the use of fintech does not serve as a bridge in coping with financial stress; thus, it does not contribute to mitigating the impact of such stress on an individual's financial well-being. When linked to COR Theory, this failure of mediation occurs due to a disruption in the resource conversion pathway. Based on the results of the previous hypothesis, financial stress was found to have a positive effect on financial well-being because young entrepreneurs engage in self-protection by avoiding discussions of financial problems with others. However, when the variable of fintech usage is introduced, fintech does not function as an effective investment tool or means of resource recovery during periods of financial stress. This lack of effect may stem from the fact that fintech usage does not serve as a recovery strategy or adaptive response to financial stress aimed at restoring financial well-being. This indicates that the role of fintech usage is insufficient to serve as a mediator in transforming and reducing financial stress into financial well-being.

This lack of a significant effect occurs because, for young entrepreneurs in Ponorogo Regency, fintech usage is a functional necessity in daily business operations, such as for transactions and payments. Therefore, the use of financial technology is routine in nature and does not affect the psychological state associated with financial stress. This indicates that even when young entrepreneurs are under stress, this does not prompt them to use fintech as a tool to manage that stress. This is because the use of fintech is viewed solely as a transactional tool rather than an instrument for managing stress; consequently, it cannot improve financial well-being when entrepreneurs are under stress. In other words, fintech does not serve as a bridge to alleviate the financial stress experienced by young entrepreneurs. These findings align with research by Balatif et al. (2024) and Nasution & Balatif (2025), which identified a non-significant mediation effect of fintech usage, indicating that fintech usage fails to mediate the influence of financial stress on financial well-being. For individuals experiencing stress, the use of fintech has not yet proven effective and has not yet reached the stage of improving financial well-being

CONCLUSSION AND RECOMMENDATION

Based on the analysis results, it can be concluded that financial literacy has a significant positive effect on financial well-being, indicating that the better one's understanding of the importance of maintaining creditworthiness and basic financial concepts, the higher the level of financial well-being experienced. Financial stress was also found to have a significant positive effect on financial well-being, indicating that the higher the financial pressure experienced, the more it actually enhances well-being because this pressure acts as a challenge to engage in self-defense to maintain emotional stability and full control over financial management.

Regarding the mediating role of fintech usage, it was found to successfully mediate the influence of financial knowledge on financial well-being, indicating that financial literacy drives the optimal use of fintech to enhance well-being. However, the use of fintech was unable to mediate the effect of financial stress on financial well-being, indicating that improvements in the financial well-being of young entrepreneurs tend to be driven by their own mental resilience rather than relying on fintech to cope with the financial stress they experience. In the context of this study, it has been demonstrated that the cor theory is better at explaining the phenomenon of financial well-being, particularly within the dynamics of financial stress.

The limitations of this study lie in the use of criteria that focus solely on entrepreneurs who are active users of fintech payment services and also focus exclusively on young entrepreneurs who are already adaptable to digital technology. Therefore, recommendations for future research include testing moderation models as an alternative approach and expanding the population criteria to include active users of fintech lending services, as these criteria are directly related to emergency funding providers for business owners. Additionally, it is recommended to conduct analyses on older entrepreneurs to compare the impacts of financial stress and digital adaptation between young and older entrepreneurs.

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