

Economic Prosperity, Lifestyle quality and Financial contentment: Relations and Impact

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Abstract

This study examines the relationship among economic prosperity, lifestyle quality, and financial contentment among working professionals in private sector organisations in Kolkata. The objectives are to determine whether lifestyle quality and financial contentment are influenced by economic prosperity, to analyse the relationships among these variables, and to examine the mediating role of lifestyle quality.

Primary data were collected using a structured questionnaire. Economic prosperity was measured in terms of wealth and liquid financial assets, while lifestyle quality and financial contentment were assessed on a five-point scale. The data were analysed using correlation, multiple regression, and PLS-SEM techniques.

The findings reveal strong and statistically significant relationships among economic prosperity, lifestyle quality, and financial contentment. Economic prosperity significantly influences both lifestyle quality and financial contentment, and lifestyle quality also acts as a mediating variable between them. The study concludes that higher economic prosperity leads to improved living standards and greater financial satisfaction among working professionals.

Keywords: Economic Prosperity, Lifestyle Quality, Financial Contentment, Financial Well-Being.

Introduction

Financial behaviour is how people handle their money and make choices about it in their daily lives. It includes how you spend, save, invest, borrow, and plan for the future. Spending behaviour shows how people use their money to meet their needs and wants, whether they stick to a budget or buy things on a whim. Saving behaviour shows how much money people put away for emergencies, future goals, or retirement. Investment behaviour is about making choices about where and how to put money into different modes of wealth-creating opportunities to earn more return, and these choices are affected by how much risk one is willing to take and how much a person knows about money. Borrowing behaviour is how people use loans and credit, including how well they handle debt and pay it back. Financial planning behaviour is related to making plans for the future like setting financial goals,

buying insurance and getting ready for things like retirement. In general, how a person handles their money is very important for their financial health, stability, and ability to reach their life goals.

Economic prosperity is when people, families or a country enjoy monetary resources, wealth, and general economic well-being. It shows that a person can meet your basic needs, live comfortably, and build up their savings and investments over time. Economic growth is linked to having enough job opportunities, access to basic resources and the ability to pay for both needs and wants.

Financial contentment is the feeling of experiencing happiness and peace with one's monetary situation. It shows how people feel about their financial situation, savings, spending, and overall financial health, no matter how much money they have. Being happy with one's finances has more to do with how the person perceives their financial situation and how satisfied they are with it, rather than how much wealth they possess.

Lifestyle quality is a measure of a person's overall standard of living, including their daily habits, living conditions, health, comfort, and access to basic needs. It shows how well someone can meet their physical, social, and mental needs based on their lifestyle and financial situation.

Literature Review

1. **Tapasya Raj and Srikanth Reddy Umenthala (2025)** in their study suggested that there exists a significant and positive relationship between income status and overall well-being. The study highlighted that individuals' perceptions of well-being are often shaped by their relative income position rather than absolute income levels. In many contexts, people tend to compare their income rank with others and such comparisons strongly influence how well-being is measured and experienced.
2. **Bharti Singh and Ajay Kumar (2025)** assert that multimorbidity significantly mediates the impact of socioeconomic and demographic factors on the quality of life of older adults in India. Policies should prioritise integrated geriatric healthcare services in response to the increasing prevalence of multimorbidity. It is very important to make the healthcare system more efficient so that people can get early treatment and manage their chronic diseases at a reasonable cost.
3. **Aishwarya Mitra and Anupam Mitra's (2024)** research indicates that employees in India are increasingly focused on attaining overall life satisfaction. This study grounded in Social Cognitive and Self-Efficacy Theory explores the influence of Financial Literacy (FL) and Financial Behaviour (FB) on employees' Satisfaction with Life (SWL) while also assessing the mediating role of Financial Self-Efficacy (FSE) in the Indian IT sector.
4. **Joyce Koe Hwee Nga and Aristo Kesumo (2024)** argue that financial well-being is achieved by a strong framework built through new technology systems and by citizen awareness and involvement. They also highlighted the importance of political and behavioural stability in improving financial well-being.
5. **Zhang, Jing, et al. (2022)** investigated the correlation among financial literacy, financial behaviour, and financial well-being. The study found that people who

know more about money tend to make better financial decisions, like saving money regularly and paying off debt in a responsible way. These positive behaviours, in turn, lead to better financial well-being and less financial stress. The study also shows that financial behavior affects well-being. It suggests that financial knowledge only improves well-being when it is used in a good way.

6. **Ganakumar (2021)** in his study "Life Satisfaction of Elderly People Among Old Age Homes in Bengaluru," examined the current economic situation of older adults, focusing on their housing facilities, available assets, and financial independence. The study focuses on how the number of people in a family, their marital status, and other disabilities can affect the stress levels of older adults. The study concluded that older people who are separated from their families because of disagreements have a hard time living on their own.
7. **Aripin and Puteh (2017)** examined the relationship between financial wellness and quality of life among young employees. The study aimed to determine how financial behaviour, financial satisfaction and personal perceptions affect quality of life while also pinpointing the key factors that influence it. They collected primary data from 260 young employees of Majlis Perbandaran Klang (MPK) through the distribution of questionnaires. The findings indicated that subjective perception, financial behaviour and financial satisfaction of all respondents were relatively high average scores. This suggests that these factors were positively associated with the employees' quality of life.
8. **Mamta (2013)** assessed and contrasted the positive attributes, health, and well-being indicators of both employed and retired individuals. Her research also investigated the correlation among their expressions of well-being, health, and positive attributes. The study incorporated nine predictor variables—namely forgiveness, gratitude, hope, humour, life satisfaction, meaning in life, optimism, resilience, and self-efficacy—as components of positive capacities. There were also two criterion variables: health and well-being. In conclusion, it was found that there existed a significant disparity in the relationship patterns among positive capacities, health status, and well-being indicators between the working group and the retired group of respondents.
9. **Chakraborty (2012)** in his study analysed the socio-economic conditions of older women, their role in their families and in society, their education level, their relationships with their relatives, their status in the community, their relationship with their neighbours, their participation in community activities as well as their physical and mental health and compared them to older men. The study involved a sample of 250 respondents comprising both elderly women and men aged over 60 years, all residing in the urban area of Kolkata. The study used purposive sampling method to choose the sample followed by a structured questionnaire. The survey method was employed to contact the respondents and collect relevant data. The study analysed that older women with a good educational background didn't have any economic problems, while those without a good education did. Women with a weak educational background had trouble managing their money in terms of savings, expenditure and investment.

Research Gap:

The above review clearly suggests that there were many studies on the influence of behavioural finance on citizens both at the national and international levels. However, there remains a clear need for a comprehensive study that integrates financial wellness, financial behaviour, lifestyle quality, and financial satisfaction among working professionals, especially within the urban context of Kolkata. On this backdrop, the proposed study is an attempt to analyse the influence of Economic Prosperity on the perception of Lifestyle Quality and Financial Contentment in case of working professionals who have worked in private sector organisations in Kolkata.

Objectives:

- 1) The objective of this study is to examine whether Lifestyle Quality and Financial Contentment of working professionals who have worked in Private sector organisations is dependent on Economic Prosperity of the individuals or not.
- 2) Whether Economic Prosperity, Lifestyle Quality and Financial Contentment is related to each other or not.
- 3) Whether Financial Contentment is dependent on Economic Prosperity if Lifestyle Quality acts as a mediating variable.

Research Design:

Research design is often considered the blueprint of a study. It outlines the structure of the research, including its purpose, hypotheses, data collection methods, measurement techniques, and statistical analysis. The hypotheses presented below have been developed in line with the purpose of the study.

Testing of Hypothesis:

The following null hypotheses will be tested to study the first objective:

Ho: There is no significant influence of Economic Prosperity of working professionals who have worked in private sector organisations in Kolkata on their perception of Lifestyle Quality and Financial Contentment.

The following null hypotheses will be tested to study the second objective:

H1: There is no significant correlation between Economic Prosperity, Lifestyle Quality and Economic Prosperity in case of working professionals of private organisations of Kolkata.

The following null hypotheses will be tested to study the third objective:

H2: There is no significant influence of Economic Prosperity of working professionals who have worked in private sector organisations in Kolkata on Financial Contentment when Lifestyle Quality acts as a Mediating Variable.

Methodology:

In this study we have collected data from 409 respondents who are working professionals and have worked for private sector companies in Kolkata. We have collected the following information from them:

1. Economic Prosperity
2. Life Quality
3. Financial Contentment

We have measured Economic Prosperity as Wealth and Liquid Financial Assets in rupees. We have measured Lifestyle Quality in a scale of 1-5 on the basis of WHO Quality of Life Questionnaire. We have measured Financial Contentment in a scale of 1-5 on the basis of using Personal Financial Wellness (PFW) Scale (Prawitz et al., 2006). We have considered Lifestyle Quality and Financial Contentment as dependent variables and Economic Prosperity as Independent Variable. We have done our analysis on the basis of Multiple Regression, Correlational Matrix as well as PLS SEM. We have collected data from 409 respondents who are working professionals and have worked in private sector in Kolkata. The analysis of the study has been done on the basis of Jamovi and Smart PLS. The study has been conducted in Kolkata and the respondents are working professionals who have worked in private organisations in Kolkata. Data has been collected from 137 females and 272 male respondents. The age of these respondents varied from 27 to 54.

Analysis:

Analysis for Objective 1:

A) Regression Analysis between Economic Prosperity and Life Style Quality

Model Fit Measures

Model	R	R ²
1	0.878	0.770

Note. Models estimated using sample size of N=409

Model Coefficients - AVG LIFESTYLE QUALITY

Predictor	Estimate	SE	t	P
Intercept	0.369	0.0789	4.68	<.001
AVG ECONOMIC PROSPERITY	0.877	0.0240	36.54	<.001

Since adjusted R2 is 0.770 (>0.5), Independent Variable Economic Prosperity exerts a significant influence on Dependent Variable Life Style Quality,

B) Regression Analysis between Economic Prosperity and Financial Contentment

Model Fit Measures

Model	R	R ²
1	0.877	0.768

Note. Models estimated using sample size of N=409

Model Coefficients - AVG FINANCIAL CONTENTMENT

Predictor	Estimate	SE	t	p
Intercept	0.380	0.0790	4.81	<.001
AVG ECONOMIC PROSPERITY	0.873	0.0240	36.35	<.001

Since adjusted R2 is 0.768 (>0.5), Independent Variable Economic Prosperity exerts a significant influence on Dependent Variable Financial Contentment.

Analysis for Objective 2:

A) Correlation Analysis between Economic Prosperity and Lifestyle Quality

Correlation Matrix

		AVG EP	AVG LQ
AVG EP	Pearson's r	—	
	df	—	
	p-value	—	
AVG LQ	Pearson's r	0.878	—
	df	398	—
	p-value	<.001	—

Correlation Matrix

	AVG EP	AVG LQ
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Since Pearson's r is 0.878 and p-value is <0.05, there exists a positive correlation between Economic Prosperity and Lifestyle Quality.

B) Correlation Analysis between Economic Prosperity and Financial Contentment

Correlation Matrix

		AVG EP	AVG FC
AVG EP	Pearson's r	—	
	df	—	
	p-value	—	
AVG FC	Pearson's r	0.877	—
	df	398	—
	p-value	<.001	—

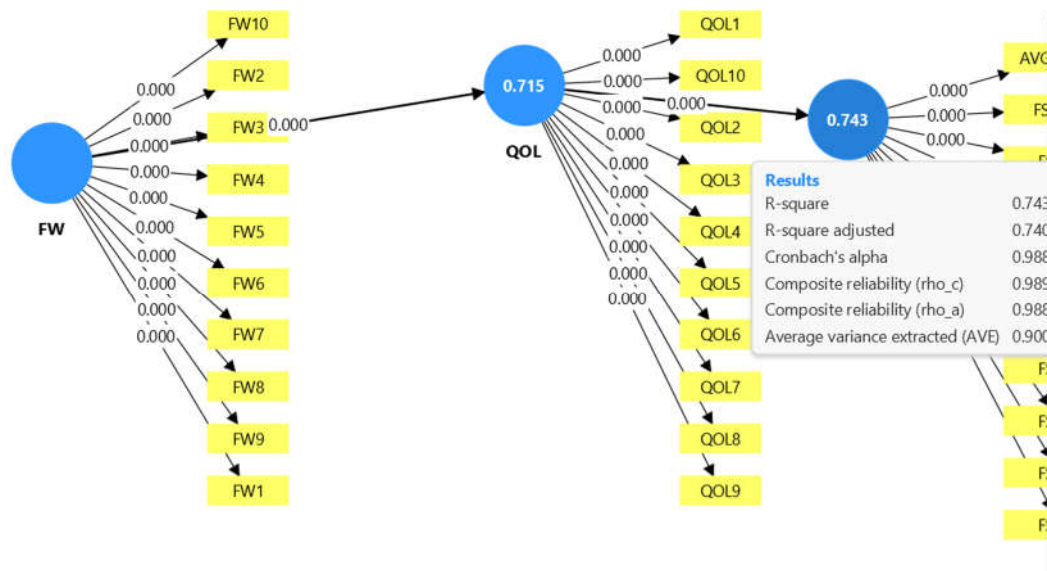
Since Pearson's r is 0.877 and p-value is <0.05, there exists a positive correlation between Economic Prosperity and Financial Contentment.

C) Correlation Analysis between Lifestyle Quality and Financial Contentment

Correlation Matrix

		AVG LQ	AVG LC
AVG LQ	Pearson's r	—	
	df	—	
	p-value	—	
AVG FC	Pearson's r	0.862	—
	df	398	—
	p-value	<.001	—

Since Pearson's r is 0.862 and p-value is <0.05, there exists a positive correlation between Lifestyle Quality and Financial Contentment.

Analysis for Objective 3:

In the above diagram, Economic Prosperity is denoted by FW, Lifestyle Quality is denoted by QOL and Financial Contentment denoted by FC. When Economic Prosperity (FW) is Independent Variable, Financial Contentment (FC) is Dependent Variable and Lifestyle Quality (QOL) is a mediating variable, then the adjusted R² of Financial Contentment (FC) is 0.743, Cronbach's Alpha is 0.988, Composite Reliability is 0.988 and Average Variance extracted is 0.900. Adjusted R² of Lifestyle Quality (LQ) is 0.712, Cronbach's Alpha is 0.990, Composite Reliability is 0.991 and Average Variance extracted is 0.916.

Interpretation of Results**Interpretation of Results of Objective 1**

1) Independent Variable Economic Prosperity has a significant impact on Dependent Variable Life Style Quality, as indicated by the adjusted R² of 0.770 (>0.5). According to the regression analysis's findings, economic prosperity has a significant impact on both financial contentment and life style quality. The relationship between Economic Prosperity and Life Style Quality has an adjusted R² value of 0.770, which is significantly higher than the acceptable cutoff of 0.50. This suggests that economic prosperity accounts for about 77% of the variation in life style quality. A strong predictive relationship between the variables is demonstrated by such a high percentage of explained variance. This indicates that approximately 77% of the variation in Life Style Quality can be explained by Economic

Prosperity. It implies that an increase in economic prosperity greatly improve people's capacity to access high-quality goods and services, sustain higher living standards, and improve their overall quality of life. Consequently, economic prosperity becomes a significant factor in determining the quality of one's lifestyle.

2) The dependent variable, financial contentment, is significantly impacted by the independent variable, economic prosperity, as indicated by the adjusted R² of 0.768 (>0.5). A high adjusted R² value of 0.768 was obtained from the regression analysis looking at the relationship between financial contentment and economic prosperity. This suggests that Economic Prosperity accounts for almost 76.8% of the variation in Financial Contentment. Economic prosperity greatly contributes to people's financial satisfaction and contentment by improving their ability to fulfil financial commitments, efficiently manage spending, and reach financial objectives.

Interpretation of Results of Objective 2

1) There is a positive correlation between Economic Prosperity and Lifestyle Quality because Pearson's r is 0.878 and the p-value is less than 0.05. A Pearson correlation coefficient of 0.878 shows that there is a very strong positive link between Economic Prosperity and Lifestyle Quality. The positive direction suggests that as people's economic well-being improves, so does their quality of life. The p-value being less than 0.05 shows that this relationship is statistically significant. This means that it is unlikely that the observed link happened by chance.

2) There is a positive correlation between Economic Prosperity and Financial Contentment because Pearson's r is 0.877 and the p-value is less than 0.05. Pearson's r value of 0.877 shows once again that there is a strong and positive correlation between Economic Prosperity and Financial Contentment. The statistically significant p-value (< 0.05) confirms that Economic Prosperity has a significant effect on Financial Contentment.

3) There is a positive correlation between Economic Prosperity and Lifestyle Quality because Pearson's r is 0.862 and the p-value is less than 0.05. The correlation coefficient of 0.862 also shows that Economic Prosperity and Lifestyle Quality are very positively related. The significance level ($p < 0.05$) shows that the relationship is real and considerable.

Interpretation of Results of Objective 3

If Economic Prosperity is the independent variable, Financial Contentment is the dependent variable, and Lifestyle Quality is the mediating variable, then the adjusted R² of Financial Contentment is 0.740, Cronbach's Alpha is 0.988, Composite Reliability is 0.988, and Average Variance extracted is 0.989. The Adjusted R² for Lifestyle Quality is 0.712, the Cronbach's Alpha is 0.990, the Composite Reliability is 0.991, and the Average Variance extracted is 0.916. This indicates a strong mediation relationship exerted by Lifestyle Quality when Economic Prosperity is Independent Variable and Financial Contentment is Dependent Variable.

Conclusion

The correlation, regression, and mediation analyses collectively demonstrate a robust and statistically significant relationship among Economic Prosperity, Lifestyle Quality, and Financial Contentment in case of working professionals of Kolkata. The results show that Economic Prosperity is a very important factor for both people's living conditions and their level of financial satisfaction.

The mediation analysis further indicates that Lifestyle Quality serves as a significant intermediary between Economic Prosperity and Financial Contentment. This implies that economic prosperity affects financial contentment not only directly but also indirectly by enhancing lifestyle conditions. People are more likely to be happy and satisfied with their money situation when they have a higher standard of living.

Overall, the results back up the proposed model and show that Economic Prosperity is a major factor in both Lifestyle Quality and Financial Contentment, with Lifestyle Quality playing a significant role in this relationship. The results show how important it is for the economy to be stable and prosperous in order to improve overall health and happiness of working professionals.

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