Empowering Women: Financial Literacy and Behavior of Working Women in Kathmandu Valley

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Abstract

Financial empowerment and financial wellness require that people be financially literate, especially the working women in developing economies such as Nepal. Although the women participation in the workforce is rising, women in Kathmandu Valley have their share of problems of lack of financial literacy, gender stereotypes, and unequal opportunities, which serves to shape their financial attitudes, literacy, and behavior. Even though previous research indicates that financial attitude and knowledge are the determinants of financial literacy, and that literacy determines financial behavior, the exact area of research that is limited is the working women. This paper focuses on the financial literacy and behavior of working Kathmandu Valley women, how financial attitude and knowledge impact on financial literacy and what issues are essential in influencing women in their financial decision-making. The quantitative explanatory research design was used. Convenience sampling, which involved a survey of 412 working women using structured questionnaires administered using KOBO Toolbox was used. Reliability and validity of the data were checked and relations between financial attitude, financial knowledge, financial literacy and financial behavior were analyzed by means of Partial Least Squares Structural Equation Modeling (PLS-SEM). The findings indicate that young, unmarried women in service industries particularly the highly educated ones are more financially literate. Financial attitude and knowledge are the key determinants of financial literacy, which indirectly affects financial behavior. Key obstacles are gender stereotypes, low representation in male dominated environments, and lack of access of both financial resources. The paper concludes that financial literacy and attitude of working women are the key indicators of financial literacy, and financial literacy is the key factor of financial behavior. To empower women financially in Kathmandu Valley, financial education, equal opportunity, mentorship, and access to resources should be enhanced.

1. Introduction

Financial literacy, a term encompassing the ability to comprehend financial matters and make informed decisions regarding finances, holds significant importance in today's complex economic landscape (Lusardi & Mitchell, 2014; Remund, 2010). It entails a multifaceted skill set that empowers individuals to navigate various financial scenarios, from budgeting and saving to investing and planning for future financial needs like retirement or education expenses (Elbanna et al., 2025). At its core, financial literacy is about equipping individuals with the knowledge and skills necessary to manage their money effectively, thereby gaining control over their financial well-being (Bhat et al., 2025). Moreover, financial literacy transcends personal finance and intersects with broader economic concepts, highlighting its relevance within the field of economics (Ilugbusi & Adisa, 2017). By fostering a deeper understanding of financial principles and practices, financial literacy enables individuals to make informed decisions that not only benefit them personally but also contribute to overall economic stability.

The historical roots of financial literacy can be traced back to the early 20th century, with public libraries emerging as key players in adult financial education initiatives (Kiszl & Winkler, 2022) However, the term "financial literacy" gained prominence in the United States as far back as 1787, reflecting its enduring significance in addressing financial confusion and suffering arising from ignorance (Lindberg, 2016). Over time, the concept of financial literacy has evolved and expanded, with researchers, organizations, and governments emphasizing its importance in various contexts. Financial literacy encompasses not only the understanding of fundamental financial concepts but also the ability to apply this knowledge in practical financial decision-making scenarios (Lusardi, 2019). This multifaceted understanding shows the holistic nature of financial literacy and its potential to empower individuals across diverse socioeconomic backgrounds.

In addition to financial literacy, financial behavior plays a pivotal role in shaping individuals' financial well-being (Lone & Bhat, 2022; Sajid et al., 2024). Financial behavior encompasses a broad spectrum of actions, decisions, and habits related to the management of money and financial resources. From prudent budgeting and saving habits to strategic investment decisions, financial behavior reflects individuals' attitudes and approaches towards financial management. Importantly, financial behavior is influenced by various factors, including psychological, social, economic, and personal variables (Capuano & Ramsay, 2011). Understanding the intricate interplay between these factors is essential for promoting positive financial behaviors and fostering long-term financial resilience among individuals.

Empowering individuals with financial literacy not only enable them to plan for future financial needs but also equips them to handle unexpected emergencies without resorting to debt (Akhiar, 2024). Early exposure to financial concepts and products lays the foundation for sound financial planning and responsible financial behavior. Moreover, as societal dynamics evolve, the role of women in financial decision-making is undergoing a transformation (ArockiaDass & Nithya, 2025). Despite progress, challenges remain, particularly concerning the transfer of financial literacy across generations and addressing gender-related barriers to financial empowerment. Recognizing these challenges is essential for designing targeted interventions to promote financial literacy and empowerment among women, thereby fostering greater financial inclusion and economic resilience (Aithal, 2024).

In the context of Nepal, the importance of financial education has grown significantly, driven by changes in financial markets, demographics, and economic policies (Chaulagain & Devkota, 2018). Financial literacy among working women holds particular

significance for personal and societal transformation. However, there is a dearth of research focusing on the financial literacy and behavior of employed women in Nepal. This study aims to address this gap by analyzing the financial literacy and behavior of working women, identifying challenges they face, and exploring potential managerial solutions. By shedding light on the unique financial needs and challenges of working women, policymakers, financial institutions, and organizations can develop targeted interventions to promote financial literacy and empowerment within this demographic group. Ultimately, such initiatives can contribute to broader efforts aimed at enhancing financial inclusion and fostering sustainable economic development.

2. Literature Review

2.1 Theoretical Framework and Hypothesis Formulation

Theoretical frameworks serve as organized sets of ideas and hypotheses derived from prior research, providing a foundation for analysis and interpretation. In the context of financial literacy, several theories such as the Theory of Planned Behavior (Ajzen, 1991), Theory of Social Learning (Bandura & Walters, 1977), Social Cognitive Theory (Lawaju et al., 2024), Theory of Reasoned Action (Madden et al., 1992), and Dual Process Theory have been reviewed for this study. The Theory of Planned Behavior posits that behavior beliefs, normative beliefs, and control beliefs influence human behavior (Devkota et al., 2023). Social learning theory suggests that individuals learn by observing the behaviors of others (Goyal & Kumar, 2021). Social Cognitive Theory explains behavior as the result of dynamic interactions among personal factors, observed experiences, and environmental influences (Bandura, 1999). The Theory of Reasoned Action emphasizes the role of attitudes and subjective norms in shaping behavioral intentions, which ultimately influence behavior (Shrestha et al., 2025). Additionally, the Dual Process Financial Literacy Theory suggests that the

behavior of individuals with high financial literacy may be influenced by different thinking styles, namely intuition and cognition (Estelami & Estelami, 2024).

Among these theories, the Theory of Planned Behavior stands out as a prominent framework for understanding the relationship between financial literacy and human behavior. This psychological paradigm explores how attitudes, subjective norms, and perceived behavioral control interact to shape individuals' intentions and subsequent behaviors (Ajzen, 1991). Applied to the context of financial literacy among women, the Theory of Planned Behavior assesses their attitudes, subjective norms, and perceived control over financial knowledge and behaviors. By understanding these factors and their interactions, researchers and educators can develop effective strategies to promote financial literacy among women and enhance their financial well-being.

Based on these previous theoretical analyses, a conceptual model for this study is developed, incorporating an expanded version of the Theory of Planned Behavior. In this model, financial behavior serves as the independent variable, financial literacy as the mediating variable, and financial knowledge and attitude as the dependent variables. Financial attitude corresponds to attitudes, financial knowledge to subjective norms, financial literacy to financial literacy, and financial behavior to behavior. This conceptual framework provides a structured approach to examining the complex relationships between financial literacy, attitudes, knowledge, and behavior among working women.
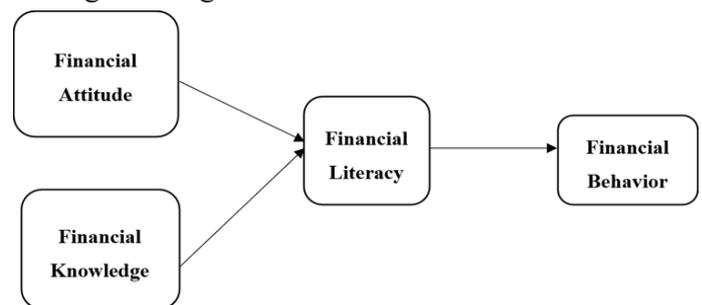

Figure 1: Conceptual Framework [Source: Revised and modified from Yong et al. (2018)]

Financial Attitude

Financial attitude is the pre-disposition to behave in a particular manner formed due to some economic and non-economic beliefs possessed by the individual on the outcome of certain behavior (Ajzen, 1991). Preferences and attitude are seen as essential elements of financial literacy (Németh & Zsótér, 2017) In order to enhance financial literacy among generations, the focus should be on developing favorable financial attitudes among the people of the country (Dewi et al., 2020). Then only, real benefits of any financial education program can be achieved. Financial attitude is a necessary determinant to identify financial literacy of individuals, and it also influences the level of financial literacy (Rai et al., 2019)authors have presented an association of financial knowledge, financial behaviour and financial attitude towards the financial literacy level among working women in Delhi, India. The sample size of 394 working women from various public and private organizations of Delhi has been incorporated for the research. A structured questionnaire designed on a 5-point Likert scale has been used based on purposive sampling, and the goodness of fit is determined by analysis of moments structures.

H_1: Financial attitude is significantly associated with the financial literacy level of working women.

Financial Knowledge

A financially literate person will possess the basic knowledge of some key financial concepts (OECD, 2013). Therefore, financial knowledge is termed as a key dimension of financial literacy. Financial knowledge is a form of literacy in financial matters. Financial literacy is thought to be closely related to financial knowledge, which includes understanding various financial concepts including investing, financial planning, and budgeting (Lusardi & Mitchell, 2011). It is expected that women in the workforce will become more financially literate as they continue to expand and improve their financial knowledge. This link stems from the idea that having a strong foundation in finance gives people the ability to navigate complex financial environments, hence empowering working women by giving them a more thorough understanding of financial concepts. The foundation for empirical investigation with the goal of confirming and elucidating the complex relationship between financial literacy and knowledge among working women (Rai et al., 2019)authors have presented an association of financial knowledge, financial behaviour and financial attitude towards the financial literacy level among working women in Delhi, India. The sample size of 394 working women from various public and private organizations of Delhi has been incorporated for the research. A structured questionnaire designed on a 5-point Likert scale has been used based on purposive sampling, and the goodness of fit is determined by analysis of moments structures (AMOS).

H_2: Financial knowledge is significantly associated with the financial literacy level of working women.

Financial Literacy

The ability and information people have about handling money and finances to raise their level of life and stay out of financial trouble is known as financial literacy. (Lusardi & Mitchell, 2011). The degree of financial knowledge and proficiency, often known as financial literacy, is closely related to the way in which people behave financially. This correlation suggests that people's financial behavior should be expected to change in tandem with their increased financial literacy (Sari, 2015). It is suggested that financial literacy, which encompasses a range of abilities and information linked to money management, including investing, budgeting, and comprehending financial instruments, is vital in determining how people approach and carry out financial decisions. This theory emphasizes how crucial it is to understand that having a strong foundation in financial literacy will enable people to make wise financial decisions, which will ultimately affect how they behave financially overall (Erawati & Susanti, 2017).

H_3: Financial Literacy is significantly associated with the financial behavior of working women.

Financial Behavior

An individual's financial well-being is greatly influenced by his behavior. Therefore, it is imperative to capture evidence of behavior dimension within the financial literacy measure. Individuals with high financial behavior were more likely to participate in stock market and formal financial markets (OECD, 2013). Financial literacy—which includes knowledge and attitude linked to money management—must be crucial in determining how financial behavior. According to the hypothesis, people who have positive financial attitudes may also behave responsibly with money, and their degree of financial literacy is probably going to act as a mediating factor in this relationship (Nano, 2015). Put another way, it is anticipated that people with positive financial attitudes will convert these views into more knowledgeable and responsible financial behaviour as they increase their financial literacy. As individuals with enhanced financial knowledge improve their financial literacy, they are expected to translate this knowledge into more effective and informed financial actions (Puneet & Yajulu, 2014)both physically and mentally. The research objective of this research is to find out whether the level of technology competence and workload has an impact on employee performance through technostress as an intervening variable. The respondents of this study were 138 people whom work at Production and Engineering department of a multinational company using automation technology equipment in operation. A technique of data collection was done by using questionaire and interviews. Data was analysed using the Structural Equation Modelling. (SEM)

H_4: Financial Literacy is mediating the relationship between financial behavior and financial attitude of working women.

H_5: Financial Literacy is mediating the relationship between financial behavior and financial knowledge of working women.

3. Research Methods

This study adopts a quantitative approach to analyze

Table 1: Observed variables and its description

Construct	Observe Variable	Indicator	Explanation
Financial Attitude (Johan et al., 2021)	Managing money	FA1	I am very organized when it comes to managing my money day to day
	Managing risk	FA2	I always begin saving well in advance for a big event.
	Planning ahead	FA3*	I always make sure I have money saved for a rainy day.
Financial Knowledge (Johan et al., 2021)	Risk	FK1*	I feel that there is difference in risk between buying single company's stock and stock mutual funds
	Belief in Ability	FK2	I believe that I can read a bank statement.
	Knowledge regarding inflation	FK3*	I believe that there is impact of inflation on purchasing power of savings in future.
	Saving	FK4	I believe that I understand pension savings.
Financial Literacy (Rahman et al., 2021)	Status	FL1	I believe that Balance sheet shows your financial status.
	Investment	FL2*	I believe that buying insurance is the best investment.
	Purchasing Power	FL3*	I believe that owning a credit card will increase one's purchasing power.
	Skills	FL4	I can use combinations of skills, resources and knowledge to make financial decisions
Financial Behavior (Thapa & Nepal, 2015)	Recording	FB1	I maintain adequate financial records
	Saving	FB2	I contribute to a bank saving account regularly
	Investment	FB3	I plan to implement a regular savings/investment program
	Tracking	FB4*	I budget and track my spending.

numerical data objectively, using a descriptive design to describe existing conditions and an explanatory design to examine cause–effect relationships among variables (Rajbhandari et al., 2022).

The study area encompasses Bagmati Pradesh, situated within Kathmandu Valley. Nepal, comprising 77 districts, includes three districts within Kathmandu Valley: Kathmandu, Lalitpur, and Bhaktapur. Positioned at an average elevation of approximately 1350 meters above sea level, Kathmandu Valley assumes an elliptical shape, extending 25 kilometers along its east-west axis and boasting a maximum width of 19 kilometers. For this study, Kathmandu Valley (comprising Kathmandu, Bhaktapur, and Lalitpur) was selected as the research area. Kathmandu, the nation's capital, houses numerous large businesses and carries a high population density, totaling 2,517,023 inhabitants as of the 2011 census. This dense population facilitates data collection, and Kathmandu's status as a hub for established businesses, characterized by high transaction volumes and significant purchasing power among its inhabitants, adds further relevance to the study. Additionally, the majority of literate consumers in Nepal, who predominantly rely on online reviews, are situated in Kathmandu Valley, ensuring the acquisition of precise and valid data. Known as a burgeoning center for online shopping businesses catering to diverse consumer profiles, Kathmandu Valley serves as an ideal setting to explore the emerging concept of online reviews, offering insights to enhance both company performance and consumer experiences while minimizing risks. Thus, Kathmandu Valley was chosen to provide insights into how online reviews can foster consumer trust and long-term satisfaction.

Given that the sample size is not predetermined and potential respondents can be diverse, non-probability sampling was employed. Non-probability sampling involves selecting units based on individual judgment rather than random selection (Maharjan et al., 2025). Under this technique, individuals are chosen based on

the researcher's knowledge and opinions regarding the population being studied. The method, developed by Cochran, involves using an equation to generate a representative sample for proportions in large populations (Lawaju et al., 2023). This equation, denoted as n_0, considers several factors including the standard tabulated value for a 5% level of significance (z), the prevalence or proportion of an event (p), and the allowable error (e) that can be tolerated. For instance, in the given equation, with a standard tabulated value (z) of 1.96, a prevalence rate of 50% (p = 0.5), and an allowable error of 5% (e = 0.05), the sample size (n_0) is calculated to be approximately 384.16. To account for potential non-response error of 5%, the calculated sample size is adjusted accordingly. This adjustment involves multiplying the initial sample size by the non-response error percentage and adding the resulting value to the original sample size. In this case, the non-response error of 5% yields an additional 19.208 observations. Thus, the final sample size for the study is determined to be approximately 403.368 but the actual sample size considered for the study is 412.

To make sense of the research and come to specific conclusions and findings, each piece of data collected from the field is assessed. The data were analyzed using descriptive and inferential techniques. Microsoft Excel was utilized for data entry and tabulation, whereas KOBO Toolbox, SmartPLS 4.0, and Microsoft Excel were used for data analysis. Tables and graphs are used to present the results of the statistical analysis of the data. In addition, when analyzing consumer behavior in relation to the environment four crucial elements are taken into consideration.

4. Results

4.1 Socio Demographic Characteristics

A questionnaire survey was conducted among 412 respondents in each of the three districts: Kathmandu, Bhaktapur and Lalitpur. Socio-demographic information generally deals with the personal characteristics of respondents. Various

factors such as age, sex, level of education, profession and monthly income were analyzed for the socio demographic characteristics.

Table 2: Social Demographic

Title	Category	Number	Percentage (%)
	Unmarried	218	52.91
Marital Status	Married	189	45.87
	Others	5	1.21
	25-34	158	38.35
	18-24	104	25.24
	35-44	87	21.12
Age	45-54	44	10.68
	55-64	9	2.18
	Below 18	9	2.18
	65 and above	1	0.24
	Lalitpur	138	33.5
Location	Bhaktapur	138	33.5
	Kathmandu	136	33.01
	Bachelors	218	52.91
	Up to Intermediate / +2	88	21.36
Educational Level	Masters and above	76	18.45
	Below SLC or Equivalent	24	5.83
	Illiterate	6	1.46
	Service sector	158	38.35
	Self-employed	121	29.37
Employment Status	Others	77	18.69
	Government	28	6.8
	Industrial sector	28	6.8
	40,000- 80,000	135	32.77
Family monthly income	20,000-40,000	118	28.64
	Below 20,000	61	14.81
	100,000 above	55	13.35
	80,000-100,000	43	10.44

Table 2 presents socio-demographic variables from a survey of 412 respondents, revealing key characteristics of the sample population. The majority of respondents are unmarried women, accounting for 52.91%, while married women comprise 45.87%, with the remaining 1.21% falling into other categories. Additionally, the data indicates that the largest proportion of respondents falls within the 25-34 age group, representing 38.35% of the sample. This is followed by the 18-24 age group (25.24%), 35-44 age group (21.12%), 45-54 age group

(10.68%), and respondents above 55-64 (2.18%), with a negligible percentage below 18. Geographically, the respondents are distributed across districts, with the highest proportion from Lalitpur District (33.5%), followed closely by Bhaktapur District (33.5%) and Kathmandu District (33.01%). Education-wise, half of the respondents have bachelor's level education (52.91%), followed by up to Intermediate/+2 (21.36%), master's level education (18.45%), below SLC (5.83%), and 1.46% being illiterate. Regarding professions, most respondents are employed in the service sector (38.35%), followed by self-employed individuals (29.37%) and those in other sectors (18.69%). Government and industrial sectors employ only 6.80% of the respondents, reflecting a predominance of service-oriented occupations. In terms of family income per month, the data shows that 32.77% of respondents have incomes between Rs. 40,000-80,000, followed by 28.64% with incomes between Rs. 20,000-40,000. Additionally, 14.81% have incomes below Rs. 20,000, 13.35% have incomes above Rs. 1,00,000, and 10.44% have incomes between Rs. 80,000-100,000. The findings suggest that unmarried female youth working in the service sector tend to exhibit higher levels of financial literacy, particularly among those with higher levels of education. These insights contribute to a deeper understanding of the socio-demographic characteristics and financial literacy levels of working women in the Kathmandu Valley.

4.2 Challenges and Managerial Solution for Online Reviews

This section highlights the challenges faced by working women in Kathmandu Valley regarding investment decisions, along with potential managerial solutions to address these challenges. A diagram displays the percentage of respondents identifying each difficulty as a barrier to investment decision-making. Major challenges include Gender Stereotypes (38.35%) and Lack of Representation in a male-dominated society (38.11%). Other challenges cited include Time Constraints (31.07%), Biases in Financial Services

(28.64%), Lack of Financial Education (27.91%), Income Disparities (15.78%), and Risk Aversion (0.73%). Respondents attribute these challenges mainly to Society (286), Government (209), Individuals (176), and Policy Makers (117). Managerial solutions to enhance women's investment decision-making are also presented. Out of 412 respondents, 95.63% believe that these issues can be managed. The most common recommendation, supported by 65.05% of respondents, is to increase financial education and literacy to improve financial decision-making capabilities. Equal opportunity and inclusion (52.18%) and proper mentorship and role models (40.05%) are also considered essential solutions. Other suggestions include Support for Work-Life Balance (38.11%), Equal Pay for Equal Work (28.40%), and Access to Credit and Capital (27.18%). These solutions aim to empower women economically and create a more conducive environment for their financial decision-making.

4.3 Inferential Analysis

Inferential analysis plays a pivotal role in fields such as population health sciences and building energy research, where inherent unpredictability, uncertainty, and limited data pose significant challenges (Yellapu, 2019). In this section, both the measurement model and structural model are analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), a sophisticated data analysis tool well-suited for handling large datasets.

Due to the fact that the data was only obtained from one source, the potential for Common Method Bias was examined by testing the entire collinearity, as recommended by (Kock & Lynn, 2012). Using this approach, every variable will be regressed against a single common variable, and if the VIF value is less than 3.3, there won't be any bias from the single source of data (Lawaju et al., 2024). The research showed that VIF was under 3.3, indicating that single source bias is not a serious problem with data as present on Table 3.

4.4 Measurement model assessment

For internal consistency reliability, the CA and CR were evaluated. Similarly, Factor loadings, average variance extracted (AVE), were evaluated for Convergent Validity. As per Hair Jr et al. (2020), Loading values should be ≥ 0.5 (Tiwari et al., 2025), AVE values should be ≥ 0.5 (Adhikari et al., 2024), and CR and CA values should be ≥ 0.7. All the AVEs were higher than 0.5 and all the CRs and CAs were higher than 0.7 (Table 3) (Basnet et al., 2024). This satisfies the threshold, indicating no problem of internal consistency reliability and convergent validity.

Table 3: Measurement Model

Constructs	Items	Loadings	CA	CR	AVE	VIF
Financial Attitude	fa1	0.82	0.558	0.559	0.693	1.356
	fa2	0.844				
Financial Behavior	fb1	0.778	0.701	0.701	0.626	1.432
	fb2	0.787				
	fb3	0.809				
Financial Knowledge	fk2	0.863	0.61	0.613	0.719	1.338
	fk4	0.833				
Financial Literacy	fl1	0.777	0.486	0.495	0.66	1.371
	fl4	0.846				

For discriminant validity HTMT ratios and FNL criterion were examined. The HTMT readings should be below 0.90, to determine discriminant validity 90 (Franke & Sarstedt, 2018). All the HTMT values for the construct fall below threshold 0.9, thus meeting the criteria for discriminant validity and indicating validity of the data. Moreover, to support the result of HTMT ratio, FNL criterion suggests that the square of AVE of a construct should be greater than the inter-construct correlation. This criterion was also fulfilled by the data indicating the discriminant validity of the data.

Table 4: HTMT and Fornell and Larcker Criterion

HTMT				Fornell and Larcker Criterion			
	FA	FB	FK		FA	FB	FK	FL
FA				FA	0.833			
FB	0.847			FB	0.53	0.791		
FK	0.787	0.641		FK	0.459	0.419	0.848	
FL	0.78	0.705	0.825	FL	0.408	0.411	0.457	0.812

Table 4 reveals that the values exceed the loading of the item on other constructs. The square root of each Average Variance Extracted (AVE) is demonstrated to be greater than their respective inter-construct correlations in the Fornell-Larcker criteria table, indicating strong discriminant validity (Basnet et al., 2023). Additionally, the HTMT table illustrates that all HTMT ratios fall below the critical value of 0.90. Hence, all discriminant validity criteria meet the threshold requirements, suggesting no concerns regarding discriminant validity.

4.5 Structural Model Assessment

The outcomes of a bootstrapping operation are displayed in the above figure 2. Many subsamples are obtained from the original sample during the operations, and replacement is done to provide bootstrap standard errors, which provide an estimated p-value for the structural path's significance test. Each of the five latent variables has several observable variables. The influence of each observable variable or the impact of the hidden variable was assessed. Here the Financial Behavior (FB) is the independent variable, Financial Literacy (FL) is the mediating variable and Financial Attitude (FA) and Financial Knowledge (FK) are the dependent variable. In this model the beta coefficient between FA and FL is 0.251 which means that when FA changes by 1 unit FL changes by 0.251 unit. Similarly, the beta coefficient between FK and FL is 0.343 which means when FK changes by 1 unit then FL changes by 0.343. Likewise, the beta coefficient between FB and FL is 0.412 which means when FB changes by 1 unit then FL changes by 0.412.
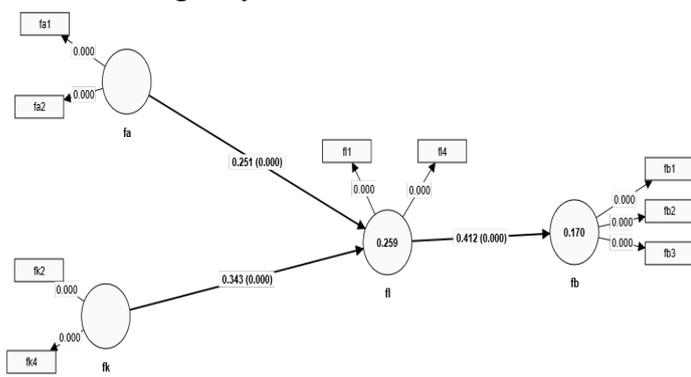

Figure 2: Structural Equation Modeling

Table 5: Hypothesis Testing

Hypotheses	Beta (95% CI)	P values	Result
H$_1$: fa -> fl	0.251(0.152, 0.344)	0	Supported
H$_2$: fk -> fl	0.343(0.237, 0.445)	0	Supported
H$_3$: fl -> fb	0.412(0.312, 0.501)	0	Supported

Table 7 shows the result of hypothesis testing which shows all of the hypothesis are supported since their respective p-values are less than 0.5, indicating that there is significant relationship between the dependent and independent variables.

A statistical technique known as mediation analysis is employed to ascertain whether a series of interactions between an independent variable (X) and a dependent variable (Y), as well as between the independent variable and an intervening mediator (Z), at least partially explains the relationship between the two variables (Fiedler et al., 2011). In mediation analysis, bootstrapping is done under which specific indirect effect is measured. In the study Financial Literacy acts as the mediating variable between Financial Attitude, Financial Knowledge and Financial Behavior. For the mediation analysis we measure the specific indirect effect. Below table reveals that Financial Literacy has mediating role between Financial Attitude, Financial Knowledge and Financial Behavior since the hypothesis is accepted.

Table 6: Mediation Analysis

Hypotheses	Beta (95% CI)	P value	Result
fa -> fl -> fb	0.103(0.056, 0.16)	0	Supported
fk -> fl -> fb	0.141(0.088, 0.204)	0	Supported

6. Discussion

This paper will attempt to understand the degree of financial literacy as well as its effect on financial behavior of working women in Kathmandu Valley through the analysis of the constructs of Financial Behavior (FB), Financial Literacy (FL), Financial Knowledge (FK), and financial Attitude (FA). In order to address this aim, five hypotheses were formulated comprising of three direct hypotheses (H1, H2 and H3) and two mediating hypotheses (H4 and H5) to ensure direct and indirect relationship between the variables

were captured. To establish and test the relationships between the constructs, reliability and validity tests were done to ascertain the strength of the measurement scales, and measurement and structural model analyses carried out using Structural Equation Modeling (SEM).

The empirical data show that the five hypotheses (H1-H5) are statistically significant with p-values do not exceed 0.05 which means that the proposed model has strong empirical evidence to support it. In particular, Hypothesis 1 validates the critical positive correlation between Financial Literacy and Financial Attitude, which is in line with previous research works by Rai et al. (2019) and Dewi et al. (2020). Hypothesis 2 proves that Financial Literacy and Financial Knowledge are significantly connected and agree with the results of the studies conducted by Garg and Singh (2011) and Rai et al. (2019). Equally, Hypothesis 3 confirms the existence of a strong correlation between Financial Literacy and Financial Behavior, which supports previous data shared by Dwiastanti (2015) and Purwidianti and Tubastuvi (2017).

Besides, the mediating analysis offers more information on the mechanisms behind the financial decision-making process. Hypothesis 4 is to support the conclusion made by Maharjan et al. (2025) that Financial Literacy has a significant role in mediating the connection between Financial Behavior and Financial Attitude. Similarly, Hypothesis 5 is accepted, which shows Financial Literacy also is a mediating variable in the relationship between Financial Behavior and Financial Knowledge. On balance, the research produces valuable information to the literature by pointing out the crucial role of financial literacy in determining financial attitudes, knowledge and behavior of working women in Kathmandu Valley. The results contribute to the knowledge about the financial decision-making among this group of the population, and they offer valued implications to policy makers, financial educators, and institutions that seek to develop specific financial literacy programs to

working women.

6. Conclusion

The study aims to delve into the Financial Literacy and Financial Behavior of working women in the Kathmandu Valley, emphasizing that financially literate women tend to make better investment decisions. The research underscores the importance of equipping women with the knowledge and skills necessary for making informed financial choices. Specific objectives include defining factors influencing the financial behavior of working women towards financial literacy, identifying challenges and barriers, and evaluating managerial solutions for financial decision-making. Financial Attitude, Financial Knowledge, and Financial Behavior emerge as key factors affecting the Financial Literacy of working women. The research highlights that financial attitude directly influences financial literacy, while financial knowledge also impacts financial literacy, with the variable of financial literacy mediating financial behavior. Challenges related to financial literacy in decision-making include Gender Stereotypes, Lack of Representation in a Male-dominated society, Time Constraints, Biases in Financial Services, Lack of Financial Education, Income Disparities, and Risk Aversion. Addressing these challenges necessitates a comprehensive approach involving educational institutions, employers, financial institutions, and policymakers. Potential solutions to enhance women's decision-making in investment include increasing financial education and literacy to bolster their capability in financial decision-making. Equal opportunity and inclusion are advocated as crucial, alongside proper mentorship and role models. Suggestions such as Support for Work-Life Balance, Equal Pay for Equal Work, and Access to Credit and Capital are also recommended to empower women financially.

the paper.

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Declaration of Competing Interest

The author states that there are no conflicts of interest.

Data Availability

The data that underlie the findings of this research can be provided

by reaching out to the author.

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