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The impact of personal finance on well-being: Evidence from Vietnamese university students

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Abstract: This research investigates the impact of personal financial anxiety on subjective well-being among Vietnamese university students within the context of the post-pandemic environment. A cross-sectional survey was administered to a sample of 663 students at the Vietnam Women's Academy. Data collection involved the use of validated measurement scales assessing dimensions such as life satisfaction, mental well-being, and interdependent happiness. The analytical approach employed multiple linear regression analyses to evaluate the predictive influence of financial anxiety on various aspects of well-being. The results indicated that financial anxiety significantly negatively affected life satisfaction ($\beta = -0.123$, $p = .002$) and perceived overall happiness ($\beta = -0.104$, $p = .007$). However, no statistically significant relationships were observed between financial anxiety and mental well-being or interdependent happiness. These findings suggest that financial anxiety constitutes a psychological risk factor that diminishes positive life evaluations, independent of actual income levels or social support systems. The study underscores the importance of developing comprehensive student support initiatives that integrate financial literacy education, emotional regulation training, and accessible mental health services. Such programs are essential to enhance resilience and foster sustainable well-being amid ongoing economic challenges.

Keywords: *Financial anxiety, Interdependent happiness, Life satisfaction, Mental well-being, University students, Well-Being.*

1. Introduction

In recent years, the concept of happiness has been increasingly recognized as a crucial indicator of quality of life and sustainable development, not only at the national level but also in individual experiences. For students—the future workforce—the perception of happiness plays a fundamental role in maintaining mental health, increasing motivation for learning, and enhancing adaptability to academic and social environments [1]. Among the various factors influencing students' happiness, personal financial pressure has been identified as a significant variable closely linked to manifestations of declining mental health and life satisfaction.

In Vietnam, a large-scale study by Pham, et al. [2] involving 9,120 university students in Hanoi revealed that lower happiness levels were often associated with factors such as personal financial burdens, including tuition fees, living expenses, and a lack of ability in managing income and expenditure. This not only increases anxiety but also reduces the perception of happiness, particularly among student groups without stable financial support from family or scholarships. Furthermore, studies in Vietnam on student mental health, especially in the context of COVID-19, indicate that the prevalence of depression, anxiety, and stress ranges from 21% to over 40%, with personal finance frequently being one of the main causes [3, 4].

However, there is a lack of research in Vietnam specifically on the relationship between personal finance and happiness among students. Most existing studies primarily focus on factors such as academic performance, social relationships, or extracurricular activities [2, 5]. This research gap

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highlights an urgent need for quantitative and verifiable studies to clarify the extent and direction of financial influence on students' perceived happiness.

2. Literature Review

2.1. Financial Anxiety, Financial Literacy, and Subjective Well-being in University Students

In recent years, a growing body of international research has consistently underscored the pivotal role of financial instability—encompassing debt, savings deficits, and a sense of economic precariousness—as a significant psychological risk factor for university students. Financial anxiety, defined as persistent worry related to personal financial management, is not merely an economic issue but a pressing mental health concern. It is strongly correlated with depression, anxiety, and a decline in subjective well-being [6, 7].

For example, a study by Nasr, et al. [8] on 1,272 university students in Lebanon found a significant negative association between financial stress and both emotional functioning and overall well-being. Similarly, Wilson, et al. [9] discovered that financial anxiety and housing insecurity were strong negative predictors of the Personal Well-being Index (PWI) among international students in Australia. In the United States, Heckman, et al. [10] reported that 71% of college students experience high levels of financial stress, with those exhibiting higher financial self-efficacy reporting significantly lower stress levels. Ramirez, et al. [11] also documented a notably higher prevalence of depression (M = 14.37) and anxiety (M = 9.91) in students affected by parental unemployment or academic disruption due to the COVID-19 pandemic.

In Vietnam, research evidence from universities reflects a similar trend. Thang, et al. [12] in a survey of 1,788 foreign language students, reported alarming rates of depression (21.1%), anxiety (35.0%), and severe stress (16.3%). While academic pressure was the primary predictor, financial worries also emerged as a statistically significant factor, with odds ratios (OR) ranging from 1.23 to 1.37. Pham, et al. [4] in a longitudinal study of 494 medical students at Hanoi Medical University, found that 15.2% of students had depressive symptoms and 7.7% had suicidal ideation. The perception of financial burden and non-autonomous academic motivation were identified as key psychological risk factors.

On a more positive note, an increasing number of studies have emphasized the "protective" role of financial literacy and personal financial capability. Nguyen [13] using a PLS-SEM model on a sample of 658 university students, found that financial attitude, financial behavior, and financial self-efficacy have a direct positive impact on financial well-being. Furthermore, financial knowledge and skills have an indirect influence through financial attitudes.

Expanding on this perspective, Tran, et al. [14] through a PLS-SEM analysis with 821 students, demonstrated that financial literacy—formed through family, peers, media, and education—serves as a crucial mediator connecting financial socialization processes with healthy financial management behaviors. These behaviors, in turn, contribute to improved mental health and a sense of financial security.

In conclusion, these findings present a clear and consistent picture: financial instability critically undermines students' mental health and subjective well-being. This underscores the urgent need for comprehensive interventions aimed not only at mitigating financial pressures but also at empowering students with the necessary skills, confidence, and social resources to build financial resilience and emotional stability in the face of economic uncertainty.

2.2. Financial Well-being and Life Satisfaction

A large body of international research has consistently shown that subjective financial well-being plays a pivotal role in shaping life satisfaction, particularly among young adults such as university students. Diener, et al. [15] found that higher income leads to a more positive perception of one's financial situation, which in turn enhances subjective well-being—especially through life evaluation, rather than solely through positive or negative emotional states. The study by Xiao and O'Neill [16] also affirmed a direct relationship between personal financial capability and life satisfaction, where

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effective spending control and sound financial behaviors contribute to an increased sense of financial well-being. Similar conclusions were reached by Gutter and Copur [17] and Robb [18] who found that students with healthy financial behaviors and a strong sense of financial control tend to report higher levels of life satisfaction and experience less financial stress.

In Vietnam, while direct research on this specific relationship is still limited, initial evidence points to a similar trend. A study by Nguyen [13] demonstrated that factors such as financial attitude, financial behavior, and financial self-efficacy have a direct impact on the perception of financial well-being. Furthermore, financial literacy and skills indirectly influence this perception through these mediating factors. These findings suggest that a positive financial perception is the psychological foundation for life satisfaction among students.

Additionally, Thang, et al. [12] analyzing national data on the elderly in Vietnam, showed that subjective financial perception is strongly linked to life satisfaction, whereas objective financial indicators, such as assets, have a negligible or indirect influence. This reinforces the view that the subjective feeling about one's financial situation is a powerful psychological factor that can override actual income levels in the construction of personal happiness.

In summary, these research findings suggest that when individuals possess sufficient financial knowledge and skills and feel in control of their personal finances, they develop a sense of financial security and positivity. This very perception serves as a solid foundation for life satisfaction, regardless of the absolute income level.

2.3. Research Hypotheses Based on Literature Review

Subjective happiness stands as a key indicator of mental health and sustainable development in young adults, particularly among students navigating the critical transition from adolescence to adulthood. Within this context, personal economic factors—such as financial stability, proactiveness in spending, or a sense of financial sufficiency—have been shown to significantly influence students' perceived happiness across various nations [16, 19, 20].

In Vietnam, recent studies also suggest a link between financial pressure and symptoms of stress, depression, or a decline in quality of life among students [21, 22]. However, there is a notable scarcity of research that explicitly tests the relationship between personal finance and the dimensions of students' happiness within a quantitative regression framework, especially in the post-pandemic and socio-economically volatile context.

Consequently, this study proposes the following primary hypotheses:

- Hypothesis H1: Personal finance has a significant influence on the dimensions of students' perceived happiness, including life satisfaction, mental well-being, and interdependent happiness.
- Hypothesis H2: Personal financial pressure is negatively correlated with students' perceived happiness across the three dimensions of life satisfaction, mental well-being, and interdependent happiness.

These hypotheses are grounded in Maslow [23] hierarchy of needs, the Cognitive Appraisal Theory, and happiness measurement models within positive psychology [24]. Testing these hypotheses will contribute to clarifying the role of financial factors—not just as a material condition, but as a psychological determinant of happiness for the younger generation in the current higher education landscape.

3. Methodology

3.1. Instruments and Participants

3.1.1. Instruments

This study employed four primary measurement instruments:

The Satisfaction With Life Scale (SWLS) developed by Diener, et al. [25] was used to assess the overall life satisfaction of adolescents. The original scale consists of five items rated on a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree). To ensure consistency with other happiness-related

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measures in this study, the response format was adapted to a 5-point Likert scale, ranging from 1 (not true) to 5 (completely true). The total score ranges from 5 to 35, with higher scores indicating greater life satisfaction (5–9 = extremely dissatisfied; 31–35 = extremely satisfied). The Cronbach's alpha in the present study was 0.88. The SWLS has previously been translated and validated in Vietnamese samples, demonstrating linguistic and cultural appropriateness.

The Mental Well-being Scale Clarke, et al. [26] comprises 14 items reflecting two theoretical perspectives on happiness: hedonism (focus on positive affect) and eudaimonism (focus on personal growth). Items are rated on a 5-point Likert scale, from 1 (not true) to 5 (completely true). Previous cross-cultural research has demonstrated the high applicability of this scale in Asian contexts. In this study, the Cronbach's alpha was 0.94, and the content was judged to be culturally suitable for Vietnamese adolescents.

The Interdependent happiness Scale (HIS) , developed by Hitokoto and Uchida [27] consists of nine items measuring happiness based on harmony and connectedness in social relationships. Rooted in an Eastern cultural framework, the scale is naturally aligned with the Vietnamese context. It uses a 5-point Likert scale (1 = strongly disagree; 5 = strongly agree). The Cronbach's alpha obtained in this study was 0.90, indicating good internal consistency.

Financial Anxiety Items In addition to the happiness-related measures, the study included a set of items designed to assess factors influencing students' perceived happiness, with particular attention to financial anxiety.

3.1.2. Participants

This study was conducted with 663 undergraduate students from their first to fourth years, enrolled in various majors at the Vietnam Women's Academy in Hanoi. The participants included both male and female students from a diverse range of disciplines, such as Psychology, Gender and Development, Social Work, Multimedia Communication, Law, Economic Law, Economics, Information Technology, and Business Administration. This population was chosen to explore the relationship between financial well-being and life satisfaction within the university student context—a demographic particularly vulnerable to financial stress and psychological challenges during their academic journey [20, 28].

Stratified random sampling was employed to ensure the sample was representative of the student population, stratified by academic year and major. This method is crucial in university-based research where financial pressures are not uniformly distributed across different groups [29, 30]. To build a list of eligible students and ensure socio-economic diversity, the research team collaborated closely with units such as the Student Affairs Department and specialized faculties to gather data from official student lists.

Data collection took place in March 2025. This timing was selected to avoid end-of-semester exams or other periods of high academic stress that could influence participation. The survey instrument was a structured questionnaire that included standardized scales to assess students' perceived happiness across three dimensions: life satisfaction, mental well-being, and interdependent happiness. It also included scales to measure influencing factors on students' happiness, including financial aspects. All measurement tools were adapted to the Vietnamese cultural context through a rigorous back-translation process and consultation with local experts in psychology and education [31]. A pilot test was conducted with 30 students to refine the clarity and cultural appropriateness of the questionnaire.

Students were invited to participate in the survey during pre-arranged class sessions or through an online format, depending on practical circumstances. Before participating, all students were clearly informed about the research purpose, the voluntary nature of their participation, and the confidentiality of their information. Informed consent was obtained in strict adherence to research ethics principles [32, 33]. To minimize response bias, the identity of all participants was kept completely anonymous, and no identifying information was collected.

The final dataset comprised 663 valid survey responses, with a relatively even distribution across academic years and majors. The gender ratio of approximately 89.1% female, 10.4% male, and 0.5%

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other, accurately reflects the actual student composition of the academy. The entire research protocol was approved by the Vietnam Women's Academy's Research Ethics Committee.

Table 1.
Demographic Characteristics of Survey Participants.

Variable	Category	Frequency (n)	Percentage (%)
Gender	Female	591	89.1
	Male	69	10.4
	Other	3	0.5
Academic Year	Year 1	192	29.0
	Year 2	400	60.3
	Year 3	35	5.3
	Year 4	36	5.4
Major	Psychology	150	22.6
	Multimedia Communication	122	18.4
	Economics	121	18.3
	Standard Business Administration	98	14.8
	Tourism and Hospitality Management	74	11.2
	Law	24	3.6
	Economic Law	22	3.3
	Information Technology	20	3.0
	Gender and Development	13	2.0
	Social Work	12	1.8
	Digital Economics	2	0.3
	English Business Administration	1	0.2
Living Situation	With family	308	46.5
	Rented accommodation	288	43.4
	Dormitory	67	10.1

3.2. Reliability Analysis

Cronbach's alpha is used to assess the extent to which the items within a questionnaire are positively correlated with each other and collectively measure a single underlying latent variable. A high alpha value indicates that the scale reliably measures the intended concept. Conversely, a low alpha value may suggest that the questionnaire needs adjustment or improvement.

The interpretation of Cronbach's alpha is relative and depends on various factors, such as the research context, research questions, data type, and target population [34]. Typically, alpha values of 0.7 or higher are considered acceptable, reflecting high internal consistency and scale reliability [35].

However, in some studies, an alpha in the range of 0.6 to 0.7 may still be acceptable. This suggests that some questions might not be specific enough or might not be a perfect fit, and they should be reviewed for potential removal or revision [36]. Conversely, a Cronbach's alpha below 0.6 is generally considered low, indicating that the items may not be measuring a single core concept and should be revised [37].

Table 2.
Summary of Reliability.

Scales	Number of variables observed	Reliability coefficients (Cronbach Alpha)
Life satisfaction	5	0.88
Mental well-being	14	0.94
Interdependent happiness	9	0.90
Overall happiness	28	0.95

As shown in Table 2, the reliability and validity tests for the research questionnaire yielded satisfactory results. All scales had Cronbach's alpha coefficients greater than 0.7, indicating that the internal consistency of the items within the questionnaire is satisfactory [35]. The overall results

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confirm that the questionnaire items possess adequate reliability and validity for the analysis of the proposed research model [36, 38].

3.3. Factor Analysis

Factor Analysis was employed to identify the underlying latent structures (factors) within the variable sets, which helps to validate the constructs of the scales and reduce the number of variables.

The theoretical model for assessing students' perceived happiness is based on an integrated approach of three scales: Life Satisfaction, Mental well-being, and Interdependent happiness. To test the reliability and validity of this composite scale, we conducted an Exploratory Factor Analysis (EFA).

EFA is a quantitative analysis method used to condense a large set of interdependent measurement variables into a smaller, more meaningful set of variables (called factors) that still contain most of the information from the original variable set [36].

- Step 1: We converted the Life Satisfaction scale from a 7-point to a 5-point Likert scale to ensure consistency with the other scales before proceeding with the factor analysis. After removing items with low reliability, we used a Promax rotation in the Factor Analysis.
- Step 2: Based on the factor extraction table, we removed items with a factor loading (Extraction) of < 0.3 and re-ran the factor rotation.
- Step 3: The validity of the rotation was assessed using the KMO index (which should be between 0.5 and 1), the Bartlett's test ($p<0.05$), and the total variance extracted.

Results of the Factor Analysis: The factor analysis of the overall happiness scale, which is a combination of the three original scales, yielded three distinct factors. The Life Satisfaction factor retained all 5 of its original items, the Mental well-being factor retained all 14 of its items, and the Interdependent happiness factor retained all 9 of its items. The factor loadings for the Life Satisfaction items ranged from 0.63 to 0.83; for Mental well-being, they ranged from 0.58 to 0.79; and for Interdependent happiness, they ranged from 0.54 to 0.79 (Table 3).

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Table 3.
Factor Loadings for the Overall Happiness Scale.

Items	Factor Loadings		
	Satisfaction With Life Scale	**Mental Well-being**	**Interdependent happiness**
1. In most ways my life is close to my ideal	0.83		
2. The conditions of my life are excellent.	0.79		
3. I am satisfied with my life.	0.78		
4. So far, I have gotten the important things I want in life.	0.83		
5. If I could live my life over, I would change almost nothing.	0.63		
6. I've been feeling optimistic about the future		0.58	
7. I've been feeling useful.		0.68	
8. I've been feeling relaxed.		0.67	
9. I've been feeling interested in other people.		0.58	
10. I've had energy to spare.		0.73	
11. I've been dealing with problems well.		0.75	
12. I've been thinking clearly.		0.73	
13. I've been feeling good about myself.		0.79	
14. I've been feeling close to other people.		0.72	
15. I've been feeling confident.		0.76	
16. I've been able to make up my own mind about things.		0.67	
17. I've been feeling loved.		0.62	
18. I've been interested in new things.		0.74	
19. I've been feeling cheerful.		0.69	
20. I believe that I and those around me are happy.			0.65
21. I feel that I am being positively evaluated by others around me.			0.54
22. I make significant others happy.			0.54
23. Although it is quite average, I live a stable life.			0.63
24. I do not have any major concerns or anxieties.			0.66
25. I can do what I want without causing problems for other people.			0.55
26. I believe that my life is just as happy as that of others around me.			0.77
27. I believe I have achieved the same standard of living as those around me.			0.79
28. I generally believe that things are going well for me in its own way as they are for others around me.			0.77

3.4. Correlation Analysis

To examine the linear relationship between the main study variables, a Pearson correlation analysis was conducted. This technique is commonly used to evaluate the strength and direction of the association between two quantitative variables, with the correlation coefficient (r) ranging from -1 to +1. A value of +1 indicates a perfect positive correlation, -1 indicates a perfect negative correlation, and 0 indicates no linear relationship [39, 40]. It is important to note that while correlation reveals an association between variables, it does not allow for causal inference [36].

The statistical significance of the correlation coefficients is crucial for determining whether the relationship between variables is robust enough to proceed with further multivariate analyses. Specifically, statistically significant correlations provide the basis for including variables in multiple or hierarchical linear regression models, particularly when investigating predictors of personal happiness or related psychological aspects [41]. Correlation analysis also helps to identify the degree of dependency between variables and assists in the selection of control variables for more complex analytical models [39].

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Table 4.
Pearson Correlation Matrix Among Study Variables (N = 663).

Variable	1	2	3	4	5
Life Satisfaction	1				
Mental Well-being	.572**	1			
Interdependent happiness	.605**	.690**	1		
Overall Happiness	.897**	.830**	.851**	1	
Financial Anxiety	-.123**	-.053	-.073	-.104**	1

***Note:** *p < 0.01 (2-tailed).

3.5. Multivariate Linear Regression Analysis

Multivariate linear regression analysis is a statistical method used to assess the relationship between multiple independent variables and a single dependent variable [41]. This analysis uses a linear function to quantify the relationship between the independent and dependent variables [36]. The goal of multivariate linear regression is to estimate the regression coefficients for each independent variable, which indicate the strength and direction of its relationship with the dependent variable [42]. These coefficients can be used to predict the value of the dependent variable when the values of the independent variables are known [36]. Multivariate linear regression is widely used in social sciences, economics, and other fields to clarify relationships between variables and support forecasting based on those relationships [41].

Table 5.
Linear Regression Results Predicting Perceived Happiness from Financial Anxietys (N = 663).

Dependent variable	Predictor	B	SE	β	t	p	95% CI for B	R^2	F	Sig. F
Life Satisfaction	Financial Anxiety	-0.355	0.112	-0.123	-3.177	0.002**	[-0.574, -0.136]	0.015	10.096	0.002
Mental Well-being	Financial Anxiety	-0.090	0.066	-0.053	-1.368	0.172	[-0.219, 0.039]	0.003	1.870	0.172
Interdependent happiness	Financial Anxiety	-0.127	0.068	-0.073	-1.877	0.061	[-0.260, 0.006]	0.005	3.525	0.061
Overall Happiness	Financial Anxiety	-0.191	0.071	-0.104	-2.695	0.007**	[-0.329, -0.052]	0.011	7.264	0.007

Note: B: Unstandardized regression coefficient.

- SE: Standard error.
- β: Standardized regression coefficient.
- CI: Confidence interval.
- p: Significance level (p<.05 is statistically significant).

4. Results and Discussion

4.1. Research Findings

Table 5 presents the results of the multivariate linear regression analysis conducted to test the hypothesized relationship between Financial Anxiety and students' perceived happiness. To evaluate the validity and statistical significance of each research hypothesis, the following findings were established:

The regression analysis indicates that Financial Anxiety has a significant negative influence on students' life satisfaction (β = -0.123, p = .002). This finding provides strong evidence to support Hypothesis H1, that personal finance significantly influences students' perceived happiness. Furthermore, the negative coefficient reinforces Hypothesis H2, which posits that financial pressure is inversely correlated with subjective happiness.

The relationship between Financial Anxiety and mental well-being was found to be negative but not statistically significant (β = -0.053, p = .172). Therefore, this result does not support H1 or H2 in the context of mental well-being. This suggests that other psychological or contextual factors might be moderating this relationship.

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The regression coefficient shows that Financial Anxiety has a negative effect on positive psychological functioning (β = -0.073), with a p-value approaching the threshold for statistical significance (p = .061). While not reaching the p < .05 level, this result hints at a potential negative trend that warrants further investigation in future studies with larger or more diverse sample sizes.

There is a significant negative relationship between Financial Anxiety and the composite index of perceived overall happiness (β = -0.104, p = .007). This result further substantiates Hypothesis H1 and strongly affirms Hypothesis H2, demonstrating a significant inverse relationship between financial pressure and students' overall happiness levels.

In summary, these results confirm that Financial Anxiety is a significant predictor of students' perceived happiness, particularly in terms of life satisfaction and overall happiness. This suggests that policies or interventions aimed at reducing financial burdens could contribute to enhancing the mental health and overall well-being of students in the higher education context.

4.2. Discussion

The findings of this study provide valuable insights into the relationship between Financial Anxiety and perceived happiness among Vietnamese students. The linear regression analysis shows that financial worry has a statistically significant negative impact on two dimensions of perceived happiness: life satisfaction and overall happiness.

4.2.1. The Satisfaction with Life

The linear regression results indicate that Financial Anxiety has a statistically significant negative correlation with students' life satisfaction (β = -0.123, p = .002). This suggests that as Financial Anxiety increases, students tend to feel less satisfied with their current lives. This relationship supports both research hypotheses: H1 (personal finance influences perceived happiness) and H2 (financial pressure has an inverse relationship with perceived happiness).

This finding is entirely consistent with previous research. Diener, et al. [43] proposed that life satisfaction is a crucial indicator of subjective happiness, strongly influenced by material conditions, with finance playing a key role. When individuals feel unable to afford basic needs or consistently face financial instability, they are more likely to feel their current life is falling short of their desires, leading to a decrease in overall life satisfaction.

Shim, et al. [19] also highlighted that financial stress in college students is closely associated with a decline in satisfaction with their studies, personal lives, and future prospects. In the context of Vietnamese students, many of whom are still financially dependent on their families, anxiety about tuition fees, living expenses, or the obligation to support relatives can create a constant sense of insecurity that negatively impacts their perception of life.

Furthermore, according to research by Netemeyer, et al. [44] individuals experiencing prolonged financial hardship often have restricted decision-making abilities, feel a loss of control, and are more likely to be dissatisfied with their current situation. Consequently, they tend to undervalue their quality of life even when objective circumstances may not be dire.

A notable aspect is that the negative effect of Financial Anxiety on life satisfaction persists even without controlling for other factors like actual income or family support. This suggests that Financial Anxiety is a subjective factor with significant emotional weight for students. This aligns with the vulnerability-stress model [45] which emphasizes that the perception of economic insecurity can trigger negative psychological reactions, even when the objective situation isn't catastrophic.

Thus, this finding is not only statistically significant but also reflects a relevant social reality: the perception of one's personal financial situation is becoming a powerful factor in shaping students' life satisfaction—a generation navigating numerous fluctuations in educational costs, job opportunities, and social pressures.

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4.2.2. The Relationship between Financial Anxiety and Positive Psychological Functioning

The study's results reveal a statistically significant negative correlation between Financial Anxiety and the composite index of overall personal happiness (β=−0.104, p=.007). This finding implies that financial stress not only reduces life satisfaction but also negatively impacts essential aspects of mental well-being, such as energy levels, self-confidence, and social connectedness. This discovery aligns with previous research that has affirmed the widespread impact of financial stress on psychological functioning and overall mental health.

The study by Netemeyer, et al. [44] identified that the perception of financial security is a significant predictor of emotional stability and happiness levels, showing that a sense of financial insecurity increases anxiety and cognitive burden. Additionally, according to research by Fan and Ryu [46] student debt can reduce self-esteem and the perception of social support, thereby negatively affecting subjective happiness. A study by Nasr, et al. [8] also showed that financial stress in university students is closely linked to poor sleep quality and heightened psychological strain.

Other international evidence reinforces this trend. In Kenya, a study by Ndung'u and Bíró [47] indicated that financial pressure among healthcare workers was significantly associated with psychological distress and occupational burnout. Similarly, a systematic review of 40 observational studies in both high- and low-income countries concluded that financial stress has a significant positive relationship with symptoms of depression, particularly stronger among groups with low income or financial instability [48]. Furthermore, a longitudinal study in Ontario, Canada, demonstrated that financial worry increases symptoms of stress and depression, and this relationship is more severe when social capital is weak (β>.30), highlighting the moderating role of community and social networks [49].

This study's findings support theories such as the Stress Process Model [50] and the Conservation of Resources Theory [51] which posit that financial instability depletes psychological and emotional resources, leading to a decline in mental health. In this context, the negative relationship between Financial Anxiety and overall personal happiness points to a psychological vulnerability, where financial insecurity prevents students from maintaining an optimal state of psychological balance.

4.2.3. Interdependent and Mental Happiness: The Role of Psychological Regulation

The regression analysis results show that personal finance does not have a significant influence on mental well-being (β=−0.053, p=.172) or interdependent happiness (β=−0.073, p=.061). Although the negative coefficients suggest an inverse trend, the lack of statistical significance indicates that this relationship is not direct or strong enough to be conclusive. This is especially relevant in the context of the study sample—university students—who are in a critical period of forming their personal identity and are largely dependent on their surroundings.

Interdependent happiness—understood as satisfaction and happiness derived from social relationships, recognition from others, and a sense of community connection—may not be heavily affected by personal finances. Instead, it likely depends on the quality of social relationships, support from friends and family, and the school environment [52]. Meanwhile, mental well-being can be protected by factors such as emotional self-regulation, gratitude, or altruism, which have the potential to mitigate the negative effects of financial stress Wood, et al. [53]. Shim, et al. [19] also showed that students with good financial literacy and clear spending plans are less negatively affected by financial worries, even with a low income. This suggests that individual knowledge and skills are important moderating factors in the relationship between finance and happiness.

Furthermore, according to the Conservation of Resources model [51] individuals can protect their positive emotions through resources like social relationships or personal capabilities, even when financial resources are depleted. Therefore, emotional stability and a sense of connectedness can minimize the negative impact of financial stress on the aspects of happiness that depend on social factors.

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These findings have practical implications for student-focused research. Students are a population with limited income, high dependence on family, and a strong vulnerability to rising living costs. The study shows that Financial Anxiety is a significant factor affecting perceived happiness, especially life satisfaction and a general sense of mental well-being. Therefore, programs such as personal finance education, budget counseling, and mental health services should be considered essential educational programs within university student support strategies.

5. Conclusion

This study provides empirical evidence on the relationship between personal financial factors and perceived happiness in Vietnamese university students. The research shows that Financial Anxiety has a significant negative influence on life satisfaction and overall perceived happiness. However, this effect is not significant for psychological and interdependent happiness. These findings reinforce the argument that finance is not merely an economic variable but also a psychological stressor that can profoundly shape an individual's mental health and life perceptions [44]. The strong emotional nature of financial insecurity—even without considering actual income or other social support sources—is consistent with psychological models such as the Stress Process Model [50] and the Conservation of Resources Theory [51]. These theories emphasize that the loss or lack of financial resources can undermine one's resilience and internal balance. The lack of a significant relationship between finance and psychological or interdependent happiness suggests the potential existence of mediating factors, such as emotional regulation skills, social support, or personal financial capability [19, 53].

Based on these findings, it is clear that higher education institutions need to implement comprehensive strategies to enhance students' mental well-being. This should include not only financial education programs but also school-based psychological counseling services and peer support networks to help students build financial and emotional resilience. This is a crucial foundation for improving quality of life and promoting the sustainable development of the future workforce.

Institutional Review Board Statement:

This study did not require formal ethical approval as the Vietnam Women's Academy does not have an Institutional Review Board. The research was conducted in accordance with the ethical principles outlined in the Declaration of Helsinki. Participation was voluntary, and informed consent was obtained from all participants prior to data collection.

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Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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