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Enhancing Youth Entrepreneurship through Financial Behavior and Economic Literacy

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ABSTRACT: This study examines the impact of financial behaviour and economic literacy on youth entrepreneurship, showing that these skills are essential for helping young entrepreneurs effectively manage resources and make informed decisions. Good financial practices, such as budgeting, saving, investing, and debt management, contribute to business sustainability and growth through efficient resource allocation and risk management. Economic literacy allows young entrepreneurs to understand market trends, pricing strategies, and economic cycles, helping them adapt to changes and identify opportunities. Together, these skills foster an entrepreneurial mindset, improve access to funding, and support long-term business success, building a resilient and knowledgeable new generation of entrepreneurs. Using Maslow's Hierarchy of Needs as a framework, the study explains how financial stability meets basic needs like food and shelter, allowing young entrepreneurs to focus on higher-level goals. The study's reveals that financial behavior and economic literacy account for 62.3% of the variance in youth entrepreneurship outcomes. Financial behavior (H1) shows a significant positive relationship (β = 0.362), indicating that sound financial practices enhance entrepreneurial success by enabling resource management and risk-taking. Economic literacy (H2), while not as strong (β = 0.174), still plays a critical role by helping young entrepreneurs make informed choices and optimize business performance. These findings affirm the value of financial behavior and economic literacy in youth entrepreneurship, emphasizing the need to integrate these skills into youth development programs.

KEYWORDS: youth entrepreneurship, financial behaviour, economic literacy

I. INTRODUCTION

Financial literacy equips aspiring entrepreneurs with the knowledge, skills, and behaviors necessary for making sound financial decisions, empowering them to manage the challenges of starting, operating, and expanding a business. (Urefe et al., 2024). With a strong foundation in financial literacy, entrepreneurs can effectively budget, plan financially, and manage cash flow—crucial components for sustaining operations and achieving long-term growth (Lone, & Bhat,2024). Additionally, financial literacy aids in assessing risk and making informed investments, helping ensure the business's financial health.

Entrepreneurs also need a broad skill set to effectively manage their ventures, including the ability to develop long-term financial strategies, evaluate business opportunities, and adapt to economic changes (Preston, et al., 2024). Familiarity with financial instruments such as loans, bonds, and equity enhance access to funding for growth. Financial management skills, combined with strong interpersonal abilities, are essential for working with employees, clients, and stakeholders, while industry-specific knowledge helps entrepreneurs navigate sector challenges and leverage new trends (Saeed, et al., 2024).

The success of an enterprise relies on both demand- and supply-side factors. On the demand side, entrepreneurs must confirm a market for their offerings and align financial strategies with customer needs. On the supply side, resource management, financial stability, and efficient scaling are critical for business growth. Together, these elements, built on a foundation of financial literacy, enable entrepreneurs to thrive in competitive markets and drive sustainable development (Arquero, et al., 2024).

Financial behavior and economic literacy are essential in supporting youth entrepreneurship, equipping young entrepreneurs to navigate complex financial and economic landscapes. Financial literacy, encompassing budgeting, saving, investing, and debt management, supports informed decision-making and helps avoid pitfalls that could lead to business failure. Meanwhile, economic literacy provides insights into market dynamics, including supply and demand, inflation, and economic trends, which are vital for long-term business sustainability. Together, these skills shape entrepreneurial behavior and contribute to the success of young business owners.

Financial literacy strongly influences entrepreneurial behavior in areas like decision-making, risk management, and long-term planning. Xu and Jiang (2024) suggest that financially literate entrepreneurs are better equipped to boost household income, build social networks, and develop positive attitudes toward financial risks. Financial training programs improve decision-making among young entrepreneurs, leading to better business outcomes (Sugiharti et al., 2024). Entrepreneurs with robust financial literacy tend to manage resources effectively, plan for growth, and avoid excessive debt, all of which are crucial for sustainable business.

According to Rahmatullah et al. (2022), understanding economic principles helps young entrepreneurs make informed choices regarding pricing, product development, and resource allocation. Economic literacy offers a framework for anticipating market shifts, recognizing opportunities, and managing risks. However, economic literacy, while valuable, generally has a less direct impact on entrepreneurial behavior than practical entrepreneurial skills (Rahmatullah et al., 2022).

Pashaei et al. (2024) found that incorporating economics education into the curriculum enhances students' financial decision-making skills, which increases entrepreneurial intent. This shows that formal education in financial and economic concepts can inspire youth to pursue entrepreneurship and provide the knowledge they need to succeed. Baporikar (2024) emphasizes that structured financial education is essential for addressing low financial literacy levels among young entrepreneurs, which often limits their ability to make sound financial decisions and constrains business potential.

Although financial and economic literacy are key to promoting youth entrepreneurship, other factors such as access to capital, mentorship, and social support are also critical. Scholars argue that even with strong financial and economic skills, young entrepreneurs may face challenges in launching and growing their businesses without adequate funding, experienced mentors, and supportive networks. These resources offer practical guidance, access to tools, and opportunities that complement financial and economic skills, helping young entrepreneurs overcome obstacles and accelerate business growth.

II. LITERATURE REVIEW

Maslow's Hierarchy of Needs offers an insightful framework for analyzing financial behavior and economic literacy, particularly in fostering youth entrepreneurship. At the foundational level, young entrepreneurs must satisfy physiological and safety needs, which include achieving financial stability to cover essentials such as food, shelter, and security. Without meeting these basic needs, they may be reluctant to take risks or invest in new ventures. Economic literacyencompassing skills in saving, budgeting, and financial planningequips young people to handle these foundational financial requirements, laying a stable foundation for their entrepreneurial journey (Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

As these entrepreneurs progress to higher levels in Maslow's hierarchy, like social belonging and esteem, their financial behavior grows more complex. At this stage, entrepreneurship extends beyond survival; it involves building a social identity and earning recognition. Financial decisions are influenced by the desire to join business networks, establish relationships, and gain respect within their community or industry. Economic literacy enables informed choices about investing in branding, networking, and business expansion, all of which help fulfill these higher-order needs. Sound financial management and economic knowledge are essential for building trust among peers, clients, and investors, fostering a sense of belonging, and boosting self-esteem. Financial behavior at this level is driven by strategic planning, innovation, and a desire to make a meaningful impact. Economic literacy empowers youth to navigate intricate financial decisions, like scaling their business, entering new markets, or investing in sustainable practices (Lee & Hanna, 2015; Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

At the base of Maslow's hierarchy, physiological needs include fundamental survival requirements like food, water, shelter, and clothing. For young entrepreneurs, financial behavior at this level focuses on meeting these necessities before engaging in entrepreneurial risks. Many young people, particularly those from economically disadvantaged backgrounds, may first prioritize financial stability to ensure basic survival. Economic literacy is vital here, as it teaches them to manage personal finances, budget efficiently, and make wise decisions on spending and saving. A solid understanding of resource management enables young entrepreneurs to save enough to meet basic needs, facilitating gradual investments in their

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ventures (Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

Once physiological needs are met, attention shifts to safety needs, such as financial security, job stability, and protection against economic risks. This stage centers on creating a foundation for long-term financial stability, a critical component of entrepreneurship. Young entrepreneurs must build financial safety nets, comprehend investment risk-return trade-offs, and maintain sufficient capital to withstand uncertainties. Economic literacy aids them in understanding financial instruments, insurance, emergency funds, and investment strategies that safeguard their business. They also need familiarity with regulatory requirements, taxes, and legal frameworks that could impact their ventures (Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

As they reach the third level, belongingness and love needs come into play. This stage reflects the desire to form relationships, be part of a community, and build social networks. For youth entrepreneurs, financial behavior is now influenced by the need to create supportive networks involving mentors, investors, peers, and customers. Economic literacy broadens here to include insights into business relationships and networking strategies that build social capital. Financially literate entrepreneurs can effectively communicate their business model to potential investors or partners, enhancing funding opportunities and collaboration. This social capital strengthens their market position, supporting business growth and sustainability(Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

At this level, youth entrepreneurs seek esteem, which encompasses respect, recognition, and a sense of achievement. Financial behavior becomes driven by the desire for recognition and the ambition to establish a successful business. Economic literacy enables young entrepreneurs to manage business finances effectively, leading to strong financial performance and a positive reputation. Familiarity with profit margins, return on investment (ROI), and financial metrics is essential as they work to demonstrate their business's value. Additionally, understanding how to leverage financial resources for growth—whether through reinvesting profits, expanding operations, or entering new markets—fulfills their esteem needs and enhances their standing as business leaders(Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

At the top of Maslow's hierarchy is self-actualization, where individuals aim to reach their full potential through personal growth, creativity, and innovation. For youth entrepreneurs, this stage involves realizing a long-term vision for their business and striving for impact beyond financial success. Financial behavior at this level is strategic and driven by a sense of purpose, such as solving social issues, introducing novel products or services, or making a significant community impact. Economic literacy becomes highly specialized here, involving advanced financial strategies, market analysis, and sustainable practices. At this stage, young entrepreneurs are more likely to take calculated risks, invest in innovation, and explore scaling opportunities globally or pivoting into new areas. Economic literacy provides essential tools for these complex decisions, supporting growth aligned with both personal aspirations and market potential(Samuel, & Kumar, 2024; Jeolin, & Manigo, 2024).

III. FINANCIAL BEHAVIOR

The relationship between financial behavior and youth entrepreneurship is vital, as responsible financial practices directly influence the success and longevity of young entrepreneurial ventures. Financial behavior encompasses how individuals make choices related to managing, saving, investing, and spending money. For young entrepreneurs, these decisions are particularly crucial during the early stages of business development, where capital is limited, and financial risks are high. Responsible financial habits, like budgeting, saving, and managing cash flow, enable youth entrepreneurs to allocate resources effectively, avoid excessive debt, and make informed choices that support business growth (Shih et al., 2022).

Youth entrepreneurship relies not only on creativity and innovation but also on a solid grasp of financial principles to ensure business viability. Poor financial decisions, such as overspending, underestimating costs, or neglecting to set aside emergency funds, can quickly undermine a startup’s stability. Financial literacy, as part of financial behavior, equips young entrepreneurs to evaluate risks, gauge return on investment, and make strategic choices about funding sources, be it loans, investors, or personal savings. Entrepreneurs with strong financial management skills are more likely to avoid pitfalls and build sustainable business models that can thrive long-term (Wahyuni et al., 2023).

Additionally, financial behavior is central to an entrepreneur’s ability to scale and grow their business. Young entrepreneurs who consistently reinvest profits, manage debt wisely, and leverage financial tools are better positioned to take advantage of expansion opportunities. A positive financial track record also builds credibility with investors and lenders, increasing the likelihood of securing necessary funds for growth. Thus, the relationship between financial behavior and youth entrepreneurship underscores the importance of financial discipline, literacy, and foresight in achieving entrepreneurial success and business sustainability (Burchi et al., 2021).

Recent studies emphasize that the success of young entrepreneurs is closely tied to their financial decision-making skills. Financial behavior includes money management practices such as budgeting, saving, investing, and spending, which are crucial in the early phases of a business when capital is scarce and there is little room for error. Rubayah et al. (2015) noted that many young entrepreneurs struggle with managing finances due to limited financial knowledge, which impedes their ability to make informed decisions. This review examines the link between financial behavior and youth entrepreneurship, focusing on the impact of financial literacy, risk management, and long-term planning.

Research suggests that financially literate entrepreneurs are better able to control business expenses, limit unnecessary debt, and plan for growth (Kew, 2015). Financial literacy helps young entrepreneurs understand essential concepts such as cash flow management, profit margins, and investment strategies, all critical for business success. According to Lusardi and Mitchell (2022), financially literate entrepreneurs are more likely to make sound financial choices that lead to sustainable practices, whereas those with limited knowledge face greater challenges in maintaining profitability and are more prone to business failure.

The importance of financial education in youth entrepreneurial training programs is widely recognized. Fatoki (2014) points out that many young entrepreneurs lack the financial skills necessary for effective business management, resulting in poor financial decisions and eventual failure. Financial education can bridge this gap, giving young people tools to assess risks, evaluate investments, and secure funding. Financial literacy thus provides a foundation for sound financial behavior, which is essential for entrepreneurial success.

Studies by Fatoki (2014) and Kew (2015) also highlight the need for young entrepreneurs to develop risk management strategies, such as keeping an emergency fund, diversifying income sources, and saving for unexpected expenses. Understanding the risk-return trade-off is vital for making prudent financial decisions. Entrepreneurs with strong financial habits are more likely to approach risks with caution and adopt strategies that safeguard their business from potential losses.

Lusardi and Mitchell's (2022) research show that young entrepreneurs who engage in long-term financial planning are better prepared to grow their businesses. Effective financial behavior includes goal setting, budgeting, and planning for future investments. Entrepreneurs who adopt a long-term perspective are more likely to reinvest in their business, diversify products or services, and scale operations strategically. Hence, financial literacy is essential for young entrepreneurs to make informed decisions that support sustainable growth and success in their ventures (Raza, 2023).

IV. ECONOMIC LITERACY

Many young people find themselves burdened by debt due to the high cost of living, often a reflection of insufficient financial management skills. This financial strain typically arises from poor budgeting, heavy reliance on credit, and limited awareness of the long-term impacts of debt. Consequently, many young adults face financial insecurity, which hinders their ability to save for future needs like retirement, insurance, and investments. Their financial behaviors often highlight a lack of readiness to handle the complexities of today's financial systems.

This lack of financial preparedness is exacerbated by concerns about the economy and personal financial management. Many youths worry about inadequate savings for retirement, insufficient health or life insurance, and missed investment opportunities. Rubayah et al. (2015) suggest these challenges indicate that young people are often not yet ready for financial independence, lacking the essential knowledge and skills for sound financial decisions. Without proper guidance and education, they may continue to struggle, risking deeper debt and a more uncertain financial future.

Economic literacy plays a crucial role in promoting youth entrepreneurship by equipping young people with skills and knowledge to handle financial complexities. With improved economic literacy, young entrepreneurs can make more informed financial decisions, which contributes to their ventures' success. Research shows that better economic literacy not only enhances financial understanding but also influences entrepreneurial intentions and behaviors among young people. This knowledge enables them to manage resources, plan strategically, and evaluate risks accurately, reducing the chance of failure in their entrepreneurial endeavors. The importance of economic literacy is evident in its link to better decision-making capabilities, essential for entrepreneurial success. Studies reveal that many young entrepreneurs have low financial literacy, which makes them vulnerable to poor financial choices that can jeopardize their businesses (Purnamasari et al., 2023).

Economic literacy also significantly influences entrepreneurial intentions. Research shows that young people with greater economic literacy tend to have heightened entrepreneurial alertness, allowing them to recognize business opportunities and act on them (Wibowo et al., 2023). However, while economic literacy is beneficial, entrepreneurial literacyknowledge specifically related to business managementmay have an even greater impact on business success (Rahmatullah et al., 2022). This suggests that while economic education is essential, it should be paired with entrepreneurship-specific learning to fully support youth entrepreneurship.

Educational initiatives that incorporate economic literacy into school curricula can improve both financial literacy and entrepreneurial intentions in students. Financial education programs have proven effective in enhancing young entrepreneurs' financial decision-making and supporting the sustainability of their ventures (Purnamasari et al., 2023). However, to maximize their impact, these programs should adopt a holistic approach, combining economic literacy with hands-on entrepreneurial experience and targeted business education. By using a comprehensive strategy, aspiring young entrepreneurs can be better prepared to navigate the challenges of starting and running successful businesses.

V. YOUTH ENTREPRENEURSHIP

Youth entrepreneurship is increasingly acknowledged as a crucial catalyst for economic development, particularly in tackling youth unemployment. Encouraging young people to pursue entrepreneurial endeavors can foster job creation, innovation, and economic diversification. Research emphasizes the need for a supportive environment for youth entrepreneurship, which includes access to education, mentorship, and financial resources. These elements not only help young individuals cultivate business skills but also empower them to make meaningful contributions to their communities and the wider economy.

A significant motivating factor for youth entrepreneurship is exposure to entrepreneurial settings and education. Studies indicate that when young people are introduced to business concepts at an early age and engage in practical training, they are more inclined to pursue entrepreneurial ventures (Kafle, 2024). Moreover, robust support systemssuch as encouragement from family, strong social networks, and favorable government policiescan greatly enhance young entrepreneurs' ability to establish and sustain their businesses (Kafle, 2024; Popa & Deliu, 2024). These systems provide the essential financial, emotional, and advisory support necessary for success.

However, despite the enthusiasm for entrepreneurship, many young people encounter significant obstacles that impede their progress. A primary challenge is the skills gap, as many youths lack the entrepreneurial and managerial abilities required to run successful businesses (OECD & Commission, 2023). Additionally, limited access to finance, along with the absence of financial products and policies tailored for youth, further restricts their entrepreneurial potential (Ashley et al., 2024). These challenges can stifle their ambitions and hinder young entrepreneurs from scaling their ventures.

To address these issues, targeted educational initiatives and policy interventions are essential. Entrepreneurship education programs aimed at developing entrepreneurial mindsets and skillsets are particularly important in rural and underserved communities where opportunities may be scarce (Kim et al., 2024). At the same time, policymakers should focus on creating an enabling environment through youth-specific policies and financial products that address the unique needs of young entrepreneurs. While youth entrepreneurship holds significant promise for driving economic growth, overcoming these barriers and bolstering support systems will be vital in transforming young people's aspirations into successful business ventures.

VI. METHODOLOGY

In this research, a quantitative research method was employed. Descriptive analysis was conducted to assess the frequency, mean, and other statistics for data analysis, while correlation analysis was utilized to examine the relationships between dependent and independent variables. The research design consisted of a structured questionnaire survey to collect data from respondents. The study's population comprised 120 students from the Klang Valley. To gather data, self-administered questionnaires that had been previously validated were used. The questionnaire included 33 indicators: 10 focused on financial behavior, 10 on economic

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literacy, and 10 on youth entrepreneurship. Respondents answered questions using a five-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (5).

After obtaining feedback and consent, the researcher distributed the questionnaire to the respondents, providing a briefing on the study's topic and objectives. Respondents were assured of the confidentiality of their responses to encourage accurate results. The researcher personally collected the completed questionnaires. A total of 150 questionnaires were distributed, with 120 returned, yielding a response rate of 80%. The Statistical Package for the Social Sciences (SPSS) version 27 was used to analyze demographic data, while SmartPLS version 4.0 was employed to test the study's hypotheses.

VII. FINDINGS

Table 1 show a demographic analysis of the respondents, the distribution according to gender, year of study, and program enrolment. In terms of gender, there is a significant disparity, with 12.5% (N = 15) male and a predominant 87.5% (N = 105) female. Regarding the year of study, the majority of respondents are in Year 2, 47.5% (N = 57), Year 1 is 29.2% (N = 35), Year 3, Year 4, and Year 5 students comprise smaller percentages, with 15.0% (N = 18), 6.67% (N = 8), and 1.67% (N = 2), respectively. By academic program shows that 30.8% (N = 37) are enrolled in Diploma programs, while the majority, 65.8% (N = 79), are pursuing degrees. Additionally, 3.34% (N = 4), are master's students.The findings from the confirmatory factor analysis, detailed in Table 2 and Table 3, illustrate robust convergent and discriminant validity for the constructs of financial behavior, economic literacy, and youth entrepreneurship. Notably, the average variance extracted (AVE) for each construct was 0.6, confirming the model's convergent validity. Additionally, all constructs satisfied the criteria for discriminant validity, as their AVE values exceeded the squared correlations with other constructs. This demonstrates that the constructs are distinct and measure unique dimensions of the variables being examined. Table 2 shows that each construct in the model received higher weights on its respective factors than the minimum threshold of 0.7, further validating the discriminant validity of the measurement model. The analysis indicates that the constructs of financial behavior, economic literacy, and youth entrepreneurship were accurately measured without overlap, allowing for precise evaluation of the relationships between these factors.An R^2 value of 0.623 reveals that 62.3% of the variance in youth entrepreneurship is explained by the model, indicating substantial predictive accuracy. This result emphasizes the strength of the relationship between the variables. Furthermore, the analysis confirms that financial behavior (H1) and economic literacy (H2) are significantly correlated with youth entrepreneurship, thereby supporting both hypotheses. These findings suggest that improvements in financial behavior and economic literacy positively influence youth entrepreneurship.

Table 3,show theresults of cross loadings for different constructs and construct. The cross-factor loadings for ten items related to the Youth Entrepreneurship construct, with values ranging from 0.757 to 0.861. These values indicate the degree to which each item correlates with the Youth Entrepreneurship construct compared to other constructs in the model. A higher loading value signifies a stronger association with the intended construct. The reported range suggests that all items are significantly related to Youth Entrepreneurship, thereby confirming that they effectively capture the essence of this construct without substantial overlap with other factors. Cross factor loadings for Financial Behavior, with values ranging from 0.794 to 0.839. Cross factor loadings for Economic Literacy, with values ranging from 0.743 to 0.852. The Composite Reliability for the Youth Entrepreneurship construct is reported at 0.922. The Composite Reliability score for the Financial Behavior construct is 0.919 and Economic Literacy is 0.871. This statistic evaluates the internal consistency of the items within the construct. A composite reliability value above 0.7 is generally considered acceptable, while values exceeding 0.9 indicate excellent reliability. The high score of 0.922 demonstrates that the items consistently measure the construct of Youth Entrepreneurship, reinforcing confidence in the reliability of the findings. Additionally, the Cronbach's Alpha for the Youth Entrepreneurship construct is 0.890. The Cronbach's Alpha for Financial Behavior is reported at 0.895 and the Cronbach's Alpha for Economic Literacy is 0.861. Values above 0.8 are indicative of good reliability.

Table 4 show the outcomes of testing Smartpls path model. The path coefficient indicates the strength and direction of the relationship between Financial Behavior and Youth Entrepreneurship. A coefficient of 0.362 suggests a moderate positive relationship, implying that improvements in financial behavior are associated with a significant in youth entrepreneurship.A T statistic of 9.201 is substantially above the conventional threshold of 1.96, which is typically

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used to establish statistical significance at the 0.05 level. Then, the path coefficient of 0.174 indicates a positive but relatively weak relationship between Economic Literacy and Youth Entrepreneurship. This suggests that as economic literacy improves among young individuals, there is a corresponding increase in their entrepreneurial activities, albeit to a lesser extent compared to the influence of financial behavior. Then the T statistic of 2.165 of the relationship between Economic Literacy and Youth Entrepreneurship. This value exceeds the threshold of 1.96, which is commonly accepted for statistical significance at the 0.05 level.

The R^2 value of 0.623 reveals that approximately 62.3% of the variance in youth entrepreneurship is explained by both Economic Literacy and Financial Behavior.

Table 1: Demographic Analysis

	Frequency	Percentage (%)
Gender		
Male	15	12.5
Female	105	87.5
Year of study		
Year 1	35	29.2
Year 2	57	47.5
Year 3	18	15.0
Year 4	8	6.67
Year 5	2	1.67
Programme		
Diploma	37	30.8
Degree	79	65.8
Master	4	3.34
Total	**120**	**100.0**

Table 2: The Results of Convergent and Discriminant Validity Analyses

	AVE	Youth Entrepreneurship	Financial Behavior	Economic Literacy
Youth Entrepreneurship	0.612	0.781		
Financial Behavior	0.673	0.756	0.846	
Economic Literacy	0.649	0.721	0.697	0.803

Note: √ AVE shows in diagonal

Table 3: The Results of Cross Loadings for Different Constructs and Construct

Construct	Number of Item	Cross Factor Loadings	Composite Reliability	Cronbach Alpha
Youth Entrepreneurship	10	0.757 – 0.861	0.922	0.890
Financial Behavior	10	0.794 – 0.839	0.919	0.895
Economic Literacy	10	0.743 – 0.852	0.871	0.861

Table 4: Outcomes of Testing SmartPLS Path Model

Relationships	β	T Statistics	P Values	R^2
Financial Behavior -> Youth Entrepreneurship	0.362	9.201	0.000	0.623
Economic Literacy -> Youth Entrepreneurship	0.174	2.165	0.001	

Note: Significant at *t ≥ 1.96; **t ≥ 2.57; ***t ≥ 3.29

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VIII. CONCLUSION

In conclusion, this study emphasizes the essential role of financial behavior and economic literacy in promoting youth entrepreneurship. The findings indicate a significant correlation between these two factors and entrepreneurial success, highlighting the necessity of equipping young individuals with essential financial skills and knowledge. By enhancing financial behaviors such as budgeting, saving, and investment strategies, young entrepreneurs can manage their resources more effectively and make informed decisions that support the sustainability of their ventures. Similarly, economic literacy empowers youth to comprehend the broader economic landscape, identify opportunities, and evaluate risksall crucial components of successful entrepreneurship. The study also reveals that 62.3% of the variance in youth entrepreneurship is attributable to these factors, underscoring their considerable impact. Therefore, it is vital to promote both financial behavior and economic literacy through targeted educational initiatives and support systems, as these efforts can significantly foster the development of the next generation of entrepreneurs, driving economic growth and mitigating youth unemployment.Moreover, the findings contribute to Maslow's Hierarchy of Needs theory by linking the cultivation of financial behavior and economic literacy to the satisfaction of key psychological and self-actualization needs crucial for youth entrepreneurship. According to Maslow's theory, individuals must first meet their basic needs before advancing to higher levels of personal growth and achievement. In this framework, financial behavior and economic literacy equip young entrepreneurs with the tools to satisfy their physiological needs (ensuring financial security) and safety needs (through effective financial planning and risk management). As young entrepreneurs enhance their financial behavior and economic literacy, they also move toward fulfilling Maslow's social needs, particularly concerning belonging and esteem. Achieving financial competence and entrepreneurial success fosters social recognition and self-confidence, bolstering their sense of self-worth and status within their communities. This sense of accomplishment directly supports the fulfillment of esteem needs, as entrepreneurship often leads to increased respect from peers, expanded social networks, and even governmental support.At the top of Maslow's hierarchy, self-actualization, the findings suggest that mastering financial behavior and economic literacy enables young entrepreneurs to realize their full potential and pursue personal growth through entrepreneurship. Equipped with the right knowledge and financial management skills, they are better prepared to take calculated risks, innovate, and build sustainable business ventures that align with their values and goals, ultimately fulfilling their aspirations and actualizing their entrepreneurial ambitions. This study demonstrates that financial behavior and economic literacy not only address the foundational levels of Maslow’s hierarchy by meeting physiological and safety needs but also propel young entrepreneurs toward higher levels of esteem and self-actualization, thereby contributing to their overall development as successful individuals.

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