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Local Culture-Based Investment Decisions and Financial Well-Being Among Msmes: A Systematic Literature Review

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Abstract: Financial well-being has become a strategic concern in household finance, MSME development, and inclusive growth, especially in emerging economies where financial access often grows faster than financial capability. This study conducts a systematic literature review to examine how financial literacy, financial inclusion, financial experience, and financial behavior shape financial well-being through the mediating role of local culture-based investment decisions among micro, small, and medium-sized enterprises (MSMEs). Guided by a PRISMA-based review logic, this article integrates Behavioral Finance Theory, the Theory of Planned Behavior, and Socio-Cultural Theory to explain financial well-being as a culturally embedded outcome of knowledge, access, experience, behavior, and investment judgment. Based on 33 selected studies, the review identifies four dominant streams: financial capability and literacy, financial inclusion and digital access, behavioral finance and investment decision-making, and socio-cultural embeddedness in financial well-being. The synthesis shows that local culture-based investment decisions serve as a contextual bridge between modern financial systems and community-based economic values. This review contributes an integrative framework for future MSME research and offers practical implications for culturally grounded financial literacy, inclusive finance, and investment assistance programs.

Keyword: Financial Well-Being, Financial Literacy, Financial Inclusion, Local Culture-Based Investment Decision, MSMEs.

INTRODUCTION

Financial well-being is increasingly positioned as a strategic outcome of financial capability, access, and behavior. It reflects not only the capacity to meet daily needs, but also the ability to absorb financial shocks, pursue long-term goals, and make financial choices that support a meaningful life. The Consumer Financial Protection Bureau defines financial well-being through present control, future security, financial freedom, and resilience against unexpected events (CFPB, 2015). Brügggen et al. (2017) further frame financial well-being as

a subjective and objective condition shaped by individual behavior, psychological perception, and socio-economic context.

The urgency of this topic is stronger in MSME contexts because business owners often combine personal and business finance, rely on informal learning, and face constrained access to structured financial advice. In emerging economies, financial inclusion has expanded through banking, microfinance, and digital services, but access alone does not guarantee welfare improvement. Without adequate financial literacy, experience, and disciplined financial behavior, wider access can produce unintended consequences such as excessive debt, poor cash-flow control, and low-quality investment decisions (Yue et al., 2022). This concern is relevant for MSMEs, which depend heavily on the quality of everyday financial judgment.

Prior research has consistently linked financial literacy and financial behavior to financial well-being. Fernandes et al. (2014) show that financial education has uneven effects on downstream financial behavior, while more recent evidence emphasizes that literacy works more effectively when combined with confidence, self-control, and actual financial practices (Bai, 2023; Choowan et al., 2025; Das, 2025). In parallel, financial inclusion supports welfare by improving access to savings, credit, payment systems, insurance, and digital financial services, but its effectiveness depends on the quality of use and the ability of individuals to convert access into productive decisions (Cicchello et al., 2021; Reddy et al., 2024).

Nevertheless, much of the existing literature still treats investment decisions and financial well-being through universal or individualistic assumptions. In communal societies, financial decisions are embedded in values, social trust, religious norms, family expectations, and local knowledge. Socio-cultural perspectives suggest that individuals interpret risk, opportunity, and financial security through cultural lenses rather than through purely rational calculation (Triandis, 1995; Vygotsky, 1978). Thus, investment decisions among MSMEs may be influenced not only by financial information, but also by collective values, local legitimacy, and perceived cultural appropriateness.

This review addresses the conceptual gap by integrating financial capability, inclusion, experience, behavior, and local culture-based investment decisions into a unified financial well-being framework. The central argument is that financial literacy, inclusion, experience, and behavior may influence financial well-being directly, but their effects can also be strengthened or translated through culturally grounded investment decisions. This view extends Behavioral Finance Theory by incorporating cultural embeddedness, extends the Theory of Planned Behavior by linking attitude, subjective norm, and perceived control to investment action, and extends Socio-Cultural Theory by positioning local culture as an active mechanism in financial decision-making.

Accordingly, this study is guided by four research questions: (RQ1) What dominant themes characterize the literature on financial literacy, financial inclusion, financial experience, financial behavior, investment decisions, and financial well-being? (RQ2) How do financial capability and access shape MSME financial well-being? (RQ3) What role do investment decisions play in translating financial determinants into welfare outcomes? (RQ4) How can local culture be integrated into a future research agenda on MSME financial well-being?

METHOD

This article applies a Systematic Literature Review (SLR) design using a PRISMA-based logic to organize the identification, screening, eligibility, and synthesis of studies. The manuscript follows the structure of a systematic review article by combining protocol-based search planning, thematic synthesis, article synthesis, and conceptual framework development. The present draft is constructed from the attached dissertation corpus and operational-variable document, then reorganized into an article format suitable for further database finalization.

The review scope covers studies related to financial well-being, financial literacy, financial inclusion, financial experience, financial behavior, investment decision-making, and

socio-cultural values in financial management. The targeted literature domain includes household finance, behavioral finance, MSME finance, financial inclusion, financial education, digital finance, and culturally embedded investment behavior. The expected databases for final search verification are ScienceDirect, Emerald Insight, MDPI, Springer, Wiley, Taylor & Francis, and Scopus-indexed journals, with additional backward and forward snowballing from highly relevant studies.

Boolean Keywords for Publish or Perish (PoP) and VOSviewer Mapping

For bibliometric mapping, the database search can be finalized through Publish or Perish (PoP) and then exported to RIS or CSV for VOSviewer. Because PoP searches are more stable when the query is not too long, the following keyword strings should be run separately and then merged after duplicate removal.

Table 1. Search Query Strategy for Publish or Perish and VOSviewer Mapping

No.	PoP search string	Purpose for VOSviewer mapping
1	"financial well-being" OR "financial wellbeing" AND "financial literacy" AND MSME	Core cluster on financial literacy, capability, and MSME welfare.
2	"investment intention" AND "financial literacy" AND "financial behavior"	Cluster on intention, literacy, and behavioral decision-making.
3	"financial inclusion" AND "investment decision" AND entrepreneur	Cluster on access to finance and entrepreneurial investment.
4	"local culture" AND "investment decision" AND SME	Cluster on cultural embeddedness and local investment choices.
5	collectivism AND "risk preference" AND "investment decision"	Cluster on cultural values, risk perception, and investment behavior.
6	"home bias" AND "investment decision" AND culture	Cluster on local preference, familiarity, and culturally bounded investment.

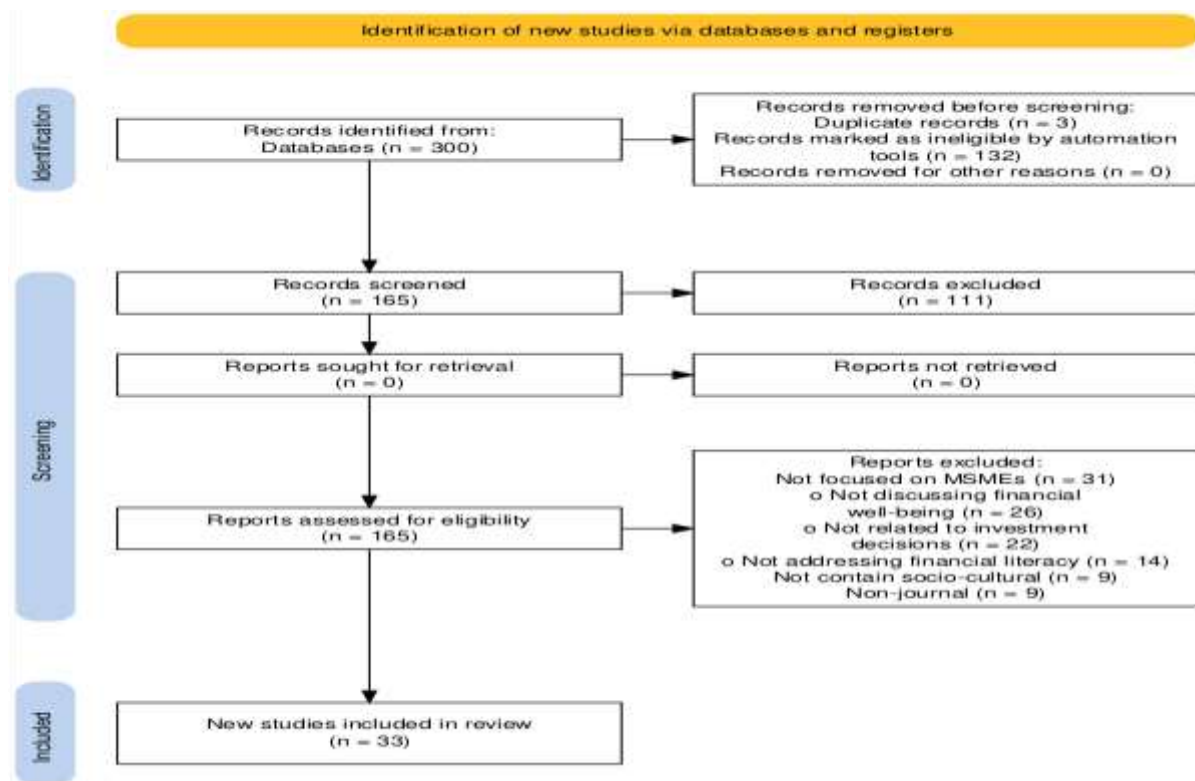
Source: Author’s own work based on Publish or Perish search strategy (2026)

Recommended PoP settings: publication years 2014-2026 or 2020-2026 according to the target article scope; source Google Scholar, Crossref, Scopus Preview, or Semantic Scholar depending on access; document type journal article, review, or conference paper only if relevant; export format RIS/CSV; then clean duplicates and normalize keywords in VOSviewer using a thesaurus file, for example MSME/SME/small business, financial wellbeing/financial well-being, and investment decision/investment behavior.

The inclusion criteria are: peer-reviewed journal articles, systematic reviews, meta-analyses, and empirical studies; publications written in English or Indonesian with an English abstract; studies addressing at least one focal construct; and studies relevant to individual, household, MSME, or entrepreneurial financial behavior. The exclusion criteria are: papers outside financial decision-making, purely macroeconomic studies without behavioral or welfare relevance, non-scholarly documents, inaccessible abstracts, and duplicated records. Using these criteria, the final synthesis retained 33 studies after identification, screening, retrieval, and eligibility assessment.

PRISMA Flow Diagram Points for 33-Article Final Synthesis

The PRISMA flow diagram is not inserted in this article draft. The author can prepare it independently using the following article-selection points based on 33 articles retained for final synthesis.



Source: Author's Own Work (2026)

Figure 1. PRISMA Flow Diagram of the Article Selection Process

The PRISMA-based selection process began with 300 records exported from Publish or Perish. After removing 3 duplicate records, 297 records were screened based on titles, abstracts, and keywords. A total of 132 records were excluded because they were not directly related to the focal constructs of financial well-being, financial literacy, financial inclusion, financial behavior, investment decision-making, MSMEs, risk preference, or cultural finance. From 165 reports sought for retrieval, 21 could not be accessed or did not provide sufficient bibliographic or full-text information. The remaining 144 full-text reports were assessed for eligibility, and 111 were excluded because they did not focus on MSMEs or individual financial decision-making, did not examine financial well-being outcomes, lacked relevance to investment decision-making or financial behavior, or had limited socio-cultural and methodological relevance. Finally, 33 studies were retained for thematic synthesis and conceptual framework development.

The synthesis was conducted in three stages. First, conceptual coding classified studies according to the focal constructs. Second, thematic synthesis identified recurrent patterns linking financial capability, access, experience, behavior, investment decision, local culture, and well-being. Third, framework synthesis integrated the themes with Behavioral Finance Theory, the Theory of Planned Behavior, and Socio-Cultural Theory to propose a future empirical model for MSME financial well-being.

Table 2. Review Protocol and Search Logic

Component	Specification	Purpose
Main constructs	Financial literacy, financial inclusion, financial experience, financial behavior, investment decision, local culture, financial well-being	To capture the full causal chain from capability and access to welfare outcomes

Component	Specification	Purpose
Theoretical lenses	Behavioral Finance Theory, Theory of Planned Behavior, Socio-Cultural Theory	To explain cognitive bias, intention formation, perceived control, norms, and cultural embeddedness
Population context	Individuals, households, MSMEs, entrepreneurs, small business owners	To maintain relevance for MSME financial decision-making
Analytical approach	Thematic synthesis, article synthesis, conceptual framework development	To move beyond article summary toward theory-building
Finalization need	PoP/RIS exports and 33-article PRISMA counts are documented; final database verification is recommended before submission	To ensure the final article satisfies full SLR reporting standards

Source: Author’s own work (2026)

RESULTS AND DISCUSSION

Thematic Trends and Research Development

Based on the 33 selected studies, the reviewed literature indicates a shift from a narrow focus on financial knowledge toward a broader ecosystem of financial capability, access, behavioral control, and well-being. Early financial literacy research emphasized knowledge of interest rates, inflation, risk diversification, debt, and retirement planning (Lusardi & Mitchell, 2014; Van Rooij et al., 2012). Later studies expanded this view by showing that financial literacy alone is insufficient unless it is converted into financial behavior, planning, confidence, and decision quality (Fernandes et al., 2014; Lusardi, 2019).

The second stream concerns financial inclusion and digital access. Financial inclusion is commonly treated as access to affordable, useful, and responsible financial products, including savings, credit, payments, and insurance (Demirguc-Kunt et al., 2020; Mitchell & Scott, 2019). Recent studies extend inclusion into digital finance, showing that digital access can improve participation but may also increase vulnerability when users lack financial literacy and self-control (Choung et al., 2023; Yue et al., 2022). This duality is central for MSMEs because digital credit and payment platforms expand opportunity while also increasing exposure to debt traps.

The third stream focuses on behavioral finance and investment decisions. Behavioral Finance Theory explains that financial decisions are not always rational, as individuals are influenced by heuristics, overconfidence, loss aversion, mental accounting, and framing effects (Barberis, 2013; Statman, 2018). In the context of financial well-being, investment decisions become a critical mechanism because they determine whether financial knowledge, access, and experience are transformed into productive assets, resilience, and long-term security (Bai, 2023; Pranajaya et al., 2024).

The fourth stream introduces the socio-cultural embeddedness of financial decision-making. Culture shapes risk perception, time orientation, social influence, trust, and the legitimacy of financial choices (Hofstede, 2001; Perry et al., 2015). In collectivist contexts, individuals often rely on family, community, religious norms, and local knowledge when evaluating investments. Therefore, local culture-based investment decisions should not be seen as irrational deviations from modern finance, but as contextual mechanisms that align financial action with social trust and community meaning (Bonna & Amoah, 2019; Triandis, 1995).



Source: Author's own work (2026)

Figure 2. Keyword Co-occurrence Network of Financial Well-Being, Risk Preference, and Digital Financial Literacy

The VOSviewer keyword co-occurrence map shows that the literature is structured around several connected thematic nodes. The most visible cluster is centered on risk preference, which is closely linked to investment-related keywords such as financial risk tolerance, subjective norm, and investor behavior. This indicates that investment decision-making in the reviewed literature is strongly shaped by risk perception and behavioral factors.

Another important cluster appears around digital financial literacy, financial well-being, and financial behaviour. This pattern shows that recent studies increasingly connect financial capability, digital financial access, and behavioral discipline with welfare-related financial outcomes. The presence of behavioral finance also confirms that financial well-being is not merely influenced by access or knowledge, but also by psychological mechanisms, self-control, and decision-making quality.

Overall, the map supports the thematic direction of this review. The literature is concentrated on financial literacy, digital financial literacy, financial behavior, risk preference, and financial well-being. However, local culture-based investment decision does not appear as a dominant keyword node. This absence indicates an important research gap. Therefore, the proposed SLR positions local culture-based investment decisions as a contextual mediating mechanism that connects financial literacy, financial inclusion, financial experience, and financial behavior with financial well-being among MSMEs.

In brief, the VOSviewer map reveals that the literature is mainly concentrated around risk preference, digital financial literacy, financial well-being, and financial behaviour. The centrality of risk preference indicates the importance of risk perception and financial risk tolerance in investment decision-making, while the connection between digital financial literacy and financial well-being reflects the growing role of digital financial capability in shaping welfare outcomes. However, local culture is not strongly represented in the keyword network. This gap supports the need to develop local culture-based investment decisions as a mediating construct in explaining financial well-being among MSMEs.

Financial Literacy, Financial Capability, and Financial Well-Being

Financial literacy is the foundation of financial capability because it enables individuals to understand financial concepts, evaluate risks, and compare choices. However, the literature increasingly rejects the assumption that knowledge automatically produces better behavior. Fernandes et al. (2014) report that the effect of financial education on downstream financial behavior can weaken over time, suggesting the need for continuous reinforcement, contextualized learning, and practical application. This is highly relevant for MSMEs, where financial decisions are repetitive, situational, and tied to business survival.

Recent evidence shows that financial literacy contributes to financial well-being when supported by confidence, self-control, planning, and positive financial behavior (Bai, 2023;

Choowan et al., 2025; Das, 2025). For MSME owners, financial literacy allows more informed decisions on savings, debt management, business reinvestment, insurance, and investment diversification. It also reduces vulnerability to financial scams and high-cost credit. Nevertheless, literacy must be translated into culturally meaningful financial decisions, particularly in communities where trust and local norms guide economic choices.

Financial Inclusion, Digital Finance, and Productive Use of Access

Financial inclusion provides the structural opportunity for individuals and MSMEs to participate in formal finance. It increases the availability of savings accounts, credit facilities, insurance, digital payments, and business financing. The literature shows that inclusion can reduce poverty, support enterprise development, and improve resilience when financial products are accessible, relevant, affordable, and responsibly used (Cicchello et al., 2021; Demirguc-Kunt et al., 2020; Reddy et al., 2024).

However, financial inclusion is not automatically welfare-enhancing. Yue et al. (2022) caution that digital finance can become a debt trap when credit is easy to access but poorly understood. This reinforces the distinction between access and quality of use. In MSME contexts, access to finance improves financial well-being only when business owners are able to evaluate cost, repayment capacity, risk, and the productive purpose of borrowing. Local culture-based investment decisions can function as a filter, helping owners align financial products with trust, community legitimacy, and long-term business relevance.

Financial Experience and Financial Behavior as Learning Mechanisms

Financial experience refers to accumulated learning from direct engagement with budgeting, saving, debt, investment, and business finance. Unlike formal literacy, experience emerges through repeated interaction with real financial problems, family learning, peer networks, and business practice. It influences risk perception, confidence, and the ability to evaluate financial alternatives. Experience can therefore strengthen perceived behavioral control, one of the central constructs in the Theory of Planned Behavior (Ajzen, 1991; Cucinelli et al., 2019).

Financial behavior reflects the actual pattern of managing money, including saving, spending control, debt management, planning, investment, and self-control. The literature positions financial behavior as a proximate determinant of financial well-being because it translates knowledge and access into day-to-day discipline (Xiao & O'Neill, 2016; Yeo et al., 2024). In MSMEs, positive financial behavior includes separating business and household money, recording cash flow, avoiding excessive debt, and allocating profits for productive reinvestment. These practices are not merely technical; they are shaped by habits, norms, trust networks, and local business culture.

Local Culture-Based Investment Decision as a Mediating Mechanism

Local culture-based investment decision is the distinctive contribution of the proposed framework. It refers to the process of selecting investment options by considering local values, norms, collective preferences, trust, traditional-religious values, and home bias. From a socio-cultural perspective, investment is not only a return-seeking activity, but also a socially meaningful action embedded in family, community, and local economic identity (Perry et al., 2015; Vygotsky, 1978).

The role of culture is especially important in MSME finance because many owners operate within relational economies. Decisions about expanding a business, using bank credit, investing in local assets, joining cooperatives, or relying on family capital are often influenced by social approval, trust in local information, and perceived harmony with community values. Hofstede's cultural dimensions help explain why risk preference, uncertainty avoidance, collectivism, and long-term orientation shape investment behavior (Hofstede, 2001). Bonna

and Amoah (2019) also show that culture can influence investment preferences and behavioral biases.

As a mediator, local culture-based investment decision explains how financial determinants become welfare outcomes. Financial literacy improves the ability to evaluate investment choices; financial inclusion provides access to instruments; financial experience strengthens judgment; and financial behavior supports discipline. Yet these determinants produce stronger financial well-being when they are channeled into investment choices that are socially trusted, locally appropriate, and economically productive. Thus, culture does not replace rationality; it contextualizes rationality.

Article Synthesis

A synthesis of 33 selected studies indicates that the literature is fragmented across financial literacy, inclusion, behavior, investment decision-making, and cultural finance. Table 2 summarizes the core streams and their contributions to the proposed SLR framework.

Table 3. Thematic Synthesis of the 33 Selected Studies

Theme	Representative studies	Main synthesis	Research gap
Financial literacy and capability	Lusardi & Mitchell (2014); Fernandes et al. (2014); Lusardi (2019); Oberrauch et al. (2024)	Literacy improves financial understanding, but its behavioral effect depends on confidence, practice, and contextual application.	Need stronger models explaining how literacy becomes investment quality and well-being in MSMEs.
Financial inclusion and digital finance	Demirguc-Kunt et al. (2020); Cicchiello et al. (2021); Reddy et al. (2024); Yue et al. (2022)	Access to formal and digital finance expands opportunities but may create debt risk when use is not guided by literacy and behavior.	Need to examine quality of use, not only access, especially in small-business settings.
Financial behavior and well-being	Xiao & O'Neill (2016); Bashir & Qureshi (2022); Choowan et al. (2025); Yeo et al. (2024)	Saving, planning, debt control, and self-control are proximate drivers of financial resilience and subjective well-being.	Need to incorporate cultural norms that shape everyday financial discipline.
Investment decision-making	Bai (2023); Pranajaya et al. (2024); Tamara & Maharani (2024)	Investment decisions mediate the relationship between financial knowledge, psychological factors, and welfare outcomes.	Need to specify investment decision as culturally embedded rather than purely individual-rational.
Culture and financial decisions	Hofstede (2001); Perry et al. (2015); Bonna & Amoah (2019); Statman (2018)	Culture shapes risk preference, trust, time orientation, home bias, and social influence in investment choices.	Need empirical testing of local culture-based investment decisions in MSMEs.
Financial well-being	CFPB (2015); Brügger et al. (2017); OECD (2024); Perez & Rambaud (2025)	Well-being combines control, security, resilience, freedom, satisfaction, and self-efficacy.	Need integrative models linking objective capacity, subjective security, and socio-cultural meaning.

Source: Author’s synthesis based on 33 selected studies (2026)

Construct Integration and Operational Implications

Construct integration is needed to clarify how the core variables in this review are theoretically connected and operationally translated into an empirical research direction. Financial literacy represents the cognitive capacity that enables MSME owners to understand financial concepts, evaluate risks, and plan future-oriented decisions. Financial inclusion

reflects the structural opportunity to access and use formal and digital financial services, while financial experience and financial behavior explain how learning, habits, discipline, and self-control shape everyday financial practices. Local culture-based investment decision is positioned as the mediating mechanism that links these financial capacities with financial well-being by embedding investment choices within local trust, collectivism, religious-traditional values, risk preference, and home bias. Therefore, the operational implications of this construct integration emphasize that financial well-being among MSMEs should be measured not only through financial control and resilience, but also through culturally meaningful investment decisions that align modern financial practices with local economic values.

Table 4. Construct Integration and Operational Implications

Construct	Core meaning	Key dimensions	SLR implication
Financial literacy	Ability to understand and apply financial knowledge in decision-making	Financial knowledge, financial attitude, financial planning	Represents the cognitive capacity that supports evaluation of risk and long-term choices.
Financial inclusion	Access to and use of quality formal and digital financial services	Access, product use, service quality, digital service use, product relevance	Represents the structural opportunity that enables participation in formal finance.
Financial experience	Learning accumulated through repeated financial practice and social interaction	Duration, frequency, diversity, problem experience, learning sources, confidence, risk response	Represents experiential learning that shapes judgment and perceived control.
Financial behavior	Actual pattern of saving, spending, debt management, planning, investment, decision-making, and self-control	Saving, spending, debt management, planning, investment, decision-making, self-control	Represents behavioral execution of knowledge, access, and experience.
Local culture-based investment decision	Investment choice shaped by values, norms, risk preference, collectivism, traditional-religious values, trust, and home bias	Risk preference, long-term orientation, social influence, traditional-religious values, local trust, home bias	Represents the mediating bridge between modern finance and local economic meaning.
Financial well-being	Condition of financial control, security, freedom, satisfaction, and resilience	Daily control, shock capacity, long-term goals, freedom, satisfaction, positive behavior, self-efficacy	Represents the final welfare outcome, both objective and subjective.

Source: Author’s own work based on the operational-variable framework (2026)

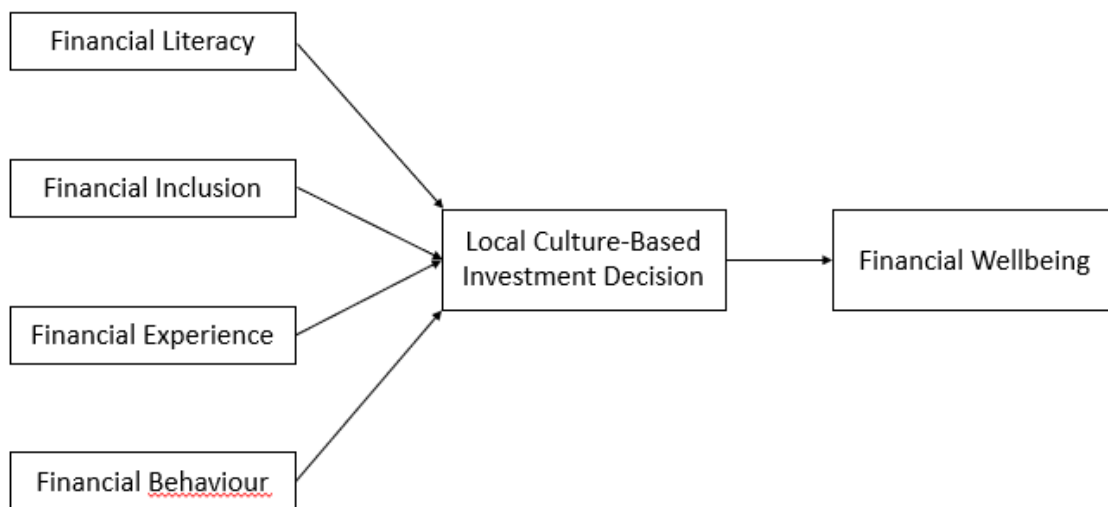
Conceptual Framework and Future Research Directions

The conceptual framework generated from the review positions financial literacy, financial inclusion, financial experience, and financial behavior as antecedents of financial well-being. Local culture-based investment decision is positioned as the mediating mechanism that converts these antecedents into welfare outcomes. This framework is consistent with the logic that financial well-being is not a single-path result of income or access, but a systemic outcome of capability, opportunity, experience, discipline, and culturally legitimate investment action.

Behavioral Finance Theory provides the foundation for understanding why MSME owners may deviate from optimal financial decisions due to cognitive bias, emotions, overconfidence, or loss aversion. The Theory of Planned Behavior explains how attitudes toward investment, subjective norms, and perceived control form the intention to act. Socio-Cultural Theory extends the model by showing that norms, trust, collective memory, and local

values influence what is considered safe, appropriate, and desirable in financial decisions. Together, these theories create an integrated explanation of financial well-being in culturally embedded MSME contexts.

Future research should empirically test this framework using SEM-PLS or CB-SEM with MSME samples, while also considering sectoral differences, gender, digital financial literacy, risk tolerance, and business maturity as potential moderators. Researchers may also compare different local cultural settings to examine whether the mediating role of local culture-based investment decision differs across collectivist, religious, coastal, agrarian, or urban entrepreneurial communities. Longitudinal designs are recommended to observe whether financial literacy and inclusion generate durable improvements in investment behavior and financial well-being over time.



Source: Author's own work (2026)

Figure 3. Conceptual Integration of Financial Capacity, Culture, and Well-Being

Future Research Agenda

Future research should move beyond general financial literacy and inclusion models by empirically testing how local culture-based investment decisions mediate the relationship between financial capability and financial well-being in MSME contexts. Further studies may apply SEM-PLS, CB-SEM, or mixed-method designs to validate the proposed framework across different regions, sectors, and cultural settings. Researchers should also examine additional moderators such as digital financial literacy, risk tolerance, gender, business maturity, social capital, and religious values to understand when and how financial knowledge, access, experience, and behavior translate into better welfare outcomes. Comparative studies across Indonesian regions would be particularly valuable because they can reveal whether culturally embedded investment decisions operate differently in coastal, agrarian, urban, or community-based entrepreneurial ecosystems.

- Conduct a full database search using ScienceDirect, Emerald, MDPI, Springer, Wiley, Taylor & Francis, and Scopus to finalize PRISMA numerical counts.
- Use bibliometric mapping to identify keyword clusters around financial well-being, digital financial literacy, inclusion, investment decisions, and cultural finance.
- Develop validated measurement items for local culture-based investment decisions in MSME contexts.
- Test the mediating role of investment decision quality between financial literacy, inclusion, experience, behavior, and financial well-being.

- Compare local culture-based financial decisions across different Indonesian regions to establish contextual robustness.
- Integrate digital financial literacy, risk tolerance, self-efficacy, and social capital as additional mediators or moderators.

CONCLUSION

This systematic literature review draft concludes that financial well-being among MSMEs should be understood as a multidimensional and culturally embedded outcome. The literature indicates that financial literacy, financial inclusion, financial experience, and financial behavior each contribute to financial well-being, but their effects are not always direct or automatic. Financial knowledge must be translated into planning and disciplined behavior; financial access must be converted into productive use; financial experience must become judgment; and financial behavior must support sustainable investment and resilience.

The review highlights local culture-based investment decisions as a crucial mediating mechanism. In MSME contexts, investment decisions are shaped not only by expected return and financial risk, but also by social trust, collective norms, traditional-religious values, local knowledge, and preference for familiar economic spaces. This means that culturally grounded investment decisions can bridge modern financial systems and local economic practices. Such decisions can strengthen financial well-being by aligning financial action with psychological security, social legitimacy, and long-term business sustainability.

The article contributes to the financial well-being literature by integrating Behavioral Finance Theory, the Theory of Planned Behavior, and Socio-Cultural Theory into a unified framework. It also provides a conceptual basis for future empirical research on MSMEs in Gorontalo and other culturally embedded entrepreneurial communities. Practically, the review suggests that financial literacy and inclusion programs should move beyond generic education and access expansion. They should be designed as culturally responsive interventions that help MSME owners make productive, trusted, and locally meaningful investment decisions.

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