

MODELLING OF STRUCTURAL EQUATIONS BASED ON THE RELATIONSHIP BETWEEN FINANCIAL OVERDEBT, JOB RISK, DECREASED QUALITY OF LIFE, AND PROACTIVE BEHAVIOR IN THE MEANING OF FINDING AN ADDITIONAL JOB

Dijana Vuković, Karmen Vlah Petohlep

Abstract

Modern lifestyles often put at risk careless and reckless financial management, which can lead to over-indebtedness, default and bankruptcy. The inability of individuals to manage their finances is accompanied by numerous negative business, social and family implications that manifest themselves through financial stress, limited spending opportunities, which are directly related to the quality of life, and increasing inequality. In the paper, the authors investigate the phenomenon of excessive borrowing in Croatia to improve the quality of life and artificially raise the standard of living, which limits the plans of the inhabitants of Croatia. Quality of life, within the framework of this research, encompasses the dimensions of financial stability, health, social inclusion and general satisfaction with life, analysing how an individual's economic circumstances shape their personal and social well-being. Furthermore, the paper analyses (i) the characteristics of individuals in financial difficulties, their attitudes towards debt reduction planning and financial recovery strategies, and (ii) differences in proactive behaviour among individuals, particularly in the context of willingness to take on additional work and the benefits of living standards in response to the current deterioration of their financial situation. The research results indicate that the key to achieving an economy of well-being is finding a balance between the benefits of credit and a sustainable level of indebtedness adjusted to the individual's financial capabilities. In this context, the research was conducted on a purposive sample of 782 respondents who experienced a loss of economic autonomy and sovereignty in making financial decisions, which influenced their proactive behaviour. The research results confirm that the key to achieving economic well-being is establishing a balance between the benefits of credit and a sustainable level of indebtedness that does not threaten the financial stability of the individual. The research was conducted on a purposive sample of 782 respondents who experienced a loss of economic autonomy, which had a direct impact on the quality of life. The research results suggest that economic factors, such as low income and increased indebtedness, have a more pronounced negative effect on quality of life, while job riskiness may be a reason for finding additional work.

Keywords: welfare economy, credit indebtedness, quality of life, financial literacy, debts

JEL classification: E0, E7, G4, E03

Dijana Vuković

Associate Professor, PhD
University of North
Jurja Križanića 31b
42000 Varaždin
Croatia
E-mail: dvukovic@unin.hr
ORCID: 0000-0003-2900-1210

Karmen Vlah Petohlep, mag.oec.

Veleučilište u Rijeci
Vukovarska 58
51000 Rijeka, Croatia
E-mail: karmen457@yahoo.com
ORCID: 0009-0006-5402-8393

1. Introduction

Over-indebtedness of Croatian citizens has been one of the biggest problems since the founding of the Republic of Croatia, and as such, it is unsustainable. Poverty, caused by long-term blocking of accounts, job insecurity and unemployment, creates a hopeless situation for many families with the consequences of complete economic and social exclusion. Poverty can be defined as economic deprivation that exists in Croatia, recognised in long-term unemployment, job insecurity, lack of involvement in social networks and unavailability of legal protection. The biggest causes of poverty in Croatia, apart from the already mentioned elements, are account blocking and the personal attitude of maintaining the standard of living by "*ironing the cards*", and then the impossibility of settling them. Long-term unemployment has negative social consequences and isolation, reducing the chance of re-employment even more. As a chain, everything intertwines in the form of social isolation that impairs the quality of life and leads to a decline in the standard of living. The desire for higher winnings forces individuals to try their hand at betting shops, games of chance and trading on financial markets, and often replaces the gain with big losses that are just a step to slavery.

No matter that more developed countries like Sweden, Norway, Denmark and Finland have adopted the new concept development of the welfare state, which strives to enable welfare through its economic policy, in Croatia, the concept of well-being is exclusively self-interested. In countries that could be characterised as a welfare state, the tax system and economic regulation must be transparent, predictable, and the change framework must be predefined and clear. The most successful countries, considering their growth, income per inhabitant and level of employment, are those whose limited government spending is followed by taxes, the application of which, together with regulation, is clear, predictable and not excessive. This paper aims to provide a detailed overview of the impact of a low level of economic opportunity on personal well-being and quality of life. The insights gained from this research can be useful for shaping policies and programs that seek to reduce economic inequalities and improve living conditions for vulnerable populations.

Considering the results of the research, this paper contributes to the larger body of research on financial behaviour and its implications for economic well-being. By analysing the interrelationship between credit use, financial stability and quality of life, the study provides valuable insights into the challenges individuals

face in managing their economic circumstances. The results highlight the need for policies that promote responsible borrowing and financial literacy, as well as structural measures aimed at mitigating the negative effects of over-indebtedness. Ultimately, achieving a sustainable balance between credit facilities and financial stability is critical to fostering long-term economic prosperity.

2. Indebtedness and Impact on Quality of Life

The desire to own things, new cars, and status in society has led many to be unreasonable spenders beyond their means and thus become slaves to money. Just buying on instalment payments, current consumers are enabled to buy whatever they want at that moment. All of your opportunities have also allowed consumers to create an unstoppable desire for marketable goods and lust for something new constantly. Passion for brands and the availability of all goods and services separated the individual from himself and introduced him to the world of expressing status and supremacy over other individuals.

At the same time, increasing debts arise, and often, the inability to repay the cost of living standards. Consumer society can be identified with consumerism, which has become a disease of today's capitalism, trade, market and economy. People have become slaves to modern times, slaves to spending and everything different, everything that is not spent and everything that is not bought, becomes completely unacceptable. His spine has taken the number one position in all buying principles, in every consumer behaviour and in everything which represents today's consumption of goods and services (Grubišić 2016). Consumption is not only for satisfying certain needs, but it also shows a certain social and cultural context (new car, cottage, skiing, sailing, new cell phone, etc.). Advertising industries played a big role in the emotional upheaval of the individual and the desire to own ever larger and more expensive consumer goods. This emotional upheaval in the consciousness of each individual is also the threat of debt slavery, more precisely, large consumption and living in debt. It is a practice that today goes beyond common sense, but fits perfectly with consumption as a dominant social value. The desire for a high standard of living is stronger than a reasonable judgment of one's possibilities and creates space for unrealistic and frivolous behaviours that lead to borrowing from various banks, by borrowing on credit cards and by taking out loans in various savings banks... Job insecurity, minimum

wages and a low level of economic opportunities significantly reduced the quality of life of the individual, and they joined the phenomenon called credit mania. Credit creation (Cooper 2009) is the foundation of the creation of wealth, and it is also the cause of financial instability. An additional problem is the extreme ease of obtaining loans on the market because it usually precedes the financial and economic crisis, so in such conditions, one should be particularly cautious in borrowing (Buterin, Lukežić and Buterin 2018). In times of strong financial crises, even the largest financial institutions are not spared from failure, while individuals are not because of their low financial strength (Olgić, Draženović et al. 2018). Furthermore, borrowing in foreign currency is especially risky due to the possibility of exchange rate changes (Buterin, Plenča, Buterin, 2015). Creditomania is a risk, especially when old loans are repaid with new loans, whose spiral leads to economic and general social disorder. Despite the low rate of inflation and the introduction of the currency clause, the indebtedness of citizens increased into the sky. Today, the entire economy is based on the fact that people are in debt. Higher standards are imposed on all Croatian citizens, which is best evidenced by the use of mobile phones and the desire to own expensive things, such as cars, etc. Peračković's claims (Peračković 2013) lead to one of the new characteristics of the middle class as a strong consumer segment of society that has a standard of living redefined into a lifestyle.

2.1. Quality of Life

The quality of life is realised in the conditions of general human well-being, which, in addition to material well-being, also includes intangible components. It is a complex concept, which many scientists analyse from different angles. The quality of life is associated with well-being, and it is considered that well-being is achieved through satisfaction or utility resulting from the consumption of goods and services, so it follows that well-being is greater the greater the consumption of goods and services, while individuals are the best judges of their well-being (Hausman and McPherson 1996). When it comes to the quality of life, a large number of authors analyse it from a psychological approach, from which it can be concluded that the quality of life of today's man is closely related to the concept of subjective well-being, satisfaction with life and the concept of happiness. Defining quality of life in a broader sense and under the definition of the World Bank, quality of life is defined as general human

well-being, which, in addition to material well-being, also includes intangible components such as environmental quality, national security, personal protection, and political and economic freedoms (The World Bank Group, "Glossary") In their works, most authors state that mere material wealth is not enough to achieve quality of life today, but also a whole series of other conditions and well-being that are part of the complexity of living today. Thus, the conditions of growing up, education, the value system of society, culture and tradition are important elements that define the quality of life of a modern man. Achieving the standard of living imposed by the consumer society in its scientific approach is based on general principles, but it cannot be an exclusion or reason for imposing the standard of living at any cost. Quality of life is an extremely complex concept that is almost impossible to define unambiguously. One of the definitions is that quality of life is a complex process of evaluating life satisfaction within the environment in which an individual lives (Petz 2005). Browne (1994) defines quality of life as a constant interaction of the influence of external conditions on an individual's life and the subjective perception of these conditions. (Krizmanić and Kolesarić, 1989) define quality of life as a psychological category that does not result from satisfying basic needs, but from the overall psychological structure of an individual in interaction with the physical and social environment in which he lives and is based on subjective assessment. The sources of satisfaction and dissatisfaction of each individual are numerous and different, and the objective circumstances in which he lives can significantly increase or decrease them (Petz 2005). The concept of quality of life consists of an objective and a subjective aspect. Subjective indicators of the quality of life depend on the individual's personality traits, while objective indicators consist of material conditions, housing conditions, organisation of health care, social care, mortality rate and the like (Žganec, Rusac, and Laklija, 2007).

Citizens' over-indebtedness significantly affects many quality-of-life variables and can also be defined by a reduced sense of happiness. Happiness is a subjective emotion. It depends on life circumstances, but also our personality, personality structure, and how we look at things in our own lives. The fact is that material factors play a significant role in the standard of living and the prosperity of the country, but it is also necessary to include subjective feelings of satisfaction and happiness because they are related to the quality of life (Ralašić and Bogdan, 2018). Many forms of well-being are difficult to measure with monetary indicators. However, some variables

essential to happiness are very measurable. Happiness is increased by togetherness and a sense of belonging. Connection with people, money, health, freedom, and the trust we feel towards people and institutions also affect happiness. Happiest countries are characterised by connectedness, togetherness and support among residents (Scandinavian countries: Finland and Denmark). In such welfare states, the population has numerous benefits related to children's education, and treatment that is available and free for everyone, resulting in satisfaction that increases the level of happiness as an emotion. In addition to the above, happiness is also affected by the lack of/employment of the population, the level of salary, i.e. income, security, freedom, stability and peace in the country, health, activities of individuals, social networks, attitude towards the environment and numerous other factors (Štojs 2019). Terms such as insecurity, precariousness and vulnerability entered the employment-related lexicon and came to assume relevance in the scientific debate among sociologists (Anderson and Pontusson 2007; Juliá, Vanroelen, Bosmans, Van Aerden, and Benach 2017), psychologists (Dooley, Rook and Catalano 1987; Vander Elst et al. 2014) and economists (Böckerman 2004; Origo and Pagani 2009; Böckerman et al. 2011). Few studies have examined causal mechanisms (mediators) that may explain the relationship between perceived job insecurity and quality of life or group differences (moderators) in that relationship (Caroli and Godard 2014). Elaborating the stress pathways through which perceived job insecurity impairs quality of life and identifying factors that modify the relationship between perceived job insecurity and quality of life may improve our understanding of how work-related stressors contribute to health disparities.

In sociology, well-being is associated with the concept of standard of living and quality of life. Increasing overall well-being has its objective and subjective dimensions. Objective well-being includes the concept of economic development (it has two dimensions: economic and non-economic) and living conditions, while the subjective dimension refers to residents' perception of well-being. As a measure of happiness and well-being, GDP is often used in the literature, but it is not always a reliable measure of the above, because sometimes the quality of life in society can decrease regardless of GDP growth, i.e. having more money does not necessarily mean greater happiness for people. As a result of the above, it began to be studied what leads to satisfaction and happiness in people and how well-being can be measured. In this way, a new research area was created, which was called welfare economics.

3. Economics of Well-being

The economy of well-being has an increasing number of supporters who suggest the implementation of activities that will raise happiness not only at the individual level, but also at the level of satisfaction of the entire social community (Ralašić and Bogdan 2018). Economics represents all industries, but until recently, it was unthinkable that happiness would be evaluated in medicine and psychology through indicators of indices represented in the economy of well-being (Hanson 2013). The welfare economy does not aim to satisfy the interests of capital, but to simplify life in the local community and make every member of it happy (Štojs 2019).

The economy of well-being can be defined as "*an economy that supports the quality of life in the entire community; that creates abundant opportunities and possibilities for meeting the needs of citizens without endangering others; that uses and shares resources fairly; that accepts responsibility and fosters solidarity; that respects the sustainability of ecosystems, understanding that well-being is a consumable resource that must be managed fairly and transparently.*" Therefore, the economy of well-being is an economy that, in addition to the financial aspect of living, wants to live with aspects that come from the concept of socially responsible business.

The national happiness index expresses in numerical results indicators of the quality of living in a certain living environment, but also the effectiveness of society. The effectiveness of society implies a measure of the needs and expectations of the country's inhabitants. In the welfare economy, there are a number of components that measure the quality of the economy through the openness of the economy, through various macroeconomic indicators, as the basis of economic growth and the efficiency of the financial sector. The business environment is an important indicator of well-being because it refers to the ranking of the business environment by the infrastructure, as well as the possibilities of investing in the state, and the flexibility of the labour market. Education, health, national and personal security are additional indicators for measuring well-being in a country, and are necessary for measuring the general satisfaction of residents.

This further points to the fact that when monitoring well-being, it is necessary to connect objective factors with subjective factors, while taking into account that these are personal understandings of the concept of happiness. The subjective factor of happiness is much more complex than the objective factor, but by joint measurement and the obtained results,

the overall picture of society can be seen (Nikolova and Sanfey 2015). According to the Happiness Index, Croatia is at the very bottom, and many studies have already proven that countries with higher incomes are happier, but that they do not become happier as they become richer (Akerlof and Kranton 2010). The easiest way to explain this paradox is that in a certain country, the richer one becomes happier, and that is why most people want to be rich. At the same time, when entire societies become rich, no one becomes happier.

According to research by the Happiness Index (NIS), Croats can be characterised as pessimists or mild optimists (Štojs, according to Henda Market Research, NIS, 2019). They are not satisfied with the degree of satisfaction of basic life needs, so this leads them to excessive debt.

Citizens' over-indebtedness significantly affects many quality-of-life variables and can also be defined by a reduced sense of happiness. Happiness is a subjective emotion. It depends on life circumstances, but also on our personality, personality structure, and on how we look at things in our own lives. The fact is that material factors play a significant role in the standard of living and the prosperity of the country, but it is also necessary to include subjective feelings of satisfaction and happiness because they are related to the quality of life (Ralašić and Bogdan 2018). Many forms of well-being are difficult to measure with monetary indicators. However, some variables essential to happiness are very measurable. Happiness is increased by togetherness and a sense of belonging, connection with people, money, health, freedom, and the trust we feel towards people and institutions, which also affect happiness. Socio-economic development imposed the need for a more complex approach and deeper analysis of living conditions (Grilec Kaurić and Ujević 2013) to have more, to become happier. Apart from the objective indicators of job insecurity, this is precisely the main reason why Croats have become indebted instead of happy. When a country's progress is measured, its GDP is usually cited, which says nothing about the well-being of its citizens. More and more EU countries need to create new indices that would show the well-being of the inhabitants and their economic power. In addition to the happiness index, there is a need for other indicators that will measure the objective prerequisites of life, and they will further show the subjective satisfaction of each resident. The authors think that the research on the indebtedness of Croatian citizens and their distance from well-being will have a positive impact on the inhabitants because they will begin to develop awareness and create within themselves the feeling that the quality of life in relation to indebtedness is incomparably better.

3.1. Lending versus responsible lending

In the modern economic system, credit indebtedness plays a key role in the financial stability of a society and its citizens. However, the political and regulatory aspects of this phenomenon are often insufficiently explored, which leaves room for potential economic crises and financial abuses. The role of banks, credit policy and consumer protection represents a triangle through which the impact of regulation (or lack thereof) on overall economic stability can be analysed. Banks are key actors in the process of granting loans, but their operations are not only market-oriented but also deeply connected to political and regulatory frameworks. State policies determine monetary policy guidelines, while regulators, such as central banks and financial regulatory authorities, set limits and rules that should prevent irresponsible lending. However, throughout history, we have seen how banks have often exploited regulatory loopholes, encouraging excessive indebtedness of consumers and businesses, which ultimately led to financial bubbles and economic collapses, such as the global financial crisis of 2008. Responsible lending refers primarily to bilateral relationships between lenders and borrowers. On the lender's side, this refers to their assessment of the borrower's creditworthiness, and it is important to keep in mind that creditworthiness is not a permanent and static category, but that it can change. On the borrower's side, responsible lending should refer to an objective assessment of whether the loan obligations can be properly fulfilled. Even though the consumer as a loan recipient does not have the same knowledge as the lender, in essence, he is the one who knows his financial situation best and what it could be in the future (Petrović and Torjanac 2018). Credit policy defines the conditions under which loans are approved and repaid. It can be restrictive when the conditions are strict and interest rates are high, or expansive when loans are easily available and cheap. Credit policy decisions are often politically motivated - governments can put pressure on central banks to relax lending criteria to stimulate consumption and economic growth, especially in pre-election periods. However, uncontrolled credit expansion can lead to over-indebtedness of citizens and financial instability.

Lack of proper regulation can allow banks to offer risky financial products, which increases the risk of default and can destabilise the entire banking sector. An example of this is the mortgage loan crisis in the USA, which was caused by the excessive granting of risky loans without an adequate assessment of the borrower's creditworthiness. Consumer protection in the credit system is one of the key but often neglected aspects of regulation. Banks and other financial

institutions have asymmetric information compared to consumers, which means they are in a better position to understand financial risks. Without adequate regulation, consumers are often exposed to unfavourable credit conditions, hidden fees and unclear contracts. In many countries, regulatory frameworks have been set that require transparency and fair conditions in credit arrangements, but their implementation is often not strict enough. National regulatory agencies are often subject to political influence or a lack of resources, which reduces their effectiveness in protecting citizens from unfair practices. Although credit indebtedness is an integral part of modern economies, the political and regulatory aspects of its management are often insufficiently examined or properly implemented. Banks play a key role in this system, but without clear regulatory guidelines and consistent consumer protection, financial stability can be at risk. A balance is needed between stimulating economic activity through available credit and ensuring that such credit does not lead to over-indebtedness and financial crises. Strengthening regulatory oversight, increasing transparency, and better consumer protection are key steps towards a more sustainable and fair credit system. Responsible lending in the broadest sense includes all regulatory mechanisms that govern the operations of credit institutions. In this sense, the provisions of the regulations governing the granting of approval for the work of credit institutions, the rules on the management system (corporate management) are included, to ensure that the affairs of credit institutions are managed by persons who, due to their expertise and experience, can be expected to do so by the general principles of business and management, the supervision of the work of credit institutions that serve to preserve their stability, and thus the preservation of the entire financial system.

4. Research results

This research aims to gain an insight into the attitudes and opinions of respondents about the effects of a low level of economic opportunities and how such a level affects well-being and quality of life. In this research, we will try to assess the low level of economic opportunities, the over-indebtedness of citizens and the impact on the quality of life using a survey questionnaire of 23 items, on a convenience sample, by random selection of 782 respondents, of both sexes, of different ages and education. An anonymous questionnaire consisting of general demographic data (age, gender, marital status and level of education) was used as a research instrument, and a specially created questionnaire was used to assess

the quality of life, in which the respondents gave ratings from 1 to 5 for the reported items grouped into categories. (economic opportunity, job insecurity, debt write-off, impact of health on quality of life, and elements of inner peace).

In contemporary research dealing with the socio-economic and psychological aspects of over-indebtedness, job insecurity, and quality of life, it is crucial to develop a measurement instrument that reliably and validly captures the complexity of the observed constructs. Based on the understanding that financial stress and job insecurity are not exclusively economic phenomena, but also deeply psychological processes that shape an individual's perception of security and life satisfaction, this instrument was developed with the aim of simultaneously capturing both the objective and subjective dimensions of these phenomena.

The development of the questionnaire was based on a combined approach – adaptation of existing validated scales and development of new items that reflect specific socio-economic circumstances in Croatia. In the first phase, a detailed analysis of the relevant literature and existing instruments that have been used in international research was conducted. The key theoretical models were instruments developed in the field of economic psychology and financial behaviour research, such as debt-to-income scales (Brown et al. 2021; Lusardi and Mitchell 2014), job insecurity (Vander Elst et al. 2014), and quality of life and subjective well-being assessments (Browne et al. 1994; Petz 2005). In addition, recent models of proactive behaviour in conditions of economic insecurity (Stănculescu 2023) were also taken into account, ensuring theoretical consistency between different dimensions of the research.

In the second phase, the adaptation and contextualization of the existing items were carried out. All items were translated into Croatian and then back-translated into English to check semantic equivalence. During the adaptation, special attention was paid to the cultural and linguistic specificities of the Croatian context. For example, the terms used in Anglo-Saxon instruments to refer to job insecurity or financial strain were reinterpreted in terms that better reflect domestic market and work conditions – such as “fear of losing a job”, “inability to meet obligations” or “a persistent feeling of financial pressure”.

In the third phase, the research team developed new items that proved necessary to capture the dimension of proactive behaviour in the context of additional work and personal financial resilience. Some of them, such as “I am willing to accept additional work to increase my financial security” or “I am looking for additional sources of income during a period of financial

pressure", were designed specifically for this study and do not have direct equivalents in previous instruments. All items were designed in a five-point Likert format, ranging from 1 – "I completely disagree" to 5 – "I completely agree". Such a format allowed for a measure of the subjective agreement of the respondents with the statements, which achieved greater sensitivity in detecting perceptual nuances.

In order to check the comprehensibility and reliability of the items, a pilot study was conducted on a sample of 180 respondents. The results showed satisfactory internal consistency (Cronbach $\alpha = 0.723$), while certain formulations were further simplified based on the respondents' feedback. This adapted the instrument for the main study, which in the final version included 68 items distributed across five dimensions: over-indebtedness, job insecurity, quality of life, proactive behaviour, and financial literacy.

The main study was conducted on a sample of 782 respondents from the Republic of Croatia. The selection of respondents was based on quota and convenience sampling, taking into account equal representation by region, gender, and level of education. This approach enabled the creation of a heterogeneous sample representing different socioeconomic strata of the population, from urban employees in the private sector to rural households exposed to a higher risk of financial insecurity.

According to the above, the goals of the work are:

- Determine differences and similarities in quality of life and low levels of economic opportunities;
- Investigate what the citizens of the Republic of Croatia think about the elements of quality of life;
- Highlight the importance of the influence of different areas of life (risks of the workplace, falling standards, costs of various enforcement procedures) on the quality of life
- Investigate and compare quality of life indicators that are directly or indirectly related to low levels of economic opportunities.

Furthermore, the work has defined auxiliary goals related to the recognition of specific aspects of life in which the experience of the effect of material scarcity can be recognised and determined, such as the basic conditions for life, health, happiness and the like. The reliability of the measurement scales was tested by calculating the Cronbach Alpha coefficient, and by calculating the value of the Cronbach Alpha coefficient of individual measurement items if a single statement were removed from the corresponding measurement item. To measure the interdependence of two variables, a calculation using the Pearson correlation coefficient was used, while for hypothesis

testing, inferential statistics using the T-test were used. The suitability of the correlation matrix for factor analysis was tested using the Kaiser-Meyer-Olkin test (KMO) and Bartlett's test.

Since the questionnaire was not based on previously validated scales, a preliminary study was conducted to examine its reliability and validity. The questionnaire was distributed among 180 respondents, who were selected by a purposive sampling method, who had financial difficulties or were in some form of financial debt. A total of 180 respondents participated, and the sample was selected to collect data from people directly affected by the problem of over-indebtedness. The reliability of the scale was tested using the Cronbach's Alpha coefficient, with the obtained values being $\alpha = 0.723$ for the total scale, indicating moderate reliability. The construct validity was tested using exploratory factor analysis (EFA), which showed that the scale has 64 factors with factor loadings greater than 0.4, indicating a satisfactory structure. The results of the analysis showed that the questionnaire has satisfactory internal consistency and validity, making it suitable for further use in research related to financial literacy and over-indebtedness of citizens.

In addition to the goals, a null hypothesis was set, which was rejected, and three hypotheses that will be confirmed or refuted by the research. The hypotheses of the following research are:

Hypothesis H1: Low levels of economic opportunities affect the quality of life today.

Hypothesis H2: Indebtedness reduces the quality of life.

Hypothesis H3: The riskless of the workplace and its uncertainty has a significant impact on the deterioration of the material condition.

The research was conducted on a sample of 782 respondents on a convenience sample. The respondent's gender was determined by the first question in the questionnaire. 561 women, or 72% and 221 men or 28% participated in the survey. The obtained results indicate that the largest number of respondents is in the age group from 35 to 50 years of age, or 43% of respondents, followed by respondents from 26 to 35 years old. Years of age (212 respondents) or 27%, aged 50-60. years of age (138 respondents) or 18%. The smallest number of respondents, 6% of them, are aged 18-25, and 6% are over 61. Most of the respondents, 401 or 51%, have a higher education, while 48% or 371 respondents have a high school education. Only 1% of respondents have a primary school education. Regarding the respondents' income, the results point to the following: 32% of the respondents or

247 of them, have a monthly income between HRK 3,500.00 - 5,000.00. The largest number of respondents (264 respondents) or 35% receive a monthly income between EUR 670.00-850.00, followed by 18% with a monthly income between Eura 851-1.100 and 15% with a monthly income above Eura 1.501.00. The largest number of family members (410 respondents) or 53% have 2-3 family members, 35% of respondents have between 4-6 family members, 11% are single, and 1% of respondents have more than 6 family members (Table 1).

The regional structure of the sample shows that all parts of Croatia are represented: Central Croatia (33.5%), Slavonia (18.4%), Dalmatia (21.6%), Istria and the Littoral (15.9%), and Northern Croatia (10.6%). This distribution enabled a comparison of the perception of economic security and quality of life among regions that differ in their level of development and market conditions. When looking at the employment structure, 47% of respondents are employed in the private sector, 29% in the public sector, 8% are self-employed, 11% are unemployed, and 5% are retired. This distribution reflects the real dynamics of the labour market in Croatia, with the predominance of the private sector and the increase in flexible forms of work.

Demographically, women make up 72% of the sample, which can be explained by women's greater willingness to participate in survey research, but also by their greater sensitivity to the topics of economic security and quality of life. The age structure shows that the largest share is made up of respondents aged

35 to 50 (43%), who are at the same time the most exposed to financial obligations and labour market risks.

Despite the fact that the sample is not probabilistic in a strict statistical sense, its stratification heterogeneity allows for insight into different patterns of economic behaviour and perceptions of security. This methodological decision is based on the belief that the goal of the research is not only generalisation, but also understanding the complex relationships between individual perceptions, economic circumstances, and proactive responses in the Croatian socio-economic context.

Such an approach achieved a high level of methodological precision and empirical credibility, making the measurement instrument a solid basis for subsequent confirmatory factor analysis (CFA) and modelling the relationship between over-indebtedness, job insecurity, and proactive behaviour.

Categorical data are represented by absolute and relative frequencies. Numerical data are described by the arithmetic mean and standard deviation in the case of distributions that follow the normal, and in other cases by the median and the limits of the inter-quartile range. The normality of the distribution of numerical variables was tested with the T-test, while the level of reliability was tested with the Cronbach Alpha coefficient. The SPSS statistical program was used for statistical analysis. The reliability of the measurement scales was analysed using the Cronbach Alpha coefficient (this coefficient should be at least 0.7, with values above 0.8 indicating good reliability). Also, the

Table 1. Socio-demographic structure of respondents

	Number of respondents	%		Number of respondents	%
Age group	782	100%	Personal income (EUR)	762	100%
18-25	46	6%	670-850	247	32%
26-35	212	27%	851-1.100	264	35%
36-50	337	43%	1.101-1.500	134	18%
51-60	138	18%	More than 1.501	117	15%
61*	49	6%	Number of family members	781	100%
School preparation	781	100%	2-3 members	410	53%
Elementary education	9	1%	4-6 members	277	35%
Secondary education	371	48%	6 or more members	10	1%
University education	401	51%	Single	84	11%
Sex	782	100%			
Female	561	72%			
Male	221	28%			

Source: author's own work

indicators “*alpha-if-deleted*” and “*item-to-total*” correlation coefficients were applied to identify possible statements that affect the reduction of the value of the Cronbach Alpha coefficient, as well as those that have a weak correlation with the total value of the corresponding measurement scale (values less than 0 are generally considered problematic). The Cronbach Alpha coefficient shown in Table 2 indicates that it is 0.744 on 23 items. The questionnaire also showed good discriminative validity for each of the particles, and the most successful was the differentiation of the quality of life and the impact of work, financial income on the quality of life and the riskiness of the workplace, as well as income insecurity.

Table 2. Measuring the reliability of the survey using the Cronbach Alpha Coefficient

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
0.744	0.735	23

Source: author's work

Based on the Cronbach Alpha coefficient shown in the previous table, it can be concluded that the applied measuring instruments have a high level of reliability, that is, they are confirmed as valid instruments for measuring the attitudes and opinions of respondents. To be able to compare data obtained on scales of different ranges, it was necessary to transform them to a common scale. This was done by converting Likert scales into standard values from 1 to 5 according to the formula: %SM (percentage of scale maximum) = (individual score / n) * 100, and if the lowest value of the scale is 1 the formula for transformation is: %SM = (individual result - 1) * 100 / (number of scale points - 1). The obtained results are summarised and presented in Table 4, which shows the descriptive statistics of the selected particles (the criterion was the result of the Pearson correlation coefficient > 0.25). The standard deviation of the obtained results ranges from 0 to 1.444. According to the values given in the questionnaire, there is a logical maximum and minimum, i.e. it is 5 or 1. The standard deviation indicates that most of the results are grouped around the maximum with only a slight deviation in those particles where there is at least one lowest grade (grade 1), but that is from the point of view of the overall interpretation of the results, negligible, such as the dependence of happiness on financial means

and personal life needs, which is understandable since we are talking about respondents who have satisfied personal needs. Apart from the fact that the standard deviation is small, there are particles where the standard deviation is 0, and thus the variance is 0. All this leads to the conclusion that the assessment of the observed results is negligible and that it is a matter of high and pronounced functional dependence (Table 4). From Table 4, it is evident that the impact of health on the quality of life was evaluated with an average score of 4.71, and it is health that is the main factor in the assessment of the quality of life. Today, it is clear that the quality of life is the overall well-being that is influenced by objective indicators, and a large share is also played by subjective perception and evaluation of material, social and emotional well-being, personal development and purposeful activity. The quality of life as a subjective experience of one's own life is also determined by the objective circumstances in which a person lives; therefore, the respondents answered the questions about the influence of finances on the quality of life: “*My peace depends on the available funds*”. The research is shown in Table 4. Descriptive statistics of selected particles of influence on the quality of life determine the subjective assessment of the quality of life. The impact of work on the quality and standard of life was evaluated with an average score of 4.32, as well as the impact of finances on the quality of life, where Mean=4.30. Today, it is clear that the quality of life is the overall well-being that is influenced by objective indicators: the influence of finances on the quality of life (Mean=4.30); insecurity of existence (Mean=3.88); costs of court proceedings (Mean=3.90), and willingness to do additional work (Mean=4.11).

The adequacy of the observed sample for performing exploratory factor analysis is also tested with the Kaiser-Meyer-Olkin (KMO) test, which shows the appropriateness of the data, and the Bartlett's sphericity test, which checks the possibility of conducting factor analysis on the correlation matrix (Hair et al. 2010, p. 92). The KMO value must be greater than 0.6, and the Bartlett's test must be statistically significant ($p < 0.05$) for the data to be adequate for further factor analysis.

Table 3. KMO and Bartlett's Sample test

Kaiser-Meyer-Olkin Measure	of Sampling Adequacy:	0.800
Bartlett's Test of Sphericity	Approx. Chi-Square	2334891.00
	Df	782
	Sig.	0.000

Source: author's own work

The final analysis of this work aimed to check whether the importance of certain domains of quality of life changes with economic parameters such as: standard of living, dependence of happiness on financial means, influence of finances on quality of life, and how much work affects quality of life and what changes occur. An attempt was made to determine what role certain economic variables play in explaining the quality of life as a whole and whether knowing the demographic characteristics of an individual person can help in predicting the quality of life as a whole. Several economic variables have been demonstrated to significantly contribute to predicting the overall quality of life. Thus, for example, evil and inequality, resulting from the standards we live by today, are not positively correlated with the quality of life. Furthermore, the correlation suggests that quality of life is a combination of both subjective and objective variables. As already mentioned, there is a weak connection between the subjective feeling of life satisfaction, as well as one's own assessment of the quality of life and objective living conditions; this connection is not linear. A significant connection between subjective and objective indicators is found in situations of poverty and misery, when people's basic life needs are not met. With the improvement of objective living conditions, at a certain level, this connection is lost. The respondents further connected the financial component of the job and its close connection with the concept of quality of life. Thus, money, in addition to being necessary for life, is also a means of maintaining a high quality of life. The amount of money has a great influence on the ultimate quality of life. From the correlation, it can be concluded that the amount of available funds and the quality of life are proportional; the lower the amount of available funds, the lower the quality of life. We compare the p -level with the significance level of 0.05. If the value of p is less than 0.05, the correlation coefficient is considered statistically significant and may be interpreted. If p is greater than or equal to 0.05, the correlation coefficient is not statistically significant and should not be interpreted. If the value of p is less than 0.05, we conclude that the correlation coefficient is not significant and should not be interpreted, regardless of its value. The value of the Pearson correlation coefficient ranges from +1 (perfect positive correlation) to -1 (perfect negative correlation). The sign of the coefficient indicates the direction of the correlation - whether it is positive or negative, but does not indicate the strength of the correlation. Pearson's correlation coefficient is based on the comparison of the actual influence of the observed variables on each other in relation to the maximum possible influence of the two variables,

whereby:

- $r = 0$ to ± 0.25 : no connection,
- $r = \pm 0.26$ to ± 0.50 : weak connection,
- $r = \pm 0.51$ to ± 0.75 : moderate to good correlation,
- $r = \pm 0.76$ to ± 1 : very good to excellent correlation,
- $r = \pm 1$: mathematical connection.

The Pearson correlation analysis ($N = 782$) indicates a statistically significant weak-to-moderate negative association between economic strain and quality of life ($r = -0.31$, $p < 0.001$), suggesting that higher levels of perceived financial burden correspond to lower subjective evaluations of quality of life. Similarly, job insecurity is negatively associated with quality of life ($r = -0.27$, $p < 0.001$). With respect to adaptive mechanisms, economic strain shows a weak negative association with proactive behavior ($r = -0.28$, $p < 0.001$), whereas job insecurity exhibits a weak but statistically significant positive association with proactive behavior ($r = 0.18$, $p < 0.001$), indicating that moderate levels of perceived insecurity may stimulate adaptive strategies, such as seeking additional sources of income. The strongest association in the model is observed between economic strain and job insecurity ($r = 0.42$, $p < 0.001$), confirming their theoretical and empirical interrelatedness.

When calculating the correlation of some of the quality of life variables, the variables obtained by factor analysis were taken into account as three significant factors: the variable of health's contribution to the quality of life, the variable of general satisfaction with life, and the variable of litigation. The demographic variables taken into account when calculating the correlation are age, gender and the amount of available funds in the function of achieving the quality of life. According to the characteristics of individual variables, the Pearson correlation coefficient was calculated. Based on the calculated correlation coefficients, a statistically significant connection was established, as well as the influence of the family on the quality of life, while the correlation coefficient indicates a small connection ($r = 0.358$). However, given that the stated statistical association is small, this coefficient indicates that the family is a significant factor in achieving the quality of life. The conducted research showed that satisfaction with the environment, that is, with economic factors, is less than satisfaction within the family. The questions that make up the result in this group of questions are related to financial income, riskiness, job insecurity, and inability to meet basic life needs. The level of the expressed quality of life may indicate the respondents' dissatisfaction with the economic elements of life that are available to them and the feeling of insecurity within the community in which they live.

Table 4. Descriptive statistics of selected particles: t-test – two-way test

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	The impact of standards on the quality of life	4.71	783	0.663	0.024
	The influence of the family on the standard of living	4.36	783	0.887	0.032
Pair 2	The impact of work on the quality and standard of life	4.32	783	0.770	0.028
	The influence of finances on the quality of life	4.30	783	0.776	0.028
Pair 3	Dependence of happiness on monetary resources	2.85	783	1.075	0.038
	The influence of finances on the quality of life	4.30	783	0.776	0.028
Pair 4	My peace depends on available means	3.19	783	1.143	0.041
	Dependence of happiness on monetary resources	2.85	783	1.075	0.038
Pair 5	Workplace risk	3.35	781	1.290	0.046
	Deterioration of material condition	2.52	781	1.419	0.051
Pair 6	Workplace risk	3.35	782	1.289	0.046
	Falling standards compared to the EU	3.68	782	1.277	0.046
Pair 7	Basic life needs	2.57	781	1.343	0.048
	Deterioration of material condition	2.52	781	1.421	0.051
Pair 8	Basic life needs	2.57	781	1.343	0.048
	Workplace risk	3.35	781	1.289	0.046
Pair 9	Debt cancellation	3.44	781	1.444	0.052
	Basic life needs	2.57	781	1.344	0.048
Pair 10	Evil and inequality are the result of the environment	3.60	776	1.269	0.046
	Workplace risk	3.36	776	1.287	0.046
Pair 11	Evil and inequality are the result of the environment	3.60	776	1.267	0.045
	Debt cancellation	3.45	776	1.442	0.052
Pair 12	Insecurity of existence	3.88	591	1.164	0.048
	Basic life needs	2.56	591	1.336	0.055
Pair 13	Insecurity of existence	3.87	590	1.164	0.048
	Debt cancellation	3.47	590	1.470	0.061
Pair 14	Insecurity of existence	3.88	588	1.166	0.048
	Evil and inequality are the result of the environment	3.60	588	1.269	0.052
Pair 15	Costs of the procedure	3.90	778	1.134	0.041
	Debt cancellation	3.44	778	1.443	0.052
Pair 16	Costs of the procedure	3.90	775	1.135	0.041
	Evil and inequality are the result of the environment	3.60	775	1.270	0.046
Pair 17	Costs of the procedure	3.93	589	1.099	0.045
	Insecurity of existence	3.87	589	1.165	0.048
Pair 18	Willingness to cut costs	3.82	778	1.116	0.040
	Willingness to do additional work	4.11	778	1.114	0.040
Pair 19	Insecurity caused by a lack of money	3.58	779	1.172	0.042
	My peace depends on available means	3.19	779	1.143	0.041

Source: author's own work

Although the statistical test used (T-test, Pearson correlation, and KMO test) were appropriate for data analysis, the study has certain limitations. First, because the measures of financial stress and well-being are based on self-reports of respondents, the data may be subject to social desirability bias and subjective interpretation. Furthermore, Pearson correlation only indicates association between variables, but not causality, while T-test results may be sensitive to assumptions of normal distribution. Finally, although the KMO test confirmed the suitability of the data for factor analysis, a limitation is the specificity of the sample, which may affect the generalizability of the findings. Future research could combine subjective measures with objective financial indicators to reduce the possibility of bias.

The descriptive statistics indicate that respondents attribute the highest importance to factors such as living standards ($M = 4.71$), family influence ($M = 4.36$), and work and financial stability ($M \approx 4.3$), confirming their central role in perceived quality of life. Lower mean values for happiness depending on money ($M = 2.85$) and peace depending on available funds ($M = 3.19$) suggest that while financial stability matters, respondents do not equate well-being solely with income.

Moderate results for workplace risk ($M = 3.35$) and material deterioration ($M = 2.52$) reflect existing but not extreme economic insecurity. Meanwhile, proactive behaviours, such as cost reduction ($M = 3.82$) and additional work engagement ($M = 4.11$), indicate adaptive coping with financial pressures. Overall, the data reveal that Croatian respondents balance material dependence with resilience and adaptability, emphasising both financial stability and proactive strategies as key components of life quality.

Table 5. Evaluating sample suitability for EFA (KMO and Bartlett)

Indicator	Value
Kaiser–Meyer–Olkin (KMO)	0.800
Bartlett’s test of sphericity: χ^2 (df)	2,334.891 (253)
p-Value	< 0.001

Source: author’s own work

Before performing exploratory factor analysis (EFA), it is essential to assess whether the dataset is suitable for identifying latent structures. Table 5 presents the results of two key statistical tests used to evaluate sampling adequacy and the overall suitability of the correlation matrix: the Kaiser–Meyer–Olkin

(KMO) measure of sampling adequacy and Bartlett’s test of sphericity. The KMO value obtained for this dataset is 0.800, which indicates a high degree of common variance among the observed variables. According to Kaiser’s (1974) classification, values between 0.70 and 0.89 are considered *meritorious*, while values above 0.90 indicate *excellent* adequacy. Therefore, a KMO value of 0.800 suggests that the correlations among items are sufficiently strong and consistent to justify the application of factor analysis. In practical terms, this means that the data matrix contains enough shared variance to extract reliable latent factors, while avoiding redundancy that could distort the factor solution. The Bartlett’s test of sphericity produced a highly significant result ($\chi^2 = 2334.891$, $df = 253$, $p < 0.001$). This test examines the null hypothesis that the correlation matrix is an identity matrix, implying that variables are unrelated and therefore unsuitable for factor analysis. The significant p-value (< 0.001) allows the rejection of the null hypothesis, confirming that there are meaningful correlations among the observed variables.

Consequently, this result supports the assumption that the underlying data structure is not random but contains systematic relationships that can be summarised into latent dimensions. Taken together, the results of these two tests strongly indicate that the sample is both adequate and appropriate for EFA. The KMO value demonstrates sufficient shared variance, and the significant Bartlett’s test confirms that the correlation matrix is not random. These findings validate the decision to proceed with factor extraction and suggest that the data are likely to yield interpretable and theoretically meaningful factor solutions. In summary, the combination of a robust KMO value (0.800) and a statistically significant Bartlett’s test ($p < 0.001$) provides empirical justification for conducting exploratory factor analysis. This indicates that the measured variables are interrelated in a way that reflects latent constructs, which is essential for uncovering the multidimensional structure of over-indebtedness, job insecurity, and proactive financial behaviour in the studied population.

4.1. Confirmatory Factor Analysis (CFA)

To further validate the dimensional structure of the measurement instrument and assess its construct validity, a confirmatory factor analysis (CFA) was conducted using **AMOS 29** software. CFA was chosen as the most appropriate analytical technique for verifying the factorial stability of the proposed model, originally identified through exploratory factor analysis

(EFA) with Promax rotation. This method enables the evaluation of how well the observed variables represent their underlying latent constructs and whether the empirical data align with the hypothesised theoretical framework. The tested model was designed as a three-factor structure, comprising the following latent constructs: Economic Strain (ECON_STRAIN), Job Insecurity (JOB_INSECURITY), and Proactive Behaviour (PROACTIVE_BEHAVIOR). These constructs were selected based on theoretical assumptions regarding the interplay between financial pressure, employment uncertainty, and adaptive behavioural responses to economic challenges.

Given the theoretical interdependence of these psychological and socio-economic factors, correlations among the latent variables were permitted. This approach acknowledges that individuals' perceptions of financial strain and job insecurity are often interrelated and may jointly influence proactive behavioural strategies. CFA was applied to test the adequacy of the hypothesised model fit, using multiple indices to evaluate its robustness and generalizability. The fit indices (χ^2/df , CFI, TLI, RMSEA, and SRMR) were interpreted according to the recommendations of Hair et al. (2022) and Byrne (2016). These indicators collectively provide insight into the overall model fit, the degree of misfit, and the parsimony of the measurement structure.

The CFA results indicate that the model demonstrates good global fit (fit indices within recommended thresholds), confirming the stability of the three-factor structure. The results presented in Table 6 demonstrate that the model achieved a satisfactory

and theoretically consistent fit, confirming the stability of the three-factor solution and supporting the reliability and construct validity of the developed measurement instrument.

Convergent validity was assessed using standardised factor loadings (λ), average variance extracted (AVE), and composite reliability (CR).

All AVE values exceed the recommended threshold of 0.50, while CR values surpass 0.70, confirming that the items within each construct reliably measure the same latent variable. The results presented in Table 7 demonstrate that all constructs exhibit satisfactory levels of convergent validity. The standardised factor loadings (λ) for all items range between 0.63 and 0.85, exceeding the minimum acceptable threshold of 0.50 (Hair et al., 2022), which indicates that each item contributes meaningfully to its corresponding latent construct. Furthermore, the Average Variance Extracted (AVE) values for all constructs are above the recommended cutoff of 0.50, suggesting that more than 50% of the variance in the indicators is explained by the latent construct itself rather than by measurement error. Similarly, the Composite Reliability (CR) values, ranging from 0.88 to 0.91, surpass the minimum requirement of 0.70, confirming high internal consistency within each construct.

Taken together, these findings indicate that the indicators are strongly interrelated and consistently capture the underlying theoretical dimensions of the constructs Economic Strain (ECON_STRAIN), Job Insecurity (JOB_INSECURITY), and Proactive Behaviour (PROACTIVE_BEHAVIOR). Thus, the measurement model demonstrates a high degree of internal

Table 6. Model Fit Indices for the Confirmatory Factor Analysis (CFA)

Indicator	Criterion	Obtained Value	Interpretation
χ^2/df	< 5	2.97	Acceptable
CFI	> 0.90	0.943	Very good model fit
TLI	> 0.90	0.934	Satisfactory fit
RMSEA	< 0.08	0.056	Good fit
SRMR	< 0.08	0.047	Acceptable level of error

Source: author's own work

Table 7. Convergent Validity

Construct	No. of Items	λ (range)	AVE	CR
ECON_STRAIN	12	0.63–0.84	0.59	0.91
JOB_INSECURITY	6	0.68–0.85	0.61	0.89
PROACTIVE_BEHAVIOR	5	0.64–0.79	0.57	0.88

Source: author's own work

reliability and convergent validity, providing solid empirical support for the structural relationships tested in the subsequent SEM analysis.

Discriminant validity was examined using two complementary methods: the Fornell–Larcker criterion and the HTMT ratio. According to the Fornell–Larcker criterion, the square root of each construct's AVE was greater than its correlations with other constructs, confirming discriminant validity.

The results presented in Table 8 provide strong empirical support for the discriminant validity of the measurement model. According to the Fornell–Larcker criterion, the square root of the Average Variance Extracted (AVE) for each construct is greater than its intercorrelations with other constructs, indicating that each latent variable captures unique variance that is not shared with other constructs in the model (Fornell & Larcker, 1981).

Specifically, the diagonal values representing the square roots of AVE are 0.77 for Economic Strain (ECON_STRAIN), 0.78 for Job Insecurity (JOB_INSECURITY), and 0.75 for Proactive Behaviour (PROACTIVE_BEHAVIOR). These values are consistently higher than the corresponding off-diagonal correlations between constructs (ranging from -0.28 to 0.42), which confirms that the constructs are empirically distinct. The relatively moderate correlation between Economic Strain and Job Insecurity ($r = 0.42$) is theoretically justified, as financial stress and perceived employment instability often co-occur and influence one another in economically uncertain environments. Nevertheless, the distinctness of these constructs suggests that while they are related, they represent separate psychological and socio-economic dimensions.

The negative correlation between Economic Strain and Proactive Behaviour ($r = -0.28$) further supports the theoretical assumption that higher levels of financial stress are associated with reduced proactive engagement and coping capacity.

Taken together, these findings indicate that the model satisfies the discriminant validity requirement, confirming that Economic Strain, Job Insecurity, and Proactive Behaviour represent distinct yet interconnected latent constructs. This result strengthens the overall construct validity of the measurement model and provides a robust foundation for the subsequent structural analysis (SEM), where the hypothesised relationships among these variables are tested.

The results of the Heterotrait–Monotrait ratio (HTMT) analysis, presented in Table 9, further confirm the discriminant validity of the measurement model. HTMT is considered a more rigorous and reliable criterion compared to traditional methods, as it is sensitive to subtle overlaps between constructs (Henseler, Ringle, & Sarstedt, 2015). According to the established guidelines, HTMT values below 0.85 indicate that constructs are empirically distinct and not excessively correlated. In this study, all HTMT values fall well below the recommended threshold, ranging from 0.33 to 0.61. The highest HTMT value of 0.61 is observed between Economic Strain (ECON_STRAIN) and Job Insecurity (JOB_INSECURITY), which aligns with theoretical expectations. These two constructs are conceptually related, as individuals experiencing higher levels of financial stress often perceive greater employment uncertainty. However, since the HTMT value remains substantially below the cutoff of 0.85, the constructs maintain their empirical distinctiveness.

Table 8. Discriminant Validity

Constructs	ECON_STRAIN	JOB_INSECURITY	PROACTIVE_BEHAVIOR
ECON_STRAIN	0.77	0.42	-0.28
JOB_INSECURITY	0.42	0.78	0.18
PROACTIVE_BEHAVIOR	-0.28	0.18	0.75

Source: author's own work

Table 9. HTMT Values among Latent Constructs (Economic Strain, Job Insecurity, and Proactive Behaviour)

Construct Pair	HTMT Value	Criterion	Conclusion
ECON_STRAIN ↔ JOB_INSECURITY	0.61	< 0.85	Valid
JOB_INSECURITY ↔ PROACTIVE_BEHAVIOR	0.33	< 0.85	Valid
ECON_STRAIN ↔ PROACTIVE_BEHAVIOR	0.40	< 0.85	Valid

Source: author's own work

The HTMT value between Job Insecurity and Proactive Behaviour (0.33) indicates a weak yet positive relationship, suggesting that individuals who perceive moderate job instability may engage in adaptive strategies such as seeking additional work or improving their employability. Conversely, the HTMT correlation between Economic Strain and Proactive Behaviour (0.40) reveals a modest negative association, implying that severe financial stress may limit individuals' ability or motivation to act proactively. Overall, these findings corroborate the discriminant validity established through the Fornell–Larcker criterion and reinforce the conclusion that the three latent constructs—**Economic** Strain, Job Insecurity, and Proactive Behaviour—represent theoretically distinct but interrelated dimensions of economic insecurity and adaptive coping. The convergence of both statistical criteria (Fornell–Larcker and HTMT) provides robust empirical evidence supporting the validity and reliability of the proposed measurement model.

4.2. Attitudes of people with financial difficulties and their impact on quality of life, and respondents' tendency to behave proactively when facing financial difficulties

Understanding the attitudes and behavioural patterns of individuals experiencing financial difficulties provides valuable insight into how economic constraints shape overall well-being and quality of life. Financial insecurity and limited economic opportunities often generate chronic stress, restrict personal autonomy, and influence both the psychological and behavioural dimensions of individuals' lives. Within this framework, the present study examines the relationship between the perceived lack of economic opportunities, indebtedness, job insecurity, and their combined impact on quality of life, as well as the respondents' tendency to behave proactively in the face of financial hardship. The initial hypothesis tested in this section assumes that a low level of economic opportunities significantly affects the quality of life of individuals. Using a Z-test for proportions, the analysis confirmed the hypothesis ($p = 0.9263$; $\alpha = 0.05$), suggesting that the majority of respondents perceive limited economic opportunities as a factor that directly lowers their subjective well-being. In this context, quality of life is conceptualised as a multidimensional construct encompassing both objective indicators (such as income, employment, and material security) and subjective evaluations (life satisfaction, emotional well-being, and perceived autonomy).

The empirical findings reveal a weak but statistically significant relationship between subjective life satisfaction and objective living conditions (Pearson's coefficient). This implies that while improvements in economic conditions tend to enhance overall life quality, the relationship is not linear. The connection between objective and subjective indicators becomes particularly pronounced in conditions of poverty and material deprivation, when basic human needs are not met. As economic opportunities improve, the level of quality of life rises accordingly, primarily due to the greater ability to meet essential needs and ensure social and emotional stability. Further statistical analysis confirms the significance of three key structural relationships within the model: the low level of economic opportunities, indebtedness, and workplace risk as predictors of quality of life. The standardised beta coefficients ($H1 = 0.392$; $H2 = 0.385$; $H3 = 0.326$; all $p < 0.001$) indicate that all three variables exert a significant negative influence on life satisfaction and well-being. These results highlight the complex interplay between economic constraints and psychosocial responses, where limited opportunities and financial burdens reduce individuals' perceived quality of life and increase vulnerability to stress and social exclusion.

From a broader socio-economic perspective, Croatia has made progress toward strengthening its welfare economy through GDP growth and social investments, yet persistent challenges such as low income levels, high unemployment, and weak financial literacy continue to constrain overall life quality. Comparative analysis with EU member states further reveals that attitudes toward debt and financial behaviour differ across regions. In northern and western European countries, debt is often seen as a manageable financial instrument, while in southern and eastern Europe—where financial literacy is lower and institutional trust is weaker—debt is perceived more negatively and often linked to financial distress. Given Croatia's socio-economic context, where financial literacy remains below the EU average and personal debt is frequently associated with insecurity and stigma, the findings of this research underscore the importance of promoting financial education, responsible debt management, and proactive coping strategies. Such measures are essential for enhancing citizens' financial resilience, improving subjective well-being, and ensuring sustainable social development.

The initial hypothesis refers to the low level of economic opportunities and its impact on the quality of life of modern man: $H0$: there is no statistically significant relationship between economic opportunities and quality of life; $H1$: there is a statistically significant

Table 10. Hypothesis Test on Low Level of Economic Opportunities and Impact on Quality of Life

Z test of the hypothesis about the level of economic opportunities and influence	
Null hypothesis	p= 0.90
Significance level	0.05
The number of answers about the low level of economic opportunities	782
Sample proportion	0.9524
Standard error	
Test size z	
Upper critical value	1.6449
p value	0.9263
The hypothesis is confirmed	

Source: author's own work

relationship between economic opportunities and quality of life. With a significance level of 5% and a p-value of 0.9263, the null hypothesis (H0) cannot be rejected, indicating that the low level of economic opportunities does not have a statistically significant impact on the quality of life. For this thesis, quality of life is conceptualised as overall well-being, encompassing both objective conditions and subjective evaluations of physical, material, social, and emotional well-being, which together form an integrated construct of quality of life. Regarding the connection between objective and subjective indicators, a weak connection was observed between a person's subjective feeling of satisfaction with life as well as his own assessment of the quality of life and objective living conditions (Pearson's coefficient). Furthermore, the research proved that this connection is not linear,

from which it can be concluded that the connection between subjective and objective indicators is found in situations of poverty and misery, when man's basic life needs are not met. With the improvement of objective living conditions, i.e. economic possibilities, the level of quality of life also improves, from the aspect of meeting needs. Objective circumstances consist of relatively permanent conditions that determine the possibility of satisfying personally important needs (socio-economic status of the individual and his family, natural environment, etc.) as well as current events that are significant for the fulfilment of the individual's goals (loss of job, illness, reduction of material possibilities, etc.). Table 11 shows the statistical significance of the structural coefficient, which indicates the confirmation of the set hypotheses. Considering the stated values of the t-test for hypothesis H1=4.515, hypothesis H2=3.467 and hypothesis H3=4.183, they can be confirmed.

Although Croatia has not yet reached the standards of developed welfare economies, it has made some progress in recent years. Improvements in the economy, GDP growth and investment in social programs are indicators of positive developments. However, challenges such as high unemployment levels, low incomes and an inadequate social system continue to limit the full realisation of the welfare economy.

The perception of debt in European Union (EU) countries varies significantly depending on economic, cultural and historical factors. While in some countries debt is normalised and considered part of financial planning, in others, over-indebtedness is seen as a serious problem with negative social consequences. In northern European countries, debt is often an integral part of financial strategy, but it is managed responsibly. High levels of financial literacy and trust in the banking system allow citizens to use loans for investments, such as housing and education, without a high risk of over-indebtedness. These countries

Table 11. Statistical Significance of the Structural Coefficient between the Low Level of Economic Opportunities, Indebtedness, and the Riskiness of the Workplace, which have an Impact on the Quality of Life

hypothesis	The direction of the relationship	Standardised assessment (beta coefficient)	Standard error	t-value	p-value	Confirmed hypothesis
H1	Low level of economic Possibilities → Quality of life	0.392	0.127	4.515	0.00**	YES
H2	Indebtedness → Quality of life	0.385	0.104	3.467	0.00**	YES
H3	Workplace risk → Quality of life	0.326	0.071	4.183	0.00**	YES
Remark **p<0.001						

Source: author's work

also provide strong social protection, which reduces financial stress in the event of economic crises. In these societies, debt is socially accepted, but at the same time, responsible management of personal finances is expected. Southern European countries have traditionally relied more on family capital and savings, but the economic crisis of 2008 significantly increased household debt. Over-indebtedness is often a more pronounced problem in these countries due to lower average incomes and unstable labour markets. Household debt is often perceived negatively, while there is a higher level of tolerance for government debt. Financial literacy and debt regulation are not at the same level as in northern EU countries, which further increases the risk of financial problems. In Eastern European countries, financial literacy is generally lower, and caution towards credit is higher due to historical experiences of economic uncertainty. Banking systems in these countries often offer less favourable loan conditions, such as high interest rates, which increases the risk of over-indebtedness. Debt is perceived as a necessary evil, and distrust of financial institutions is more pronounced than in Western European countries. Limited availability of financial advisory services further complicates responsible debt management. In Western Europe, debt is common but is subject to stricter regulatory supervision and financial control. In countries such as the United Kingdom and France, credit cards and consumer loans are frequently used, but at the same time, there are developed financial advisory systems that help citizens make informed decisions. Debt is not necessarily considered negative, but financial responsibility and awareness of the risks of excessive debt are promoted. While in the northern and western EU countries, indebtedness is often normalised as part of rational financial management, in the southern and eastern countries, there is a higher level of debt aversion, often due to historical economic instability. Croatia belongs to countries where financial literacy is lower, and debt is often perceived as problematic, which can affect citizens' perceptions and behaviour regarding credit. Therefore, it is important to strengthen financial education and debt regulation to reduce the risk of over-indebtedness and increase citizens' financial security.

Before conducting the survey, a pilot study was conducted on a purposive sample of 180 respondents, where the Cronbach Alpha coefficient on 64 items was 0.723, confirming the acceptability of the internal consistency of the instrument. The Cronbach Alpha coefficient of 0.723 indicates a moderately high reliability of the questionnaire, which means that the respondents' answers to the different questions within

the instrument are sufficiently coherent and that the instrument can provide reliable results in further research. This result justifies the further use of the instrument in the main study, in which 782 respondents participated and where the Cronbach Alpha coefficient on 23 items was used in order to prove how low levels of economic opportunities reduce quality of life. Low levels of economic opportunities/indebtedness are defined on the one hand as an independent variable that affects quality of life. In the context of the research conducted, low income, economic difficulties and/or indebtedness are factors that affect people's quality of life. Quality of life would be the dependent variable because it is expected to be influenced by independent variables, such as economic opportunities and indebtedness. Quality of life can include various aspects, such as financial security, health, social well-being and life satisfaction, which can be affected by low economic opportunities or indebtedness. The paper will additionally analyse (i) the characteristics of people who are currently in financial difficulties and their attitudes towards planning debt reduction, debt repayment and solving financial problems and b) the difference in the proactive behaviour of people with financial difficulties in relation to the willingness to do additional work and the impact on changing the standard of living.

4.3. Results of Exploratory Factor Analysis and Reliability Testing

This section presents the results of the exploratory factor analysis (EFA) conducted to identify the underlying dimensions of financial strain, employment insecurity, and proactive behavioural adaptation. Using the principal axis factoring (PAF) method with Promax rotation, the analysis revealed a three-factor solution that jointly explains 53.2% of the total variance. The extracted factors — Economic Strain, Job Insecurity, and Proactive Behaviour — represent conceptually distinct yet empirically related domains of individual economic experience. These factors capture both structural vulnerabilities (financial and occupational pressures) and adaptive mechanisms (coping and proactive engagement) that shape subjective perceptions of economic well-being. Subsequent analyses examined the factor loadings, inter-factor correlations, and reliability indices (Cronbach's α and McDonald's ω) to ensure the internal consistency and discriminant validity of the measurement model. The obtained results provide a robust psychometric foundation for interpreting the dynamics between financial stress, job-related uncertainty, and proactive coping strategies within the

broader framework of behavioural economics and consumer financial resilience.

Table 12 presents the eigenvalues and the percentage of variance explained by each extracted factor using principal axis factoring (PAF) with Promax rotation. The analysis revealed a three-factor solution that jointly explains 53.2% of the total variance, which falls within the acceptable range for social science research (Hair et al. 2022). The first factor, Economic Strain (F1), has the highest eigenvalue (6.90) and explains 30.0% of the variance, indicating that financial stressors—such as repayment difficulties, debt pressure, and financial insecurity—constitute the dominant latent dimension. This aligns with previous

findings identifying economic strain as a key predictor of psychological distress and coping behaviour under financial instability (Brown et al.,+ 2021; Lusardi and Mitchell 2014). The second factor, Job Insecurity (F2), with an eigenvalue of 3.30, contributes 14.3% of the variance and reflects perceived instability in employment and income uncertainty. Its significance confirms that labour market insecurity remains an important determinant of financial and emotional vulnerability (Chung & van Oorschot 2020).

Table 13 presents the results of the exploratory factor analysis (EFA) using principal axis factoring (PAF) with Promax rotation, which identified a clear and theoretically coherent three-factor structure. The

Table12. Eigenvalues and explained variance (PAF; Promax rotation)

Factor	Eigenvalue	% variance	Cumulative %
F1 ECON_STRAIN	6.90	30.0	30.0
F2 JOB_INSECURITY	3.30	14.3	44.3
F3 PROACTIVE_BEHAVIOR	2.05	8.9	53.2
	—	46.8	100.0

Source: author's work

Table 13. Pattern matrix (PAF, Promax) and utilities h^2 (N = 782)

Particle designation	F1 ECON_STRAIN	F2 JOB_INSECURITY	F3 PROACTIVE	h^2
OD1 is late with the obligation	0.74	0.08	-0.05	0.56
OD2 new debt for old	0.79	0.03	-0.06	0.60
OD3 instalments burden	0.72	0.10	-0.03	0.53
OD4 has constant financial stress	0.81	0.12	-0.09	0.63
OD5 too high DTI	0.68	0.06	-0.02	0.49
J11 fear of losing a job	0.07	0.82	0.04	0.65
J12 unstable working conditions	0.11	0.78	0.05	0.60
J13 easily replaceable	-0.02	0.66	-0.04	0.45
J14 uncertain employment future	0.09	0.84	0.03	0.67
J15 position may be terminated	0.06	0.71	-0.02	0.52
J16 worry about income decline	0.15	0.62	0.01	0.42
QF1 unexpected expense threat	0.69	0.09	-0.07	0.51
QF2 payment delay	0.73	0.04	-0.06	0.55
QF3 finances limit plans	0.64	0.06	-0.01	0.44
QF4 is difficult to start housing expenses	0.58	0.08	-0.03	0.39
H1 stress damages mental health	0.62	0.12	-0.06	0.47
H2 sleep problems	0.57	0.09	-0.05	0.40
H3 skipping checkups	0.60	0.06	-0.01	0.41
PAW11 is ready for extra work	-0.05	0.02	0.77	0.58
PAW12 is looking for freelance opportunities	-0.04	0.01	0.73	0.54
PAW13 working overtime	-0.02	0.03	0.64	0.44
PFC1 reducing discretionary expenses	-0.06	0.00	0.71	0.51
PFC2 I manage the budget and adjust it	-0.04	-0.01	0.68	0.49

Note: Primary loadings are numerically highlighted; no cross-loadings $\geq .40$; h^2 in the range .39–.67.

Source: author's work

pattern of loadings demonstrates high internal consistency and conceptual distinctiveness among the extracted factors. All primary loadings exceeded the threshold of 0.60, while no cross-loadings above 0.40 were observed, confirming the factorial purity of the scale (Hair et al. 2022). The communalities (h^2) ranged between 0.39 and 0.67, indicating that a satisfactory proportion of variance in each item is explained by the extracted latent factors. The first factor, Economic Strain (F1), encompasses items OD1–OD5 and QF1–QF4, all with loadings between 0.58 and 0.81. These indicators capture the multidimensional construct of financial stress, including late repayments, reliance on new loans, and chronic financial insecurity. The strong loading of the item “*constant financial stress*” (0.81) underlines the centrality of psychological tension in the perception of economic strain. This dimension aligns with previous research emphasising that perceived financial pressure and indebtedness constitute core components of subjective economic well-being (Lusardi and Mitchell 2014; Brown et al. 2021). The second factor, Job Insecurity (F2), is defined by six items (J11–J16) with loadings from 0.62 to 0.84, highlighting concerns over job loss, instability, and the uncertainty of future income. The item “*uncertain employment future*” (0.84) demonstrated the strongest loading, confirming that future-oriented insecurity is a dominant aspect of perceived employment risk. These results are consistent with studies across European labour markets, which show that job insecurity represents a significant psychological stressor and a determinant of overall life satisfaction (Chung and van Oorschot 2020; Vander Elst et al. 2014).

The third factor, Proactive Coping and Additional Work Behaviour (F3), integrates both behavioural and cognitive strategies for financial adaptation. Items related to proactive behaviour (PAW11–PAW13; PFC1–PFC2) loaded between 0.64 and 0.77, signifying a strong underlying dimension of adaptive labour and financial engagement. The highest loading for the item “*ready for extra work*” (0.77) indicates that proactive behavioural intention is a dominant mechanism for mitigating financial pressure. This aligns with emerging behavioural economics findings suggesting

that self-initiated coping strategies moderate the negative effects of economic strain (Stanculescu 2023; De Witte et al. 2016). Overall, the three extracted factors jointly represent a well-defined latent structure reflecting economic vulnerability and behavioural adaptation. The high loadings and absence of significant cross-loadings confirm the empirical distinction between financial strain, employment insecurity, and proactive financial behaviour, supporting the construct validity of the instrument. The satisfactory communalities further indicate that the items contribute meaningfully to explaining variance within each domain. These findings empirically validate the proposed multidimensional framework linking economic stress, job-related uncertainty, and adaptive coping behaviour. They provide a robust foundation for subsequent confirmatory factor analysis (CFA) and structural equation modelling (SEM), aimed at testing causal relations between indebtedness, job insecurity, and quality of life.

Table 14 presents the inter-factor correlations obtained through oblique (Promax) rotation, reflecting the conceptual relationships among the three extracted dimensions — Economic Strain (F1), Job Insecurity (F2), and Proactive Behaviour (F3). The correlation coefficients demonstrate a theoretically coherent pattern that aligns with the socio-economic and behavioural literature on financial stress and adaptive coping. The strongest positive association ($r = .42$) was observed between *Economic Strain* and *Job Insecurity*, indicating that individuals who experience greater financial pressure are also more likely to perceive instability in their employment situation. This relationship suggests that economic and labour-market vulnerabilities are mutually reinforcing phenomena: perceived job insecurity amplifies financial stress, while economic strain further intensifies fears of job loss or income decline. These findings are consistent with prior European studies emphasising that economic stress and employment uncertainty often operate in tandem, jointly influencing individuals’ well-being and financial decision-making (Chung and van Oorschot 2020; Vander Elst et al. 2014).

Table 14. Correlations between factors (oblique rotation)

	F1 ECON_STRAIN	F2 JOB_INSECURITY	F3 PROACTIVE
F1 ECON_STRAIN	—	0.42	-0.28
F2 JOB_INSECURITY	0.42	—	0.18
F3 PROACTIVE	-0.28	0.18	—

Source: author’s work

A weak positive correlation ($r = .18$) was found between *Job Insecurity* and *Proactive Behaviour*, suggesting that moderate levels of employment uncertainty may stimulate adaptive responses such as seeking additional work or restructuring personal finances. This pattern supports the stress-adaptation framework, according to which individuals confronted with occupational instability may respond proactively to maintain control over their financial situation (De Witte et al. 2016; Stanculescu 2023). However, the relatively low correlation indicates that such proactive behaviour is not universal; rather, it may depend on personal resilience, perceived efficacy, and access to alternative income sources. In contrast, a small negative correlation ($r = -.28$) was observed between *Economic Strain* and *Proactive Behaviour*. This inverse relationship implies that higher levels of financial distress are associated with a lower likelihood of proactive financial coping. In conditions of chronic debt or budgetary constraint, individuals may experience psychological exhaustion, learned helplessness, or cognitive overload, reducing their capacity for forward-looking decision-making. This finding resonates with behavioural economics literature, which demonstrates that financial stress tends to narrow cognitive bandwidth and limit proactive problem-solving (Mullainathan and Shafir 2013; Brown et al. 2021).

Overall, the correlation matrix confirms the discriminant validity of the three constructs: no correlation exceeds the 0.85 threshold (Henseler et al. 2015), suggesting that *Economic Strain*, *Job Insecurity*, and *Proactive Behaviour* represent empirically distinct yet conceptually interrelated dimensions. The results highlight a critical dynamic — while financial and employment pressures are positively intertwined, proactive behaviour emerges as an adaptive but only partially compensatory mechanism that may buffer, though not eliminate, the adverse effects of economic stress.

Table 15 presents the internal consistency reliability indices for the three extracted factors — Economic Strain (F1), Job Insecurity (F2), and Proactive Behaviour (F3) — calculated using both Cronbach's alpha (α) and McDonald's omega (ω) coefficients.

The results demonstrate excellent reliability across all latent constructs, with α values ranging from 0.86 to 0.88 and ω values from 0.87 to 0.89, surpassing the recommended threshold of 0.70 for acceptable internal consistency (Hair et al. 2022; Henseler et al. 2015). The factor Economic Strain (F1), composed of twelve items, achieved the highest reliability ($\alpha = 0.88$; $\omega = 0.89$). This high consistency indicates that the items describing delayed repayments, borrowing behaviour, and financial pressure reliably measure the same underlying construct of perceived economic stress. The slightly higher ω value confirms that the factor's reliability is robust even when accounting for potential violations of tau-equivalence — a common limitation of Cronbach's α (Dunn, Baguley, and Brunsden 2014). These results suggest a stable internal structure and coherent conceptual representation of financial strain.

The Job Insecurity (F2) factor also demonstrated high reliability ($\alpha = 0.87$; $\omega = 0.88$), indicating that perceptions of unstable employment conditions, fear of job loss, and anticipated income reduction are consistently represented across the measurement items. Such reliability is in line with previous research emphasising the psychometric stability of job insecurity scales across European samples (Vander Elst et al. 2014). This consistency ensures that the factor adequately captures both cognitive and affective dimensions of employment uncertainty. Similarly, the Proactive Behaviour (F3) factor, consisting of five items, exhibited excellent reliability ($\alpha = .86$; $\omega = .87$). Despite the smaller number of items, the reliability coefficients confirm strong internal cohesion among indicators describing adaptive coping strategies, readiness for additional work, and budget management behaviours. These findings support the argument that proactive behavioural tendencies form a stable and measurable dimension of financial adaptation, even in conditions of economic stress (Stanculescu 2023). Overall, the reliability analysis confirms that all three latent constructs possess high internal consistency, justifying their use in further confirmatory factor analysis (CFA) and structural equation modelling (SEM). The consistency between α and ω values also indicates the absence of multidimensionality within

Table 15. Factor reliability (Cronbach α / McDonald ω)

Factor	Number of particles	Cronbach α	McDonald ω
F1 ECON_STRAIN	12	0.88	0.89
F2 JOB_INSECURITY	6	0.87	0.88
F3 PROACTIVE_BEHAVIOR	5	0.86	0.87

Source: author's work

each factor, reinforcing the conceptual and statistical integrity of the measurement instrument.

4.3.1. Put people in financial difficulty towards debt reduction

The attitudes of people in financial difficulties and their tendency towards proactive behavior in terms of reducing and repaying debt and their willingness to take on additional work and/or change their standard of living are presented using a SEM model that is appropriate to prove hypothesis H1, i.e. Low levels of economic opportunities affect the quality of life today, and to prove hypothesis H2, which reads: Indebtedness reduces the quality of life, and hypothesis H3, which reads: Job riskiness and its insecurity have a significant impact on the deterioration of financial status. The SEM model included nine variables. Five variables describe the consequences of the role and importance of the job in achieving quality, which describe the importance of the job itself, and four variables are those that describe their proactive behaviour at the moment when financial difficulties arise. SEM includes a random error labelled "e". Error e1 refers to "job riskiness" which represents concern for the future in explaining the variance of the factor "Readiness for additional work and reduction in standards on quality of life" in explaining the variance of the factor "Attitudes of people in difficulties towards seeking a way out of financial problems", error e2 refers to the ability of the variable representing "Insecurity of existence for

oneself and one's family members" and their influence on "Change in standard of living". Five variables describe the consequences of the role and importance of the job in achieving quality and which help explain the variance of the factor "Quality of life", etc. In order to examine the validity of the regression coefficients, their statistical significance was examined.

The results obtained are shown below in Table 16. All regression parameters of the estimated model are statistically significant, with a 5% error risk. This is evidenced by the corresponding probability values of the regression coefficients. The regression coefficients are marked with an asterisk. The results obtained show that the latent variable Attitudes of people with financial difficulties has a positive effect on the proactive behaviour variable, because the value of the regression coefficient obtained is 0.443. This means that it is precisely people with financial difficulties who have a clear attitude about proactive behaviour in terms of changing their standard of living. Economic difficulties, high living costs and limited availability of resources make everyday life even more difficult. This means that the formation of a clear attitude of people with financial difficulties about what they want from their future is crucial for encouraging their proactive behavior in achieving a change in their standard of living, the search for additional employment and a clearly defined belief that their happiness does not depend solely on the amount of finances they have, which confirms the first hypothesis of the research (H1). The results also show that all five observed variables significantly influenced the formation of attitudes

Figure 1. Structural model of workplace risk on quality of life in the context of the "well-being economy"



Source: author's work

about planning the future when it comes to consumption. People with a proactive approach do not wait for others to solve their problems but actively participate in improving their lives and communities. Legislative measures, social policies and reducing stigma in society also play an important role in achieving a better standard of living for people with disabilities. In conclusion, although the standard of living of people with disabilities may be impaired, their proactive attitude can significantly contribute to its improvement.

Through independence, personal development and social inclusion, and with the support of society, people with disabilities can achieve a higher quality of life. The formation of the workplace risk factor was most influenced by the variable reduction in financial resources, which reflects the desire of respondents to act on their own initiative and proactively in changing their lifestyle habits, in changing consumption, and in looking for additional work. These results are expected because a decrease in financial resources usually motivates people to take steps towards increasing their economic stability, which includes adjusting consumption and actively seeking new sources of income. A proactive approach in dealing with the

challenges of financial insecurity can significantly improve the quality of life and enable people with disabilities to better adapt to changing circumstances. The formation of the factor "Proactive behaviour" was influenced by all four observed variables (variable "ej", variable "es", variable "ef", variable "ec"). However, the most significant variable in this process is the one that represents the effort of the respondents to be aware that finances, the amount of income, play a significant role.

Table 16 presents the results of structural equation modelling related to different aspects of attitudes and proactive behaviour in the context of the impact of uncertainty and financial management on quality of life. The table shows various parameters for each variable, including estimated coefficient values (Estimate), standard errors (S.E.), critical ratio (C.R.) and p-value (P), which indicates the statistical significance of the results. Attitudes towards uncertainty and proactive behaviour represent a key variable in the analysis that connects different dimensions of personal perception of uncertainty and proactivity. Researching these attitudes provides insight into how people experience and react to uncertain life situations, as well as

Table 16. Structural equation modelling results

			Estimate	S.E.	C.R.	P
Attitudes	<---		0.443	0.0412	10.747	***
Attitudes: Feeling of insecurity regarding the job (e1)	<---	Attitudes	0.43862	0.0411	10.674	***
Feeling of insecurity of existence for oneself and family members (e2)	<---	Attitudes	0.53554	0.0498	10.753	***
Feeling of insecurity due to a decrease in monthly income (e3)	<---	Attitudes	0.73997	0.0535	13.831	***
Feeling of insecurity due to worsening financial situation (e4)	<---	Attitudes	1.09657	0.0927	11.829	***
Feeling about the volume of enforcement proceedings and the costs incurred in connection with them (e5)	<---	Attitudes	0.74599	0.0644	11.583	***
Willingness to do additional work (ej)	<---	Proactive behavior	0.48621	0.045	10.804	***
The role of proactive behaviour in shaping the standard of living and quality (life)	<---	Proactive behavior	0.62038	0.0549	11.300	***
The role of a proactive approach to finances (cost reduction) in shaping quality of life (ef)	<---	Proactive behavior	0.76132	0.065	11.712	***
Proactive management of living expenses according to existing financial capabilities (ec)	<---	Proactive behavior	0.0766	0.018	4.255	***

*** The regression coefficient, which is statistically significant with a level of significance of 5% (two-sided test), Standard Error (SE), Critical Ratio (CR), Probability (P).

Source: author's work

their willingness to take active steps to improve their situation. The results of structural equation modelling indicate a significant relationship between attitudes and other variables, which is clearly visible through the estimated coefficient of 0.443. This coefficient indicates a moderate relationship between attitudes and other factors, while a very high C.R. (10.747) and a P value marked with *** (statistically significant at the 0.001 level) confirm that this association is statistically significant, indicating a serious impact of insecurity on the behaviour of the respondents. The feeling of insecurity related to the job shows an estimated coefficient of 0.43862, which also indicates a significant association with the general attitudes of the respondents. The job often represents a fundamental stability in life, and its insecurity can cause strong emotional and psychological reactions. The C.R. of 10.674 suggests that this relationship is very significant, and the P value *** confirms the high statistical significance of this parameter. In the context of modelling, this indicates that job-related insecurity can have a large impact on people's attitudes towards life in general. The association between the feeling of existential insecurity and the attitudes of the respondents is also pronounced.

The coefficient of 0.53554 indicates a moderately strong impact of insecurity on attitudes, while the high C.R. of 10.753 and a statistically significant P value further support the significance of this variable. Feelings of insecurity about one's livelihood, which include basic needs such as food, housing, and healthcare, are crucial for emotional stability and overall well-being. This dimension of insecurity has a strong impact on attitudes and behaviour, as people who feel insecure about their livelihoods often take concrete steps to improve their situation. One of the strongest indicators of insecurity in the study is the feeling of insecurity caused by a decrease in monthly income, with an estimated coefficient of 0.73997. This parameter has the highest coefficient in the entire model, indicating a very strong association between a decrease in income and negative attitudes of respondents. With a C.R. of 13.831, this factor has an extremely high statistical significance, meaning that a decrease in income has a major impact on the emotional state of respondents. A decrease in financial resources can cause feelings of insecurity that lead to changes in behaviour, including looking for additional work or adjusting lifestyle habits. Deterioration of material conditions, with a coefficient of 1.09657, also strongly influences respondents' attitudes towards insecurity. This factor, along with a C.R. of 11,829, shows a very significant impact on the perception

of insecurity. Deterioration of financial situation can be extremely stressful, as it is often associated with loss of self-confidence, reduction of living standards and difficulty in accessing basic resources. This factor significantly influences people's attitudes and behaviour, as a change in financial status often leads to the need to adjust lifestyle and seek additional sources of income. The feeling of insecurity related to the costs of enforcement proceedings also shows a high coefficient of 0.74599. With a C.R. of 11.583, this parameter indicates a significant impact of debts and enforcement on the attitudes of respondents.

The costs incurred during the enforcement proceedings can further worsen the feeling of insecurity, as they represent a long-term financial pressure that negatively affects the quality of life. This dimension of insecurity often leads to proactive behaviour, such as seeking legal assistance or reducing living expenses, to avoid further financial difficulties. Attitudes towards insecurity play a key role in shaping the behaviour and decisions of respondents. The results of structural equation modelling clearly show that uncertainty, whether it is financial difficulties, job loss, or worsening material situation, has a strong impact on people's attitudes. In addition, this feeling of uncertainty often leads to proactive steps, such as looking for additional work or reducing living expenses, by which respondents try to manage and reduce the negative consequences of uncertainty.

Table 17 shows the structural equation model (SEM) goodness-of-fit indices, which are used to assess how well the estimated model fits the data and how appropriate it is for the research question. These indices allow insight into whether the model is adequate for analysis, in order to assess the quality of the fit model. The table shows the key parameters that allow understanding the effectiveness of the model, including Chi-square (7171.701), RMSEA (0.815), NFI (0.932), CFI (0.935) and PNFI (0.065). The Chi-square test measures the difference between the expected and actual values in the model. A smaller Chi-square value means a better fit, but the number of degrees of freedom is also taken into account. The recommended criterion for the p-value is $p > 0.05$ to accept the model, which means that there are no significant differences between the model and the data. In this case, the p-value is 0.065, which is greater than 0.05, suggesting that the model is statistically accepted, that is, there is a good fit between the model and the data. RMSEA is a measure that evaluates the fit of the model by taking into account the number of parameters and the sample size. Smaller RMSEA values indicate a better fit of the model. The recommended value is

Table 17. Goodness of fit indices of the estimated structural equation model (SEM)

GOF Indices	Criterion guidelines	SEM results
Chi-square		
Chi-square		7171.701
Degrees of freedom		35
Probability level	$p > 0.05$	0.065
Absolutes fit measures		
Root mean square error approximation (RMSEA)	< 0.1	0.085
Incremental fit measures		
Normed fit index (NFI)	> 0.9	0.932
Comparative fit index (CFI)	> 0.9	0.935
Parsimony fit measurement		
Parsimony-adjusted normal fit index (PNFI)	> 0.5	0.529

Source: author's work

less than 0.1. In this case, the RMSEA value is 0.815, which is well above the recommended limit. This high value suggests that the model is not ideally adjusted to the data, which may indicate the need for further optimisation of the model or the introduction of new variables to improve the fit of the model. NFI measures the relative quality of the fit of the model compared to the base model. NFI values above 0.9 indicate a good fit. In this case, a value of 0.932 indicates a very good fit of the model, which means that the model is better adjusted to the data than the base model.

This is a positive indicator of the performance of the model. CFI is another index that measures the comparative fit of the model, also taking into account the number of parameters and the sample size. Values above 0.9 indicate a good fit, and the value 0.935 in this case indicates that the model is well-adapted to the data. This is another indicator of the model's performance and suitability for analysis. PNFI is an adjustment of NFI that takes into account the number of free parameters, thus rewarding a simpler model. Values above 0.5 indicate a good fit. In this case, the value 0.529 indicates that the model has a good fit according to this criterion, which means that the model has a balanced number of parameters and good

adjustment capacity. Although some indices, such as RMSEA (0.815), indicate the possibility of improving the model (because it is higher than the recommended limit of 0.1), most other indices indicate that the model is well-adapted to the data. The chi-square test ($p = 0.065$) also suggests that the model fits the data well, as the p-value is not statistically significant. The NFI (0.932) and CFI (0.935) show a very good fit, while the PNFI (0.529) confirms that the model has adequate simplicity. Overall, the results indicate that the model is largely adequate, although improvements in certain areas, such as RMSEA, could further optimise the model.

Table 18 shows the standardised structural coefficients used to assess the strength and direction of the relationships between different variables in a structural equation model (SEM). Standardised coefficients allow for comparison of different relationships within the model because all coefficients are expressed in the same units. Through these coefficients, we can analyse the direction (positive or negative) and strength of the relationship between the independent variables and the dependent variable, which in this case represents quality of life. The standardised coefficient between "low economic opportunities" and "quality of life" is

Table 18. Standardised structural coefficients

Hypothesis	Standardised structural coefficients
Low level of economic opportunities → Quality of life	-0.139*
Increased indebtedness → Quality of life	-0.212*
Workplace risk → Quality of life	0.211*

Source: author's work

-0.139, suggesting a negative but weak relationship between these two variables. The negative sign indicates that as economic opportunities decrease, the quality of life also decreases. However, the coefficient is relatively small, meaning that the impact of economic insecurity on quality of life is weak, although still statistically significant ($p < 0.05$). This result indicates that low levels of economic opportunities can reduce quality of life, but with a relatively smaller effect compared to other variables.

The standardised coefficient between "*increased indebtedness*" and "*quality of life*" is -0.212, which also shows a negative association, but to a slightly greater extent than with the first variable. This coefficient indicates that the increase in indebtedness has a moderately negative impact on the quality of life. Higher indebtedness often leads to greater financial stress, a decrease in available funds for basic needs and a decrease in the standard of living, which, of course, can reduce the overall quality of life. Although the coefficient is negative, it indicates a clear connection between indebtedness and a worse quality of life. The standardised coefficient between "*riskiness of the workplace*" and "*quality of life*" is 0.211, which shows a positive but weak association between these two variables. A positive sign indicates that a higher perception of workplace risk may have a slight positive impact on quality of life.

This may be surprising, as one might assume that the riskiness of the workplace should reduce the quality of life due to stress and insecurity. However, the result suggests that in some cases, people who experience job risk may take proactive steps, such as seeking additional sources of income or developing personal skills, which may in some way improve their overall quality of life. Although the coefficient is relatively low, the positive effect of job risk on quality of life may indicate adaptive reactions or attempts to overcome uncertainty.

The results show different types of associations between economic and work factors and quality of life. Low levels of economic opportunity and increased indebtedness hurt quality of life, with coefficients suggesting a moderate to weak negative impact. On the other hand, job risk has a positive but weak impact on quality of life, which may indicate that people in risky working conditions may develop proactive strategies to improve their living conditions. Overall, these results suggest that economic factors, such as indebtedness and low economic opportunity, have a stronger negative impact on quality of life, while job risk may lead to proactive responses that occasionally improve quality of life.

4.4. Discussion of research results

Research has proven that citizens have large debts. In most families, there is a problem of uncovered household expenses, and there is no possibility to save, go on trips and everything else that makes the small joys of life that contribute to the quality of life today. The respondents stated that their happiness depends on the amount of money they have, so they resort to borrowing again, without even paying off their previous debts. The influence of health on the quality of life is the main factor in assessing the quality of life, but the respondents associate it with material conditions. In the same way, respondents answered questions about how much influence finances have on their life. "*My peace depends on available funds*" is an indicator of how respondents subjectively experience their own life, but the quality of life also depends on the objective circumstances in which a person lives. Given the lack of resources due to over-indebtedness, social exclusion is measured and based on economic and social isolation, which significantly reduces the quality of life. Many families are destroyed precisely because of the lack of peace mentioned by the interviewees. Also, the insecurity of the job and the loss of it lead them to a state of long-term social poverty.

To confirm the third hypothesis, which is related to basic existential human needs, the respondents mainly based their answers on the need for security, the riskiness of the workplace and the uncertain future. The basic needs of life are not based only on having a roof over one's head and food, but on overall well-being, which includes the right to work, health and joy. Indebtedness and stress due to a lack of funds and deteriorating material conditions have major negative consequences on an individual's life.

According to many authors, welfare economies are based on improving the welfare of all citizens. A "*good economy*" must take care of people's satisfaction and happiness by trying to increase the awareness of its citizens about the connection between credit indebtedness and quality of life. According to what was stated, and based on the conducted research, the welfare state can be defined as a state whose primary goal is not to satisfy the interests of capital but to simplify the lives of its citizens and improve their quality of life.

To mitigate the negative effects of over-indebtedness and ensure the financial stability of citizens, which is necessary to ensure the quality of a modern citizen, it is necessary to implement a series of political and regulatory measures that will increase financial security and consumer protection. Personal finance education is key to responsible money management.

By introducing mandatory financial literacy programs in schools and through education for adults, citizens would be enabled to make informed decisions about borrowing and financial planning. To prevent abuses in the credit sector, it is necessary to strengthen the supervision of financial institutions. Stricter regulation and greater transparency in business would reduce the risk of irresponsible lending and protect consumers.

Credit institutions should be subject to stricter criteria when approving high-risk loans. By limiting the marketing of financial products that can lead to excessive borrowing, the number of citizens who get into financial difficulties would be reduced. Financial instability can affect anyone, so it is important to enable citizens to restructure their debts in case of temporary difficulties. Flexible repayment and loan rescheduling models would reduce the number of non-performing loans and facilitate easier debt repayment. Setting a ceiling on interest rates and eliminating hidden fees would prevent excessive borrowing and ensure a fairer distribution of loan costs. Clear lending conditions would reduce the risk of financial difficulties for citizens. By establishing free financial counselling centres, citizens would receive the necessary help in planning personal finances and negotiating with creditors. Such institutions could play a key role in preventing long-term over-indebtedness.

Citizens are often unaware of all the conditions under which they take out a loan. Banks should be required to have simpler and clearer contracts so that consumers better understand their financial obligations and avoid unexpected costs. Encouraging credit unions, microfinance, and non-profit credit institutions would provide citizens with more affordable financing options. These models can offer safer and more socially responsible ways of borrowing than traditional commercial banks. Court proceedings between citizens and banks are often lengthy and complex. Speeding up legal processes would ensure faster and more efficient protection of debtors, allowing them fairer conditions in financial disputes. By implementing these measures, the problem of over-indebtedness can be significantly reduced, and the long-term financial stability of citizens and society as a whole can be ensured.

5. Conclusion

Through the synthesis of empirical research conducted on 782 respondents, it was concluded that the availability of financial resources significantly affects the objective and subjective perception of the quality

of life. The approach is based on auto-regressive models with a time lag of about thirty years, when citizens did not go into debt and when the desire to buy was not as pronounced as it is today. The theoretical and empirical processing of the research confirmed the relevance of debt slavery to the quality of life. Also, the value of KMO and Bartlett's test using default variables is justified. Given the high value (0.800), it was not necessary to test the other hypotheses with the Z-test because they were grouped (visible from the results of the KMO test), that is, they were not dispersed, and it was clear that the hypotheses were fully justified. Based on the conducted research, it can be concluded that the availability of financial resources significantly affects the objective and subjective perceptions of the quality of life of the respondents. The low level of economic opportunities, especially in the context of debt slavery, creates numerous challenges that negatively affect the daily lives and well-being of individuals.

Objectively, the lack of financial resources limits access to basic needs such as adequate housing, quality health care, education, and safe nutrition. These deprivations can lead to deterioration in physical health, reduced educational attainment and an overall reduction in life opportunities. Subjectively, the feeling of economic insecurity and the constant struggle for financial survival contribute to high levels of stress, anxiety, and depression. People facing financial difficulties often experience feelings of shame, guilt, and social exclusion, which further impair their psychological well-being and self-confidence. Debt slavery, a specific form of extreme financial insecurity, has proven to be a key factor that further deteriorates the quality of life. Respondents in debt slavery often face a continuous cycle of debt that is difficult to get out of, which creates a feeling of helplessness and hopelessness.

Job insecurity was caused by the emigration of professional staff from Croatia to improve the quality of life and raise the standard of living to a higher level. The focus on the initial assumption of this research, that economic well-being is reduced by borrowing and significantly affects the quality of life, calls for greater education of citizens in terms of financial management and a greater focus on the fact that money and power cannot be a substitute for family, social inclusion, education and other values.

The creation of material assets should only be a supplement to a better life, and thus to human freedom, so their integration aims to improve and increase the quality of life to a level that will satisfy every citizen and which as such, will be useful for society. The limitation of the guidelines given in this paper is that they do not represent a solution to the

problem nor enable automatic application in practice, but they are the first step towards solving it and stopping further borrowing. Citizens, as well as the state, are tasked with implementing the guidelines on an operational level. It can also be concluded that these indicators move Croatia away from a life of well-being, so Croatia is counted as a country that is far from the well-being economy that all EU countries strive for. The results of this research emphasise the need for urgent interventions and policies that will provide financial support and counselling to people in economic difficulties. Improving access to education, employment and health services can significantly contribute to improving the quality of life for vulnerable populations. Additionally, education on managing personal finances and access to resources for debt relief are crucial for achieving long-term economic improvement and enhanced subjective well-being. This paper confirms the importance of understanding and addressing economic inequalities to achieve overall social well-being.

References

- Akerlof, G. and Kranton, R. 2010. *Identity Economics: How our identities shape our work, wages and well-being*. Princeton University Press, available at <https://www.researchgate.net/publication/231769068> (accessed October 4, 2024).
- Anderson, C. J. and Pontusson, J. 2007. Workers, worries and welfare states: Social protection and job insecurity in 15 OECD countries. *European Journal of Political Research* 46 (2): 211–235.
- Browne, J. P., O'Boyle, C. A., McGee, H. M., Joyce, C. R. B., McDonald, N. J., O'Malley, K., and Hiltbrunner, B. (1994). Individual quality of life in the healthy elderly. *Quality of life Research* 3 (4): 235–244.
- Buterin, V., Lukežić, E., and Buterin, D. 2018. Should Croatia develop its mortgage market? 7th International Scientific Symposium "Economy of Eastern Croatia-Vision and Growth", Osijek: Sveučilište Josipa Jurija Strossmayera u Osijeku, Ekonomski fakultet Osijek.
- Böckerman, P., Ilmakunnas, P., and Johansson, E. 2011. Job security and employee wellbeing: Evidence from matched survey and register data. *Labour Economics* 18: 547–554.
- Brown, S., Taylor, K., and Wheatley Price, S. 2021. Debt and well-being: Evidence from European panel data. *Journal of Economic Psychology* 87 (4): 102–121.
- Buterin, V., Plenča, J., and Buterin, D. 2015. Analiza mogućnosti pariteta eura i dolara. *Praktični menadžment* 6 (1): 22–29.
- Caroli, E. and Godard, M. 2014. Does job insecurity deteriorate health? A causal approach for Europe. *Health Economics* 25 (2): 131–137.
- Cooper, G. 2009. *Uzroci financijskih kriza*. Masmedia.
- Chung, H. and van Oorschot, W. 2020. *Employment insecurity and its impact on subjective well-being in Europe*. *Social Indicators Research* 152 (3): 703–725.
- De Witte, H., Pienaar, J., and De Cuyper, N. 2016. *Review of 30 years of job insecurity research*. *SA Journal of Industrial Psychology* 42 (1): 1–9.
- Dooley, D., Rook, K., and Catalano, R. 1987. Job and non-job stressors and their moderators. *Journal of Occupational Psychology* 60(2): 115–132.
- Frajman Ivković, A. 2012. *Progres društva vođen subjektivnim blagostanjem: indeks sreće građana*, doktorska disertacija, Ekonomski fakultet u Osijeku, Osijek.
- Grilec Kaurić A. and Ujević D. 2013. Antropometrija kao komplementarna mjera životnog standarda. *Poslovna izvrsnost Zagreb* 2013 (2).
- Grubišić, A. 2016. Konzumerizam, Sveučilište Jurja Dobrile u Puli Fakultet ekonomije i turizma "Dr. Mijo Mirković".
- Hair, J. F., Hult, G. T. M., Ringle, C. M., and Sarstedt, M. (2022). *A Primer on Partial Least Squares Structural Equation Modelling (PLS-SEM)* (3rd ed.). Sage.
- Hanson, R. 2013. *Hardwiring Happiness: The New Brain Science of Contentment, Calm and Confidence*. New York: Harmony Books, available at <https://www.goodreads.com/book/show/17288646-hardwiring-happiness>
- Henseler, J., Ringle, C. M., and Sarstedt, M. 2015. A new criterion for assessing discriminant validity in variance-based structural equation modelling. *Journal of the Academy of Marketing Science* 43 (1): 115–135.
- Juliá, M., Vanroelen, C., Bosmans, K., Van Aerden, K., and Benach, J. 2017. Precarious employment and quality of employment about health and well-being in Europe. *International Journal of Health Services* 47(3): 389–409.
- Krizmanić, M., Kolesarić, V. 1989. Pokušaj konceptualizacije pojma "kvaliteta života". *Primijenjena psihologija* 10: 179–184.
- Lusardi, A. and Mitchell, O. S. 2014. *The economic importance of financial literacy: Theory and evidence*. *Journal of Economic Literature* 52 (1): 5–44.
- Origo, F. and Pagani, L. 2009. Flexicurity and job satisfaction in Europe: The importance of perceived and actual job stability for well-being at work. *Labour Economics* 16 (5): 547–555.
- Peračković, K. 2013. *Osnovni pojmovi u sociologiji potrošnje*, Poglavlje u knjizi: Čolić, S. (ur.) (2013). Potrošaka kultura i konzumerizam. Zagreb Institut društvenih znanosti "Ivo Pilar": 25–46.
- Petrović, S., Torjanac, J. 2018. Odgovorno kreditiranje De Legle Lata i De Legle Ferenda – opća pitanja. *Zbornik PFZ* 69 (1): 37–58.

- Petz (ur.) (2005). *Psihologijski rječnik*. Jastrebarsko: Naklada Slap.
- Ralašić, T. and Bogdan, Ž. 2018. Sreća i ekonomska aktivnost 69 (4): 355.
- Stanculescu, E. 2023. *Financial stress and proactive coping in post-crisis economies*. *International Journal of Behavioural Economics* 15 (2): 141–160.
- Šarlija, V., Buterin, V., and Buterin, D. 2020. Utjecaj sezonskih oscilacija na kretanje cijene dionica u sektoru turizma, *Zbornik Veleučilišta u Rijeci* 8 (1): 284.
- Štojs, L. 2019. *Povezanost indeksa sreće sa razvojem društva*, Fakultet ekonomije i turizma, Pula: 16.
- Šverko, B.; Galić, Z.; Seršić, and Maslić, D. 2006. Nezaposlenost i socijalna isključenost, *Filozofski fakultet Sveučilišta u Zagrebu* 13 (1): 2.
- Vander Elst, T., De Witte, H., and De Cuyper, N. 2014. *The job insecurity scale: A psychometric evaluation across five European countries*. *European Journal of Work and Organizational Psychology* 23(3): 364–380.
- Vander Elst, T., De Witte, H., and De Cuyper, N. 2014. The Job Insecurity Scale: A psychometric evaluation across five European countries. *European Journal of Work and Organizational Psychology* 23 (3): 364–380.
- Žganec, N., Rusac, S., and Laklija, M. 2007. Trendovi skrbi za osobe starije životne dobi u Republici Hrvatskoj i u zemljama Europske unije. *Revija socijalne politike* 15: 171-188.

Appendix 1.

Likert Scale Items Measuring Economic Strain, Job Insecurity, and Proactive Behaviour

	OVER INDEBTEDNESS (OD)				
In the past 12 months, I have been late in repaying at least one financial obligation.	1	2	3	4	5
I often borrow money or take out a new loan to repay an existing debt.	1	2	3	4	5
Monthly instalments and interest payments burden my household budget beyond my financial means.	1	2	3	4	5
Because of my debts, I experience constant financial stress.	1	2	3	4	5
My debt-to-income ratio is too high for my financial situation.	1	2	3	4	5
R) I can regularly meet all my financial obligations without taking on additional debt.	1	2	3	4	5
	JOB INSECURITY (JI)				
I am afraid that I might lose my job or sources of income in the near future.	1	2	3	4	5
My working conditions are unstable and subject to unexpected changes.	1	2	3	4	5
I am easily replaceable in the labour market.	1	2	3	4	5
I feel uncertain about the future of my employment.	1	2	3	4	5
I believe that my job position could be eliminated due to organisational changes.	1	2	3	4	5
I worry that my income will decrease in the future.	1	2	3	4	5
I feel anxious when I think about my long-term job stability.					
	QUALITY OF LIFE – FINANCIAL DIMENSION (QoL-FIN)				
I have enough resources to cover my basic living needs. (R)	1	2	3	4	5
An unexpected expense (e.g., a repair) would seriously threaten my budget.	1	2	3	4	5
I often postpone payments due to a lack of money.	1	2	3	4	5
I can save money for at least three months a year. (R)	1	2	3	4	5
My financial situation limits my long-term plans.	1	2	3	4	5
I am afraid that I might lose my sources of income in the near future.	1	2	3	4	5
I find it difficult to cover basic housing and utility expenses.	1	2	3	4	5
I often feel financially insecure and worried about the future.	1	2	3	4	5
My long-term sense of security depends on income that is not stable.	1	2	3	4	5
In case of income loss, I would not be able to cover expenses for more than one month.	1	2	3	4	5
	QUALITY OF LIFE – HEALTH AND WELL-BEING (QoL-HEALTH)				
Financial stress negatively affects my mental health.	1	2	3	4	5
Because of financial worries, I have trouble sleeping.	1	2	3	4	5
I am satisfied with my general health condition. (R)	1	2	3	4	5
Due to my financial situation, I sometimes skip medical check-ups or treatments.	1	2	3	4	5
Financial problems often cause me feelings of anxiety or hopelessness.	1	2	3	4	5

My financial situation reduces my motivation or ability to take care of my health.	1	2	3	4	5
I often experience physical symptoms (e.g., headaches, fatigue) due to financial stress.	1	2	3	4	5
Financial strain negatively affects my relationships and social interactions.	1	2	3	4	5
QUALITY OF LIFE – SOCIAL INCLUSION (QoL-SPC)					
My financial situation prevents me from participating in cultural or recreational events.	1	2	3	4	5
I feel embarrassed when I cannot afford to join friends in social activities.	1	2	3	4	5
Financial problems make me feel isolated from others.	1	2	3	4	5
I often compare my lifestyle to others and feel socially inferior.	1	2	3	4	5
My financial condition limits my ability to maintain relationships.	1	2	3	4	5
I feel less respected or valued in society due to my financial situation.	1	2	3	4	5
Despite financial challenges, I try to stay socially active and connected. (R)					
QUALITY OF LIFE- SUBJECTIVE WELL-BEING (SWL)					
I feel that my life is meaningful despite financial challenges. (R)	1	2	3	4	5
My financial situation often makes me feel anxious or discouraged.	1	2	3	4	5
I have clear goals for improving my quality of life. (R)	1	2	3	4	5
I believe I can influence my life circumstances through my own actions. (R)	1	2	3	4	5
I rarely feel in control of my life because of financial pressure.	1	2	3	4	5
I feel emotionally stable and able to cope with everyday challenges. (R)	1	2	3	4	5
I feel hopeful about achieving a better standard of living in the future. (R)	1	2	3	4	5
I often compare my life negatively to others because of financial differences.	1	2	3	4	5
Despite difficulties, I am grateful for what I have in life. (R)	1	2	3	4	5
PROACTIVE ADDITIONAL WORK INTENT (PAWI)					
I am willing to take an additional job (side gig) to increase my income.	1	2	3	4	5
I actively look for freelance, temporary, or seasonal work opportunities.	1	2	3	4	5
I am willing to work overtime if it improves my financial stability.	1	2	3	4	5
I am ready to accept less desirable jobs temporarily to earn extra income.	1	2	3	4	5
I regularly browse ads or online platforms for additional income opportunities.	1	2	3	4	5
I am willing to learn new skills to qualify for additional work.	1	2	3	4	5
I believe that taking initiative is essential for maintaining financial security.	1	2	3	4	5
PROACTIVE FINANCIAL COPING (PFC)					
I systematically reduce discretionary spending (e.g., entertainment, shopping).	1	2	3	4	5
I keep track of my income and expenses and adjust my budget accordingly.	1	2	3	4	5
I look for better credit conditions (e.g., refinancing, lower interest rates).	1	2	3	4	5
I actively seek information about my legal rights in enforcement or other financial procedures.	1	2	3	4	5
I am willing to temporarily lower my standard of living to achieve long-term recovery.	1	2	3	4	5
I set clear financial goals and monitor my progress regularly.	1	2	3	4	5
I avoid unnecessary borrowing and try to live within my means.	1	2	3	4	5

	PERCEPTION OF COSTS AND PRESSURE OF FORECLOSERS				
The costs of enforcement proceedings significantly burden my household budget.	1	2	3	4	5
Because of enforcement procedures, I postpone other important life decisions.	1	2	3	4	5
I feel emotionally exhausted because of ongoing debt collection or enforcement cases.	1	2	3	4	5
Enforcement procedures make me feel powerless and without control over my finances.	1	2	3	4	5
I believe that enforcement-related costs are unfairly high compared to the original debt.	1	2	3	4	5
Debt enforcement procedures negatively affect my family and social relationships.	1	2	3	4	5
The enforcement process makes it difficult for me to recover financially and rebuild stability.	1	2	3	4	5
	FINANCIAL LITERACY - SELF-ASSESSMENT				
I understand the difference between nominal and effective interest rates. (R)	1	2	3	4	5
I know how to estimate what portion of my income I can safely dedicate to loan repayments. (R)	1	2	3	4	5
I know how to estimate what portion of my income I can safely dedicate to loan repayments. (R)	1	2	3	4	5
I understand how inflation affects the value of my savings and purchasing power. (R)	1	2	3	4	5
I regularly read or follow information about financial products and market trends. (R)	1	2	3	4	5
I understand how diversification reduces investment risk. (R)	1	2	3	4	5
I know how to set realistic financial goals and plan my budget accordingly. (R)	1	2	3	4	5