ÁREA TEMÁTICA: Finanças

CATEGORIA: ENANGRAD Júnior

FINANCIAL PLANNING AS A TOOL FOR PSYCHOLOGICAL SECURITY: A BIDIRECTIONAL ANALYSIS OF FINANCIAL ANXIETY

Resumo

A ansiedade financeira tem se tornado um tema cada vez mais relevante nos campos das finanças comportamentais e do bem-estar financeiro devido à sua influência na tomada de decisões financeiras e nos resultados econômicos individuais. Embora estudos anteriores tenham investigado a ansiedade financeira e o planejamento financeiro de forma independente, pouca atenção tem sido dada à potencial relação bidirecional entre esses construtos e ao papel da segurança psicológica na explicação dessa interação. Assim, este estudo tem como objetivo examinar a relação teórica entre ansiedade financeira e planejamento financeiro, propondo que o planejamento financeiro pode atuar não apenas como uma prática de gestão das finanças, mas também como uma fonte de segurança psicológica. Para atingir esse objetivo, foi realizado um estudo teórico-conceitual, baseado em uma revisão integrativa da literatura, sintetizando pesquisas recentes nas áreas de finanças comportamentais, bem-estar financeiro e psicologia econômica. Com base na literatura revisada, é proposto um modelo conceitual no qual o planejamento financeiro contribui para a percepção de controle financeiro e para a segurança psicológica, enquanto a ansiedade financeira pode tanto estimular quanto inibir comportamentos de planejamento, dependendo de sua intensidade. O estudo contribui para a literatura ao integrar esses construtos em uma perspectiva teórica unificada e fornecer uma base para futuras pesquisas empíricas sobre os mecanismos psicológicos subjacentes ao comportamento financeiro.

Palavras-chave: Ansiedade financeira; Planejamento financeiro; Finanças comportamentais.

Abstract

Financial anxiety has become an increasingly important topic in the fields of behavioral finance and financial well-being due to its influence on financial decision-making and individual economic outcomes. Although previous studies have examined financial anxiety and financial planning separately, limited attention has been given to their potential bidirectional relationship and to the role of psychological security in explaining this interaction. Therefore, this study aims to examine the theoretical relationship between financial anxiety and financial planning, proposing that financial planning may function not only as a financial management practice but also as a source of psychological security. To achieve this objective, a theoretical-conceptual study based on an integrative literature review was conducted, synthesizing recent research in behavioral finance, financial well-being, and economic psychology. Based on the reviewed literature, a conceptual framework is proposed in which financial planning contributes to perceived financial control and psychological security, while financial anxiety may either encourage or inhibit planning behaviors depending on its intensity. The study contributes to the literature by integrating these constructs into a unified

theoretical perspective and by providing a foundation for future empirical research on the psychological mechanisms underlying financial behavior.

Keywords: Financial Anxiety; Financial Planning; Behavioral Finance.

1. Introduction

Financial planning has become an essential component of individual economic stability, particularly in countries characterized by economic volatility and structural inequalities (Tabak et al., 2025). The Brazilian economic environment is frequently marked by inflationary pressures, income instability, and unequal access to financial resources, which increase individuals' exposure to financial uncertainty.

Data reported by institutions such as the Central Bank of Brazil (2026) highlight fluctuations that directly affect financial decision-making. In this context, financial planning is traditionally framed as a rational strategy aimed at organizing resources and mitigating risks (Ahamed & Limbu, 2024). However, recent studies emphasize that financial behavior is not solely driven by rational factors, but is also significantly influenced by psychological and emotional variables, including financial anxiety (Feng et al., 2025).

Financial anxiety has emerged as a significant construct in recent literature, reflecting individuals' emotional responses to financial uncertainty and perceived economic vulnerability. It is commonly defined as a state of worry, stress, or discomfort associated with one's current or future financial situation, and has been shown to negatively affect both financial well-being and decision-making processes (Simonse et al., 2024).

Empirical evidence suggests that financial anxiety can lead to ineffective financial behaviors, such as avoidance of financial information, impulsive decision-making, and reduced engagement in financial planning activities (Lima et al., 2024). At the same time, moderate levels of anxiety may act as a motivating factor, encouraging individuals to adopt more structured financial behaviors in an attempt to regain control over their economic situation (Meister et al., 2025). This perspective suggests that financial planning may function not only as an economic practice, but also as a behavioral mechanism associated with emotional regulation and perceived financial control (Archuleta et al., 2020a).

In this context, the perception of psychological security becomes particularly relevant. Individuals who perceive greater control over their finances often report lower levels of uncertainty and greater confidence regarding future financial stability (Xin et al., 2023). Consequently, financial planning behaviors such as budgeting, expense monitoring, emergency savings, and long-term financial goal setting may contribute not only to financial organization, but also to the reduction of financial distress (Fan & Henager, 2022a; Netemeyer et al., 2024a).

At the same time, the relationship between financial anxiety and financial planning may operate in the opposite direction. Elevated anxiety levels may impair concentration, increase impulsive behavior, and reduce individuals' ability to engage consistently in financial planning activities (Bai, 2023). Therefore, financial anxiety may

simultaneously act as both a motivating factor and a behavioral barrier, depending on its intensity and the individual's coping mechanisms.

Despite the growing literature on financial well-being and behavioral finance, limited attention has been given to the potential bidirectional relationship between financial anxiety and financial planning, particularly when considering the mediating role of perceived psychological security. Accordingly, this study seeks to address the following question: How can the relationship between financial anxiety and financial planning be theoretically explained, and what role does psychological security play in this relationship?

Therefore, this study aims to discuss the bidirectional relationship between financial anxiety and financial planning, examining how financial planning may contribute to psychological security while also exploring how financial anxiety influences financial behavior. By integrating insights from the literature on behavioral finance, financial well-being, and psychological coping mechanisms, this paper proposes a conceptual framework that positions financial planning not only as a financial management practice but also as a potential source of psychological security under conditions of economic uncertainty.

2. Theoretical Background

Financial anxiety has emerged as a central construct in the literature on financial well-being and behavioral finance. Although traditionally viewed as a consequence of adverse financial conditions, recent studies suggest that financial anxiety plays a more active role in shaping financial behavior. Rather than reflecting only objective financial difficulties, financial anxiety is increasingly understood as a subjective psychological response to perceived economic uncertainty, financial vulnerability, and concerns regarding future financial stability (Gignac et al., 2023). Consequently, individuals facing similar financial circumstances may experience substantially different levels of anxiety depending on how they perceive and evaluate their financial situation (Jawahar et al., 2022a).

Recent research also highlights the multidimensional nature of financial anxiety. The design includes cognitive, emotional, and behavioral components that influence how individuals process financial information and make financial decisions (An et al., 2025). From a cognitive perspective, financial anxiety is associated with persistent concerns about debt, income stability, and future financial obligations. Emotionally, it may generate stress, fear, and feelings of insecurity. Behaviorally, financial anxiety can affect risk perceptions, information-seeking behaviors, and financial decision-making processes, making it a significant determinant of financial behavior and financial outcomes (de Bruijn & Antonides, 2020).

Several factors have been identified as important antecedents of financial anxiety. Economic conditions such as income instability, debt accumulation and inflationary pressures are consistently associated with higher levels of financial concern and perceived financial vulnerability (Liu & Chen, 2026). However, recent evidence suggests that objective financial circumstances alone do not fully explain variations in financial anxiety (Jawahar et al., 2022b). Individual characteristics, including financial self-efficacy, financial literacy, risk perception, and confidence in managing personal finances, may significantly influence how economic challenges are interpreted and

experienced. Consequently, financial anxiety often emerges from the interaction between objective financial conditions and subjective evaluations of financial capability (Lone & Bhat, 2024).

The consequences of financial anxiety extend beyond psychological discomfort and may directly affect financial decision-making and behavior. Studies indicate that elevated levels of financial anxiety are associated with avoidance of financial information, reduced engagement in financial planning activities, greater decision-making difficulties, and increased susceptibility to impulsive financial behaviors (Grable et al., 2020). Financially anxious individuals may delay important financial decisions, avoid monitoring their financial situation, or struggle to establish long-term financial goals. Such behaviors can create a cycle in which anxiety sabotages effective financial management, ultimately reinforcing perceptions of financial insecurity and economic vulnerability (Netemeyer et al., 2024b). As a result, financial anxiety has increasingly been recognized not only as an outcome of financial difficulties but also as a factor capable of shaping subsequent financial behavior and well-being (Archuleta et al., 2020b; Chatterjee & Fan, 2023).

Financial planning has traditionally been viewed as a rational process through which individuals allocate resources, manage expenditures, and pursue long-term financial objectives. Within classical economic perspectives, financial planning is generally associated with utility maximization, risk reduction, and efficient resource allocation. However, recent developments in behavioral finance have challenged the assumption that financial decisions are exclusively driven by rational calculations. Contemporary research suggests that financial planning behaviors are also influenced by psychological, emotional, and behavioral factors, indicating that planning may serve functions that extend beyond purely economic outcomes (Fan & Henager, 2022b; Kim et al., 2024).

Recent studies suggest that individuals engage in financial planning not only to improve financial performance but also to reduce uncertainty regarding future economic conditions. Planning behaviors such as budgeting, expense monitoring, debt management, and emergency savings may increase perceptions of predictability and preparedness when facing financial challenges (Hassan et al., 2021). From this perspective, financial planning can be understood as a proactive behavioral strategy through which individuals attempt to organize future outcomes and minimize the psychological burden associated with financial uncertainty (Riitsalu et al., 2024).

A growing body of literature suggests that one of the most important outcomes of financial planning is the development of perceived financial control. Individuals who actively engage in planning behaviors often report a greater sense of control over their financial circumstances, even when objective financial resources remain limited (Ngamaba et al., 2020). By establishing financial goals, monitoring expenditures, and preparing for potential financial shocks, individuals may strengthen their confidence in managing future economic challenges. This perception of control is particularly relevant because it has been associated with lower levels of financial stress, greater financial well-being, and increased confidence regarding future financial stability (García-Mata & Zerón-Félix, 2022).

The literature reviewed throughout this study suggests that financial anxiety and financial planning are interconnected constructs that influence one another through

behavioral and psychological mechanisms. On the one hand, financial planning may reduce uncertainty, strengthen perceptions of control, and contribute to greater psychological security, ultimately reducing financial anxiety. On the other hand, financial anxiety may influence engagement in planning behaviors. While moderate levels of financial concern may encourage individuals to organize their finances and seek greater control over their economic situation, excessive anxiety may impair decision-making, promote avoidance behaviors, and reduce participation in planning activities (Choung et al., 2023).

This bidirectional perspective challenges traditional approaches that view financial planning solely as an economic behavior or financial anxiety solely as an outcome of financial difficulties. Instead, both constructs appear to operate within a dynamic process in which behavioral responses and emotional experiences continuously interact. Understanding this relationship contributes to a broader interpretation of financial well-being by recognizing the role of psychological factors in shaping financial behavior and the potential of financial planning to function as a source of psychological security.

3. Methodology

This study adopts a theoretical-conceptual approach based on an integrative literature review. The objective of this methodological strategy is to synthesize and critically examine existing knowledge regarding financial anxiety, financial planning, and psychological security in order to develop a conceptual understanding of the relationships among these constructs. Unlike empirical studies that seek to test hypotheses through data collection, theoretical-conceptual research aims to identify theoretical convergences, explore conceptual relationships, and propose frameworks that contribute to the advancement of knowledge within a particular field of study.

The literature reviewed in this study was selected based on its relevance to the central constructs of financial anxiety, financial planning, psychological security, perceived financial control, and financial well-being. Priority was given to recent peer-reviewed publications published between 2020 and 2026 in the fields of behavioral finance, financial well-being, consumer behavior, and economic psychology. Seminal studies published prior to this period were also considered when necessary to support the theoretical foundations of the constructs under investigation. The selected studies were examined through a thematic analysis approach. The literature was organized into four main themes: (1) financial anxiety as a behavioral determinant, (2) financial planning beyond rational choice, (3) psychological security and perceived financial control, and (4) the bidirectional relationship between financial anxiety and financial planning. This process enabled the identification of recurring patterns, theoretical convergences, and conceptual relationships among the constructs, providing the basis for the development of the conceptual framework proposed in this study.

Based on the synthesis of the literature, a conceptual framework was developed to explain the relationships among financial anxiety, financial planning, and psychological security. The framework integrates evidence from behavioral finance, financial well-being, and economic psychology, proposing that financial planning may contribute to psychological security by increasing perceived control and reducing financial uncertainty, while financial anxiety may influence planning behaviors differently depending on its intensity. By organizing these relationships into a unified theoretical

model, the framework seeks to advance the understanding of the psychological mechanisms underlying financial behavior and provide a foundation for future empirical research.

4. Results and Discussion

The literature reviewed throughout this study indicates that financial anxiety and financial planning should not be examined as isolated constructs. Instead, both phenomena appear to interact through psychological and behavioral mechanisms that shape individuals' responses to financial uncertainty. Although previous studies have investigated these constructs independently, limited attention has been given to their reciprocal relationship and to the role of psychological security in explaining how financial planning and financial anxiety influence one another. Rather than representing a simple sequence of financial behaviors, the proposed framework conceptualizes financial planning and financial anxiety as mutually influential constructs connected through perceived financial control and psychological security.

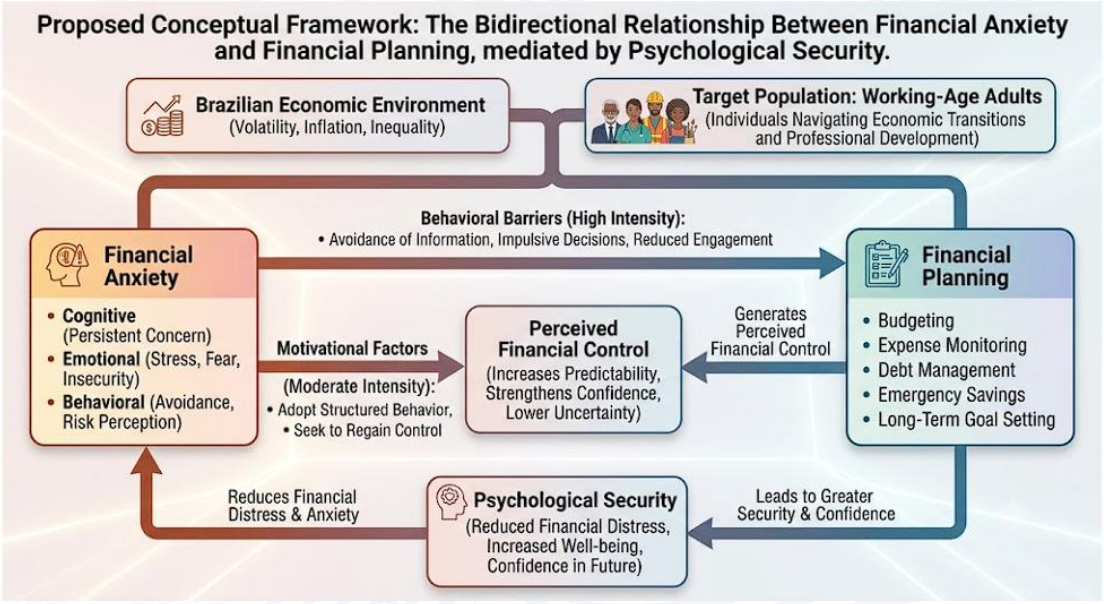


Figure 1. Proposed conceptual framework illustrating the bidirectional relationship between financial anxiety and financial planning, highlighting the role of perceived financial control and psychological security.

The proposed framework assumes that financial planning represents more than a set of financial management practices. By engaging in behaviors such as budgeting, expense monitoring, debt management, emergency savings, and long-term goal setting, individuals may increase their perceived financial control, which refers to the belief that they are capable of effectively managing present and future financial challenges. As perceptions of financial control become stronger, individuals are more likely to develop greater psychological security, characterized by increased confidence, reduced uncertainty, and a stronger sense of preparedness to cope with adverse financial situations. Consequently, psychological security is expected to reduce the emotional burden associated with financial uncertainty, leading to lower levels of financial anxiety.

The framework also recognizes that the relationship may operate in the opposite direction, with financial anxiety influencing individuals' engagement in financial

planning behaviors. Rather than producing uniform effects, financial anxiety may lead to different behavioral responses depending on its intensity and on individuals' coping strategies. Moderate levels of financial anxiety may encourage proactive behaviors, motivating individuals to organize their finances, seek financial information, and adopt planning practices as a means of reducing uncertainty and regaining control over their economic situation. In contrast, excessive financial anxiety may impair cognitive functioning, increase avoidance tendencies, and reduce individuals' willingness to engage in financial planning. This distinction suggests that financial anxiety may simultaneously function as both a motivational driver and a behavioral barrier, reinforcing the dynamic nature of the relationship proposed in this framework.

The proposed conceptual framework contributes to the literature by integrating financial anxiety, financial planning, perceived financial control, and psychological security into a single explanatory model. While previous studies have predominantly examined these constructs independently or through unidirectional relationships, the present framework emphasizes their dynamic and reciprocal interactions. By conceptualizing financial planning as both a financial management practice and a psychological resource, the model expands traditional perspectives in behavioral finance and highlights the importance of psychological mechanisms in shaping financial behavior. The proposed framework also contributes to the behavioral finance literature by positioning financial planning not merely as an economic practice, but as a psychological mechanism capable of promoting resilience under conditions of financial uncertainty.

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5. Conclusion and Contribution

This study examined the relationship between financial anxiety and financial planning from a theoretical perspective, integrating insights from behavioral finance, financial well-being, and economic psychology. The findings suggest that financial planning extends beyond its traditional role as a financial management practice by contributing to perceptions of control and psychological security, while financial anxiety may either encourage or inhibit planning behaviors depending on its intensity. By bringing these relationships together into a unified theoretical perspective, this study contributes to a broader understanding of the psychological mechanisms underlying financial behavior. Future empirical research is encouraged to examine the proposed relationships across different populations and contexts, further advancing knowledge on the interaction between financial planning and financial anxiety.

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