IMPACT OF FINANCIAL WELLNESS ON MENTAL WELL-BEING AMONG URBAN FAMILIES: A CASE STUDY OF KIAMBU TOWNSHIP, KENYA

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MASTER OF ARTS COUNSELLING PSYCHOLOGY

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OCTOBER, 2025

DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for the award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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ABSTRACT

This study examined the association between financial wellness and mental well-being among urban households in Kiambu Township, Kenya. Financial instability has increasingly emerged as a significant factor contributing to psychological distress, driven by the high cost of living, urbanization, inflation, and economic uncertainty. The study aimed to determine the level of financial wellness, identify major financial stressors influencing mental health, assess the mental well-being of urban families, and explore the coping strategies they employ to manage financial pressures. Guided by the Family Stress Theory and the Conservation of Resources Theory, the study adopted a descriptive cross-sectional research design targeting 392 households, of which 348 responded, representing an 88.8% response rate. Data were collected using structured questionnaires and analyzed through descriptive and inferential statistics, including Pearson correlation and multiple regression analysis. The results showed that mental well-being had a significant negative relationship with financial wellness ($r = -0.466$, $p < 0.01$). This means that better financial management and stability are associated with lower emotional distress. Additionally, mental well-being was positively correlated with financial stressors ($r = 0.756$, $p < 0.01$), with the strongest predictive effect ($b = 0.693$, $p = 0.001$). This indicates that greater financial struggles, such as debt, income volatility, or unexpected costs, lead to worse psychological outcomes. The results also showed that coping strategies are positively and significantly related to both financial stressors ($r = 0.423$, $p < 0.01$) and mental well-being ($r = 0.484$, $p < 0.01$). This suggests that households experiencing higher financial stress tend to engage more frequently in coping strategies, which also increase in intensity with greater perceived psychological strain. Coping strategies, including expenditure control, borrowing, prayer, and family discussions, were found to play a moderating role, helping families adapt to financial strain, though they were largely reactive in nature. The study concludes that financial stability and psychological health are closely interconnected, with financial strain remaining one of the strongest predictors of emotional distress among urban families. It recommends promoting financial literacy, enhancing access to affordable credit, and integrating financial counseling with mental health support programs to strengthen resilience and overall well-being. The findings contribute valuable evidence for policymakers, financial institutions, and community organizations in designing interventions that address both the economic and psychological dimensions of urban family life in Kenya, particularly in the unique context of Kiambu Township.

Key words: Coping Strategies, Debt Burden, Financial Literacy, Financial Stress, Financial Wellness, Income Instability, Mental Well-being, Psychological Health, Urban Families.

DEDICATION

I dedicate this work to my dear wife, Esther, for her unwavering love, patience, and encouragement. To my children, George, Maureen, and Victoria, for their support and inspiration throughout this journey.

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
COR	Conservation of Resources
KNBS	Kenya National Bureau of Statistics
NACOSTI	National Commission for Science, Technology and Innovation
P-Value	Probability value
SACCO	Savings and Credit Cooperative Organization
SPSS	Statistical Package for the Social Sciences

OPERATIONALIZATION OF TERMS

Term	Operational Definition

Coping Strategies The mechanisms and practices that families enforce to handle financial strain, such as taking in social care, spending less money, or financial education.

Debt Burden The economic burden on the households that was caused by the amassed debt. It is quantified by the ratio of household income used to meet debt payments and the number of households that are in debt.

Financial Literacy Knowledge of financial concepts and the capacity to make judicious decisions regarding budgeting, saving, investments, and debt repayment. It is gauged by the extent of awareness regarding the financial principles and behaviors.

Financial Stress The emotional toll of the financial crunch, such as the burden of debt, money insecurity, and salary inconsistency. It is evaluated through the reported monetary problems and stress among the family members.

Financial Wellness The capability to wisely utilize economic resources, meet financial requirements, and maintain financial stability. It is quantified through financial practices, including budgeting, savings, debt management, and financial literacy.

Income Instability The instability in the household income due to both factors being relatively common (i.e., job security or fluctuations in the economy). It is quantified by the volatility of income and the rate of income interruptions.

Mental Well-being The mental, social, and emotional life, which affects the way people think, behave, and feel. It is quantified through such indicators as stress levels, anxiety levels, and depression levels.

Psychological Health The emotional and cognitive state of individuals, including aspects such as emotional stability, stress management, and mental clarity. It is assessed through indicators like anxiety, depression, and general mental health.

Urban Families Households residing in urban areas are characterized by diverse demographic, social, and economic structures. In the context of this study, urban families refer specifically to those living within Kiambu Township, Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the study and provides an overview of its key components. It establishes the foundation of the research by outlining the background, statement of the problem, purpose, objectives, research questions, hypothesis, assumptions, significance, and scope of the study. It sets the context for examining how financial wellness is related to mental well-being among urban families in Kiambu Township, providing the basis for the research direction and focus.

1.2 Background of the Study

Mental well-being is a critical aspect of human health, influencing cognitive functioning, emotional stability, and overall quality of life (Keyes, 2021). It is shaped by various socioeconomic factors, with financial wellness identified as a key predictor of psychological health outcomes (Shapiro & Burchell, 2020). Financial stress, which is driven by unreliable income, debt burden, and low financial literacy, has been strongly linked to negative mental health outcomes such as anxiety, depression, and poor decision-making (Mullainathan & Shafir, 2019). In this study, mental well-being is treated as the dependent variable, while financial wellness is the independent variable. The relationship between the two is examined to understand how economic pressures impact psychological health.

Globally, financial instability is a major source of psychological strain. Research has shown that households facing financial difficulties report higher levels of anxiety and depression,

as well as lower satisfaction with life (Richardson et al., 2022). Both developed and developing countries experience prolonged emotional and cognitive distress due to poor financial management and economic insecurity (Netemeyer et al., 2018). Mental well-being is, therefore, highly dependent on financial wellness, which includes the ability to manage money, plan for expenses, save, and maintain stability (Lusardi & Mitchell, 2020). For example, studies in the United States found that high household debt was linked to depression and poor health outcomes (Sweet et al., 2013), while research in the United Kingdom found that debt stress contributed to long-term anxiety and reduced quality of life (Bridges & Disney, 2010).

Similarly, in the Kenyan context, the rapid urbanization of African cities has exacerbated economic pressures on families. Inadequate accesses to financial education, high unemployment rates, and inflation have created environments in which many families struggle to remain financially stable (World Health Organization, 2021). Sub-Saharan Africa, in particular, faces vulnerabilities due to weak social safety nets and limited household resources (Gerrans & Byrd, 2021). These economic pressures often lead to stress, which not only affects financial stability but also disrupts interpersonal relationships, emotional regulation, and daily functioning.

In Kenya, urban families encounter persistent financial challenges, including unstable employment, high living costs, and limited financial literacy (Kim & Garman, 2018). Many households are burdened with debt, stagnant wages, and rising expenses, which destabilize their budgets and hinder long-term financial planning (Lusardi & Mitchell, 2020). This constant fear of financial insecurity fuels a cycle of mental distress, manifested in anxiety, depression, and impaired cognitive functioning (Keyes, 2021). Studies in Nairobi and other Kenyan towns have

shown that financial shocks often leave families emotionally strained, exacerbating both their economic and psychological well-being (Mwangi & Kimani, 2022).

Kiambu Township, a rapidly growing satellite town near Nairobi, provides a relevant setting to explore this issue. Home to many low- and middle-income households engaged in wage labor, small enterprises, and informal trade, Kiambu is highly vulnerable to economic shocks. The high cost of living, job insecurity, and stagnant wages place significant financial strain on families in the area (Xiao & O'Neill, 2018). Financial insecurities, such as unemployment, inflation, and rising medical expenses, expose these urban families to chronic stress, leading to anxiety, depression, and even physical health complications like hypertension and heart disease (O'Neill et al., 2020). These factors underscore the direct impact of financial wellness on mental well-being in Kiambu Township.

Financial literacy has emerged as one of the most significant buffers against financial stress. Households that understand budgeting, saving, and wise spending are more resilient in the face of economic shocks (Lusardi & Mitchell, 2017). Families with higher financial literacy maintain better long-term stability and experience lower levels of anxiety and depression (Shim et al., 2019). On the other hand, poor money management, reliance on credit, and a lack of saving habits increase financial risks and contribute to mental health problems (Xiao & O'Neill, 2018). Similar findings in other contexts have shown that financial education programs enhance household stability and reduce stress (Bruhn et al., 2016).

The relationship between economic burden and mental health often creates a vicious cycle: financial struggles increase mental distress, while mental illness impairs decision-making capacity, leading to further financial instability (O'Neill et al., 2020). This study, therefore, aims to examine

the interaction between financial wellness and mental well-being among urban households in Kiambu Township, contributing to evidence that can inform interventions to improve both economic resilience and psychological health.

1.3 Statement of the Problem

Rising economic pressures, such as high living costs, unstable employment, and inflation, has placed considerable strain on urban families, particularly in areas like Kiambu Township. These economic challenges often lead to financial instability, which in turn negatively impacts mental well-being. Many families experience heightened stress, anxiety, and depression, which can affect their cognitive functioning, decision-making, and overall quality of life. However, the relationship between financial wellness and mental health remains inadequately explored, particularly within the context of urban settings in Kenya.

Although previous studies have acknowledged the association between financial stress and mental health, the majority of research has focused on rural households, students, or specific financial stressors such as debt and income volatility. Such studies have often examined financial instability in isolation without considering the cumulative impact of various financial stressors on the mental health of urban families. Moreover, the existing literature tends to overlook the unique challenges faced by urban families in rapidly urbanizing regions like Kiambu Township, which experiences a distinct set of socioeconomic factors, such as job insecurity, inflation, and a high cost of living.

Furthermore, while financial instability is a well-documented source of psychological strain, few studies have specifically explored how financial wellness—encompassing financial

literacy, debt management, income stability, and savings—impacts mental well-being in the Kenyan urban context. This gap in the literature highlights the need for a comprehensive investigation into how various dimensions of financial wellness influence the mental health of urban families in Kiambu Township, a community that faces unique economic challenges and opportunities. The findings from such a study would contribute valuable insights into the interplay between financial and psychological resilience, guiding policymakers, financial institutions, and community organizations in designing effective interventions to improve both economic and mental well-being in urban settings.

1.4 Purpose of the Study

This study aims to assess the impact of financial wellness on the mental well-being of urban families in Kiambu Township. Specifically, it examines how factors such as debt burden, income stability, financial literacy, budgeting, and coping strategies affect the psychological health of households. By addressing the gap in literature on financial stress and mental health in semi-urban Kenyan settings, the study seeks to provide insights that can inform financial literacy programs and mental health interventions for urban families in Kiambu Township.

1.5 Research Objectives

i. To assess the level of financial wellness among urban families in Kiambu Township.
ii. To identify key financial stressors affecting mental health in urban households.
iii. To establish the state of mental well-being among urban families in Kiambu Township.
iv. To explore coping strategies used by families to manage financial stress.

1.6 Research Questions

i. What is the level of financial wellness among urban families in Kiambu Township?
ii. What are the key financial stressors affecting the mental health of urban households in Kiambu Township?
iii. What is the state of mental well-being among urban families in Kiambu Township?
iv. What coping strategies do families use to manage financial stress?

1.7 Research Hypothesis

Ho1: There is a significant relationship between financial wellness and mental well-being among urban families in Kiambu Township.

1.8 Assumptions of the Study

This study assumed that participants provided honest and accurate responses on their financial wellness and mental well-being, and that these responses reflected their real experiences. It also assumed that a measurable relationship existed between financial wellness and mental well-being, and that this relationship could be effectively assessed using the research instruments applied. The selected sample represented the wider population of urban families in Kiambu Township, making it possible to generalize the findings. Although factors such as education level, employment status, and social support may also have influenced outcomes, it was assumed they did not overshadow the main relationship under investigation.

1.9 Significance of the Study

This study is important because it investigates how financial wellness influences the mental well-being of urban families in Kiambu Township. By examining financial pressures such as debt, unstable income, and low financial literacy, the research generates knowledge on how these factors shape psychological outcomes, including stress, anxiety, and depression. The findings help families understand the link between financial decisions and mental health, while also highlighting coping strategies that promote resilience and healthier financial behaviors.

The study is significant for professionals in the mental health field as it emphasizes the need for integrated interventions that address both financial stress and psychological well-being. Counselors, psychologists, and social workers can use these insights to design programs that combine financial counseling with mental health support. Financial institutions and community savings groups also benefit from the findings to develop products and services that address the unique challenges faced by urban households.

At the policy level, the research provides evidence to guide county and national governments in promoting financial literacy and expanding access to mental health services. This cross-sector perspective underscores the importance of addressing financial and psychological challenges together. Additionally, non-governmental and community-based organizations working in mental health advocacy, poverty alleviation, and financial empowerment can use the results to design programs that enhance household resilience.

Finally, this study adds to the limited body of literature on the link between financial wellness and mental well-being in African urban contexts. It provides valuable insights for future

researchers and students exploring the intersection of economic behavior, urbanization, and psychological health in developing countries.

1.10 Scope and Limitations of the Study

This study focused on the perception of urban households in Kiambu Township, Kenya, regarding their financial wellness and its impact on mental well-being. The geographical scope was limited to Kiambu Township, which is characterized by diverse socioeconomic backgrounds and a rapidly urbanizing population. The conceptual scope covered financial wellness, defined by factors such as money management, income stability, debt burden, financial literacy, and savings, and mental well-being, measured through stress, anxiety, and depression. Methodologically, the study adopted a cross-sectional design, targeting a representative sample of urban households at a specific point in time.

The limitations of the study included its focus on urban families within Kiambu Township, excluding rural households, and its reliance on self-reported data, which may introduce bias. The study did not account for external factors like access to mental health services, employment dynamics, or social support networks, although these factors may influence the findings. Furthermore, the study explored correlations rather than establishing causality, meaning the results are more applicable to understanding patterns in financial wellness and mental well-being rather than proving direct cause-and-effect relationships. These delimitations do not affect the validity of the findings but do limit their generalization to other regions or populations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed existing literature on the impact of financial wellness on mental well-being among urban families. The chapter also presented the study's theoretical framework, drawing from relevant psychological and economic theories that explained the connection between financial conditions and mental health. A conceptual framework was then developed to illustrate the interactions among key variables and guided the study's analysis and interpretation.

2.2 Empirical Literature Review

The literature review was also done in line with the research objectives, such that the direction of the study did not get lost. Every section attempted to synthesize the relevant literature and, simultaneously, highlighted the gaps that the research intended to address.

2.2.1 Level of Financial Wellness Among Urban Families

Empirical studies show that financial wellness is shaped by several factors, including income stability, debt management, savings, and financial literacy (Lusardi & Mitchell, 2020). These factors determine how efficiently households utilize resources and maintain stability. For example, Shim et al. (2019), in a study of U.S. households, found that families with higher financial literacy were more likely to adopt positive financial behaviors such as budgeting, saving for emergencies, and managing debt responsibly. Such behaviors not only reduce financial pressure but also improve long-term decision-making. Similarly, Gerrans and Byrd (2021) observed that

financial literacy plays a crucial role in helping households cope with financial distress and economic shocks (OECD, 2020).

Living in urban contexts often limits financial wellness due to high living costs, unstable incomes, and low financial literacy (Gerrans & Byrd, 2021). Kalil (2020), in a study of South African households, reported that income instability significantly weakened financial wellness, leaving families unable to meet basic needs, repay debt, or plan for the future. Similarly, studies by Kim & Garman (2018) and Mwangi & Kimani (2022), in Kenyan and East African contexts, also found that financial insecurity in urban areas, compounded by high costs of living and limited financial literacy, significantly contributed to stress and anxiety among urban households. These studies demonstrate that financial wellness and mental health are closely connected, particularly in rapidly urbanizing regions.

Other research emphasizes the role of savings and debt management in shaping financial stability. Netemeyer et al. (2018) found that households with low levels of savings were more vulnerable to financial shocks such as medical emergencies or job loss. Moreover, Serido et al. (2019) further showed that reliance on credit cards and informal loans often led to high debt loads, creating cycles of vulnerability and emotional distress. These findings underline that without adequate savings and responsible borrowing, urban households face persistent risks to both their financial and psychological well-being (Richardson et al., 2022). In Kenya, Njoroge (2021) highlighted that reliance on informal lending in Nairobi and other urban centers exacerbated financial vulnerability, leading to poor mental health outcomes such as anxiety and depression.

In Kiambu Township, financial wellness is shaped by unique social and economic conditions that set it apart from other urban settings in Kenya. The township, located on the

outskirts of Nairobi, is home to commuters, small-scale traders, and informal sector workers whose incomes are often irregular and highly sensitive to market fluctuations. The local economy, which relies heavily on retail trade, bodaboda transport services, food vending, and small-scale manufacturing, is significantly affected by economic disruptions such as the COVID-19 pandemic (World Bank, 2021). Rising housing costs and increasing prices of basic goods further strain household budgets, particularly among low- and middle-income earners (Kenya National Bureau of Statistics, 2022). Recent studies in Kiambu Township, such as those by Ngugi & Kimani (2023), show that many households in the area continue to face financial instability, with irregular incomes and rising costs contributing to heightened emotional distress. However, existing studies on financial wellness in Kenya have largely focused on urban centers such as Nairobi, leaving limited empirical evidence on the determinants of financial wellness in Kiambu Township. This study addresses that gap by examining the financial realities of families in Kiambu, identifying the main factors that influence their financial health, and assessing how financial insecurity contributes to emotional and psychological distress.

2.2.2 State of Mental Well-Being among Urban Families

Mental well-being is a complex concept that encompasses emotional, psychological, and social aspects of health, which are interconnected and define the way people think, feel, and act (Keyes, 2021). It is greatly affected by socioeconomic factors such as financial stress, social support systems, and employment stability. In urban contexts, anxiety and depression are often prevalent in families experiencing high levels of financial stress. For example, Richardson et al. (2022) found that households experiencing long-term monetary strain were more likely to suffer from anger, sleep disturbances, and reduced functional ability. Similarly, studies in U.S. urban

populations found that financial strain strongly predicted depression and diminished life satisfaction (Sweet et al., 2013). These findings highlight the importance of financial wellness in shaping mental health outcomes, particularly in urban settings characterized by economic strain.

High rates of psychological problems in sub-Saharan Africa are linked to rapid urbanization, where financial insecurity interacts with limited access to mental health services (World Health Organization, 2021). A study by Kalil (2020) showed that financial instability was a strong predictor of adverse mental health outcomes among low- and middle-income families in urban Kenya. Families with unstable incomes and rising living costs were especially vulnerable to emotional distress, social disruption, and reduced life satisfaction. In Kenya, Mwangi & Kimani (2022) found that financial stress was a major factor contributing to high levels of anxiety and depression in urban households. Gerrans and Byrd (2021) also observed that, beyond deteriorating mental health, financial instability lowered overall standards of living by exposing families to constant stress and feelings of helplessness. This aligns with evidence from South Africa, where Lund et al. (2010) demonstrated that poverty and unemployment were significant drivers of common mental disorders.

Financial stress has a profound psychological impact that extends beyond economic hardship; it affects interpersonal relationships, cognitive processes, and the ability to cope with daily challenges (Netemeyer et al., 2018). A longitudinal study by O'Neill et al. (2020) revealed that financial stress undermined decision-making, leading to maladaptive coping strategies such as avoidance or reliance on informal loans. These behaviors worsened financial problems and created a vicious cycle of economic and emotional strain. In the case of Kiambu Township, the pressures of urban poverty are particularly evident, where high living costs, unstable employment,

and limited access to mental healthcare further compound the psychological vulnerability of families (KNBS, 2020). Without adequate social safety nets, households in such environments are poorly equipped to manage the dual burden of financial and psychological stress.

Although the relationship between financial stress and mental health has received growing attention, there is limited literature on the specific mental health consequences for urban families in Kiambu Township. In Kenya, Ngugi & Kimani (2023) found a gap in research that examines how financial stressors like debt burden, unstable income, and poor financial literacy interact to affect the psychological well-being of urban families. This study addresses that gap by providing insights into the relationship between financial wellness and mental health and offering evidence that could guide interventions aimed at strengthening both economic stability and psychological resilience.

2.2.3 Key Financial Stressors Affecting Mental Health

Financial stressors are widespread and significantly affect mental health outcomes, particularly among urban families. Some of the most common causes of financial strain include debt burdens, volatile incomes, and unpredictable expenses, all of which contribute to increased psychological distress (Mullainathan & Shafir, 2019). For example, Serido et al. (2019) observed that high debt-to-income ratios were linked to stress and anxiety, as households felt stretched beyond their financial limits. The researchers further found that persistent debt left individuals feeling helpless, which contributed to chronic emotional strain. Similarly, Netemeyer et al. (2018) highlighted that loan repayment pressures and credit card debt had strong associations with the severity of depression and anxiety symptoms among low- and middle-income households.

Kenya's rapid urbanization has also created economic pressures through unemployment, inflation, and rising costs of housing and basic commodities, disproportionately affecting low- and middle-income households (Kim & Garman, 2018). A study by Kalil (2020) revealed that unstable incomes due to job insecurity were significant predictors of poor mental health outcomes, as families faced greater stress and reduced resilience. In Kenya, Mwangi & Kimani (2022) found that income instability in urban areas was a major factor driving psychological distress, leading to increased rates of anxiety and depression. Gerrans and Byrd (2021) also emphasized that financial shocks, such as sudden job loss or unexpected medical expenses, left households unable to meet their financial needs, thereby worsening the psychological toll of stress and anxiety. These findings are consistent with those in Kenya, where urban households facing financial instability experience significant emotional strain (Mwangi & Kimani, 2022).

Unexpected costs, such as medical bills or school fees, remain another major source of financial stress that undermines mental health. Lusardi et al. (2011) found that households with little or no emergency savings were most vulnerable to financial shocks, which heightened stress and anxiety. Similarly, Xiao and O'Neill (2018) found that families relying on high-interest credit or informal loans to cover immediate needs often became trapped in cycles of debt and psychological strain. In urban centers such as Kiambu Township, where households face high living costs and minimal disposable income, these pressures are particularly severe. The lack of adequate social safety nets and limited financial literacy further compounds vulnerability, leaving many families ill-prepared to cope with financial and psychological challenges. Recent research by Ngugi & Kimani (2023) highlights that in Kiambu Township, urban families' financial

insecurity has worsened as costs for basic needs such as food, housing, and transport have increased.

Although financial stressors have been documented globally, limited attention has been paid to their specific effects in Kiambu Township. Urban families in this setting face stress arising from rapid urbanization, high living costs, and limited access to financial literacy programs. This gap in the literature underscores the need for localized studies that examine how debt burdens, unstable incomes, and unexpected expenses affect mental health among urban households in Kenya. This study seeks to fill that gap by providing evidence of the interaction between financial stressors and mental well-being, with the aim of informing interventions that strengthen both economic stability and psychological resilience.

2.2.4 Coping Strategies used by Families to Manage Financial Stress

Coping strategies are instrumental in how families manage financial stress while seeking to protect their mental health. According to the conceptual framework, four main coping mechanisms were considered: budgeting, seeking social support, financial education, and adaptation strategies.

Budgeting has consistently been identified as a key coping mechanism. Households that pre-plan their finances by making budgets, prioritizing expenses, and building emergency savings are better able to control their resources and reduce anxiety. Shim et al. (2019) found that families who practiced budgeting reported lower levels of financial stress and improved mental well-being. Budgeting not only helped families prepare for unexpected costs but also provided a sense of control and stability, which supported psychological resilience. In Kenya, Mwangi & Kimani

(2022) emphasized that urban families who engaged in budgeting and savings practices were more likely to withstand economic shocks and experience less financial distress.

Seeking social support is another important coping response for urban families. Kalil (2020) observed that households with strong social networks, such as relatives, friends, and community organizations, experienced less financial stress than those with weaker networks. Social support often provided tangible help, such as financial assistance, as well as emotional encouragement that reduced distress. In Kenya, many urban households participate in informal savings groups or community-based organizations that pool resources to cover emergencies (World Health Organization, 2021). These networks not only cushion families financially but also strengthen social bonds that foster mental well-being. Studies by Njoroge (2021) also showed that social support networks in Nairobi and other urban areas were crucial in helping families manage both financial and emotional stress.

Financial education plays a critical role in improving decision-making and reducing money-related anxiety. Gerrans and Byrd (2021) highlighted that families exposed to financial literacy programs were better prepared to make informed financial choices. This aligns with Lusardi and Mitchell (2014), who showed that financial education enhanced long-term security by improving savings behavior and reducing over-indebtedness. Financial literacy equips households with the knowledge and confidence to manage their finances effectively, which minimizes uncertainty and protects mental health. In Kenya, Gerrans & Ochieng (2023) demonstrated that financial literacy programs in Nairobi led to significant improvements in both financial management and psychological resilience, particularly for low-income households.

Adaptation strategies represent additional coping approaches families employ to manage financial stress. These include finding extra sources of income, reducing non-essential expenditures, or engaging in religious practices such as prayer. Tesfaw and Yitayih (2018) found that strategies like financial management, employment, and religiosity helped reduce financial stress, whereas maladaptive responses such as avoidance, excessive borrowing, or substance use worsened outcomes. In the context of Kiambu Township, adaptation strategies such as income diversification, lifestyle adjustments, and faith-based coping were especially important in managing high living costs and unstable incomes. Research by Ngugi & Kimani (2023) also found that many families in Kiambu relied on informal income-generating activities, alongside community support networks, to navigate economic challenges.

Despite these insights, there is limited research on coping strategies among urban families in Kiambu Township. Families in this region face unique challenges, including high living costs, unstable incomes, and limited access to financial education and support services. This gap highlights the need for context-specific studies that explore how coping mechanisms, particularly budgeting, social support, financial education, and adaptation strategies, shape resilience and mental health. The present research seeks to fill this gap and provide evidence-based recommendations to strengthen both financial stability and psychological well-being.

2.2.5 Impact of Financial Wellness on Mental Well-Being

Research indicates that the relationship between financial and mental well-being is highly significant, demonstrating the immense impact of financial wellness on mental health outcomes (O'Neill et al., 2020). According to Shim et al. (2019), households that were financially well-planned and had higher levels of financial literacy experienced lower levels of anxiety and

depression. The researchers emphasized that households with greater knowledge of long-term financial planning, debt management, and budgeting were more emotionally stable and satisfied. Similarly, Gerrans and Byrd (2021) found that proactive financial behaviors, including reducing unnecessary expenditures and maintaining emergency savings, improved mental health outcomes, enhanced emotional stability, and lowered stress, while also strengthening financial security.

Conversely, financial instability has been associated with low life satisfaction, poor cognitive functioning, and persistent stress (Richardson et al., 2022). Kalil (2020) conducted a longitudinal study that identified a strong link between financial stress and mental health challenges, especially among low- and middle-income households. Quantitative research showed that financially struggling households were more likely to experience emotional fatigue, worry, and despondency. Moreover, Netemeyer et al. (2018) observed that financial pressure often led households to adopt maladaptive coping behaviors such as avoidance or reliance on informal loans, which perpetuated a cycle of psychological strain and financial instability. These findings align with those of Sweet et al. (2013), who reported that high household debt in the United States was strongly correlated with depression and poor self-reported health. These recurring patterns highlight the importance of programs that address financial vulnerability and mental health together.

A descriptive study by Mwambi (2020) investigated the relationship between financial well-being and mood among contract workers under a managed service provider in Nairobi County. Using a purposive sample of 60 employees at Absa Bank, data were collected through questionnaires measuring financial well-being, stress, daily life management, work performance, and happiness. Findings revealed a strong negative relationship between stress levels and financial

well-being ($r = -0.7123$, $p < .005$), and a strong positive relationship between financial well-being and the ability to meet daily demands ($r = 0.6671$, $p < .005$). The analysis showed that financial challenges were a major source of anxiety and depression and that most participants were concerned about their financial future. Overall, the study demonstrated a close correlation between financial well-being and the mental health of contract workers (Kitawa, 2020).

A cross-sectional study conducted by Ndung'u and B19244 evaluated the effect of perceived financial worry on psychological distress among Kenyan radiographers. Surveying 245 respondents, the majority under 30 years old, the study found that 36.7 percent had psychological distress significantly associated with financial worry (AOR = 1.20, $p < .001$). Moderate social support and larger family sizes were associated with lower levels of distress (AOR = 0.39 and 0.11, respectively). These findings highlight the importance of financial-focused measures to improve mental health and resilience among Kenya's radiography workforce. Comparable results were found by Peirce et al. (1994), who showed that financial strain and low social support strongly predicted psychological distress.

Financial instability also undermines interpersonal relationships and family dynamics. Mullainathan and Shafir (2019) noted that lack of financial resources is often associated with reduced social connectedness, more family conflicts, and communication breakdowns. Since financial stress can interfere with emotional well-being and reduce overall living standards, it is especially problematic in low-income urban regions like Kiambu Township, where families face high living costs, unstable incomes, and lack of affordable credit facilities. The situation is worsened by weak social welfare systems and inadequate mental health services, leaving households struggling under both emotional and financial burdens. This finding underscores the

need for more localized interventions that focus on addressing both financial and psychological challenges.

The connection between financial stability and psychological health has been widely documented globally, but there is limited research focusing on Kiambu Township. Urban families in this region face distinct challenges stemming from high living costs, rapid urbanization, and limited access to financial literacy. This knowledge gap in the literature demonstrates the need for context-specific studies to determine how financial well-being affects mental health among these households. Addressing this gap, the present study provides evidence-based recommendations to promote economic stability, enhance mental well-being, and strengthen resilience among urban families in Kiambu Township.

2.3 Theoretical Framework

The research was founded on two theories: The Conservation of Resources (COR) Theory (1989) by Hobfoll and the Family Stress Theory (1983) by McCubbin and Patterson. The concepts provided a comprehensive account of the influence of financial conditions on mental health, especially in urban household settings.

2.3.1 The Conservation of Resources (COR) Theory (Hobfoll, 1989)

The Conservation of Resources (COR) theory, developed by Hobfoll (1989), explained how individuals responded to stress by focusing on their tendency to acquire, retain, and protect valued resources. These resources fell into four categories: condition resources such as employment and social support, energy resources such as time and health, personal resources such as skills and self-efficacy, and object resources such as money and property. Stress arose when

these resources were threatened, lost, or insufficient, and further losses could occur when individuals expended additional resources in attempts to recover what had been depleted.

This theory directly related to the current study because financial wellness was viewed as an object and condition resource, while mental well-being reflected the psychological outcomes of resource preservation or loss. Families in urban settings such as Kiambu Township relied heavily on financial resources to secure housing, healthcare, education, and other necessities. When these resources were lost or threatened, for example through debt burden, unstable income, or sudden expenses, the result was heightened psychological distress (Netemeyer et al., 2018). COR theory therefore helped explain why financial shocks in Kiambu Township, such as job loss or medical crises, were often accompanied by emotional strain, anxiety, and maladaptive coping strategies such as overreliance on informal loans (Xiao & O'Neill, 2018).

The theory also highlighted the role of protective factors in mitigating the negative effects of resource loss. Good financial management practices, such as budgeting, debt control, and emergency savings, served as buffers that conserved resources and reduced psychological strain. Similarly, financial literacy and access to supportive social networks enabled households to protect and replenish resources, thereby enhancing resilience. For this study, COR theory provided the foundation for understanding how resource depletion caused by financial stressors directly undermined mental health, and how protective financial behaviors promoted both economic and psychological stability.

By applying COR theory, this research not only examined the mechanisms through which financial wellness affected mental well-being but also generated insights on interventions that strengthened household resilience. The findings contributed to strategies aimed at reducing

financial vulnerability and promoting sustainable psychological health among urban families in Kiambu Township.

2.3.2 Family Stress Theory (McCubbin & Patterson, 1983)

The Family Stress Theory, created by McCubbin and Patterson in 1983, gave a comprehensive conceptualization of how stress developed within the family and its impact on family welfare and functioning. The theory explained that stress was an outcome of external demands, such as financial pressures, or internal processes, such as family communication patterns and coping strategies. These stressors could disrupt family stability, strain relationships, and harm well-being. The theory emphasized that coping mechanisms had the ability to minimize the adverse effects of stress and foster resilience within the family system through adequate communication, resource management, and problem solving (McCubbin & Patterson, 1983).

When referring to financial wellness and mental well-being, Family Stress Theory provided useful insights into the way financial stressors affected family and psychological health. Financial pressures, including debt burdens, financial instability, and unexpected costs, often undermined household functioning. These stressors were particularly evident among urban families in Kiambu Township, where economic difficulties were acute due to high living costs and uneven income sources (Gerrans & Byrd, 2021). For example, financial strain increased tensions among family members, reduced the quality of communication, and weakened social cohesion, all of which contributed to psychological distress (Netemeyer et al., 2018).

The theory also underscored the importance of coping mechanisms in reducing the impact of financial stress on family life. Good communication allowed family members to share concerns, distribute responsibilities, and adjust financially in times of difficulty. Similarly, resource

management practices such as budgeting, emergency savings, and prioritizing essential needs reduced financial burdens and supported psychological resilience (Xiao & O'Neill, 2018). Conversely, negative coping strategies such as avoidance or reliance on informal loans worsened financial problems and created additional family conflict.

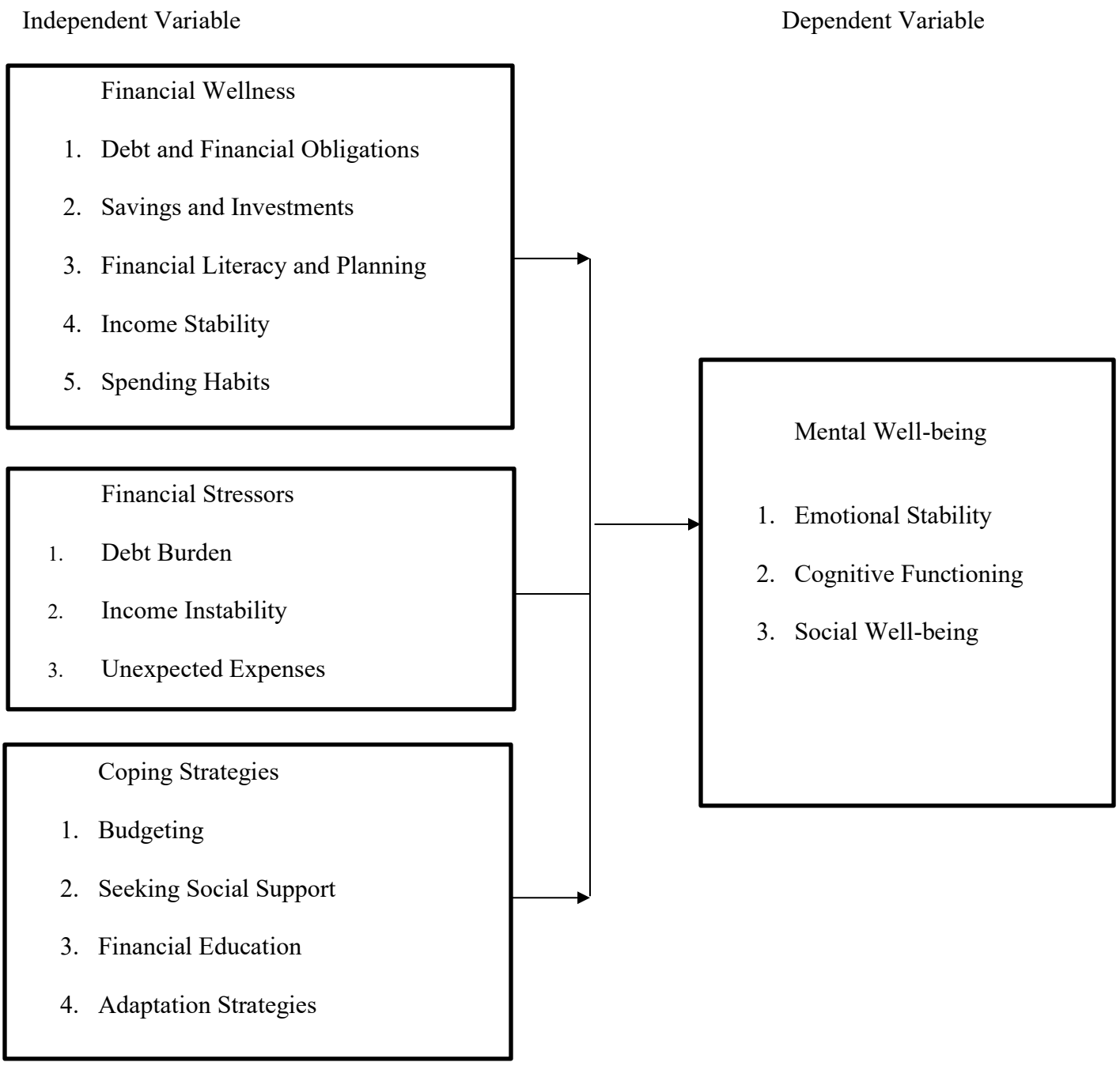
The Family Stress Theory was especially relevant to this study because urban families in Kiambu Township faced unique socioeconomic pressures. High living costs, rapid urbanization, and limited financial education exposed families to continuous financial stressors that directly affected both their financial wellness and mental health. This study applied the theory to examine how financial burdens interact with family coping strategies to influence well-being. By doing so, it generated evidence that supported interventions aimed at strengthening family resilience, reducing financial strain, and promoting healthier and stronger family units in urban environments.

2.4. Conceptual Framework

The conceptual framework illustrated the relationship between financial wellness and mental well-being among urban families in Kiambu Township. It showed how financial factors such as income stability, debt management, savings, and financial literacy interacted to influence psychological outcomes like stress, anxiety, and overall life satisfaction. The framework also highlighted the role of coping strategies and family dynamics in shaping this relationship, providing a visual guide to how the study variables were connected.

Figure 2. 1

Conceptual Framework



(Source: Researcher's framework, 2025)

The conceptual framework illustrated how financial wellness affected the mental well-being of urban families in Kiambu Township. It demonstrated that financial wellness, measured through income stability, debt management, savings, expenditure control, and financial literacy, and directly influenced psychological outcomes such as emotional stability, cognitive functioning, and social well-being. Financial stressors, including unstable income, debt burdens, and unexpected expenses, acted as mediating factors that intensified psychological strain. Coping strategies such as budgeting, financial education, and seeking social support were highlighted as protective mechanisms that helped families manage financial stress, maintain resilience, and promote better mental health outcomes. By linking these variables, the framework underscored the interaction between financial conditions, coping responses, and mental well-being, providing a basis for understanding how financial stability contributed to healthier and stronger family units in urban settings.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlined the methods and procedures used to achieve the objectives of the study. It presented the research design, target population, sampling procedures, data collection methods, validity and reliability measures, and techniques of data analysis. These approaches were intended to ensure the collection of accurate and reliable data for examining the influence of financial wellness on the mental well-being of urban families in Kiambu Township.

3.2 Research Design

This study adopted a descriptive cross-sectional design to examine the relationship between financial wellness and mental well-being among families in Kiambu Township. The design was appropriate because it allowed the researcher to collect data from a large number of households at a single point in time, identify patterns of financial stress, and analyze how these patterns related to mental health outcomes. According to Creswell (2018), a cross-sectional design is particularly useful in capturing data at one point in time, which makes it ideal for exploring relationships between variables in a specific population. It was also cost-effective and suitable for assessing multiple variables without the need for long-term follow-up, making it well aligned with the objectives of this study.

However, a key limitation of the descriptive cross-sectional design is its inability to establish causality between variables. While the design can identify associations between financial wellness and mental well-being, it cannot determine the direction or cause-and-effect nature of

this relationship. Consequently, the findings should be interpreted as indicative of correlations rather than definitive causal links, which is an important consideration given the study's focus on the influence of financial wellness on psychological outcomes.

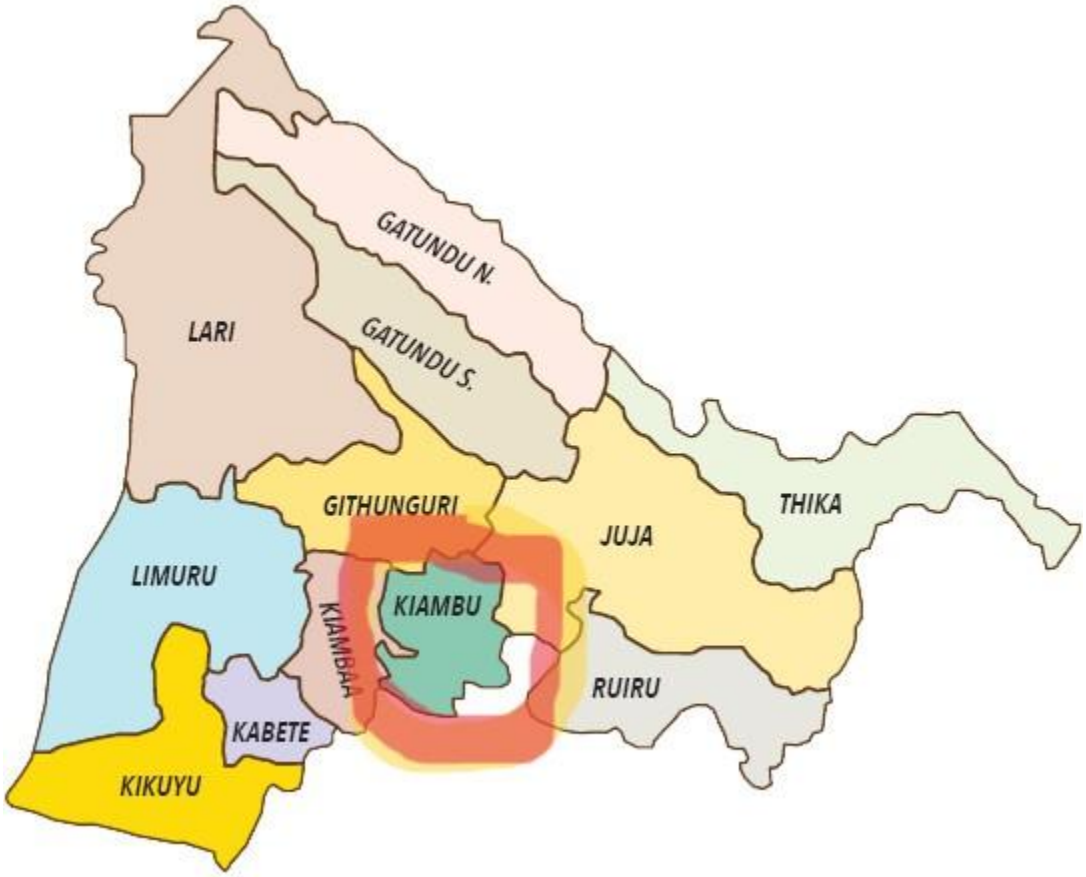
3.3. Study Location

The research was conducted in Kiambu Township, located in Kiambu County, Kenya. Kiambu County is a fast-growing urbanized area next to Nairobi, which comprises diverse socioeconomic activities and an increasing urban population. In particular, the study was based in Kiambu Township Ward within Kiambu Sub-County. Kiambu Township was selected because it features a unique combination of urban residents with varying levels of financial and mental distress, providing an ideal setting to study the interaction between financial well-being and mental well-being. Additionally, data collection and interactions with families in an urban setting were facilitated by the accessibility and availability of the local community structures.

To ensure that this socioeconomic diversity was adequately represented, the sampling process was designed to include participants from various income levels, residential zones, and occupational groups within the township. This approach helped capture a comprehensive view of financial and psychological experiences across different socioeconomic strata, enhancing the generalizability of the study findings. This socioeconomic diversity provided an ideal context to investigate the intersection between financial wellness and mental well-being.

Figure 3. 1:

Geographical Representation on Kiambu Township



Source: Kiambu County Government Official Website

3.4 Study Population

A study's target population consists of all the individuals, households, or units that are relevant to the study's goal (Yin, 2017). In this study, the target population comprised urban households residing in Kiambu Township within Kiambu Sub-County, Kenya. The main respondents were the heads of households or adult representatives, as they are directly involved in financial decision-making and can provide reliable information on both financial wellness and

family mental health. Therefore, the unit of analysis in this study was the household population, as the primary aim was to quantify the relationship between urban households' financial well-being and mental health.

According to the 2019 Kenya Population and Housing Census, the Kenya National Bureau of Statistics (KNBS) projected that Kiambu Township had 18,454 households (KNBS, 2019). These households were primarily located in several Kiambu Sub-County administrative wards, including Township, Ndumberi, Riabai, and Ting'ang'a. The levels of income, financial literacy, exposure to debt, and access to mental health assistance varied across these wards, reflecting the socioeconomic diversity typical of Kiambu Township.

The research specifically focused on the head of the household, or an adult family member (aged 18 or above), who influenced financial decisions within the family. These individuals were deemed the most reliable sources of information regarding the financial and mental well-being of their family. According to the 2019 Kenya Population and Housing Census, Kiambu Township had a total of 18,454 households, distributed across four wards: Township, Ndumberi, Riabai, and Ting'ang'a (KNBS, 2019). The ward-level household numbers were obtained from the census data, and their percentages were calculated using the following formula:

Percentage of households in a ward = (Households in the ward ÷ Total households in Kiambu Township) × 100.

This proportional distribution ensured that the sample drawn for the study reflected the actual household distribution within the township. Table 3.1 presents the estimated household distribution by ward, which formed the basis for allocating the study sample across the four wards:

Table 3. 1

Estimated Household Distribution by Ward in Kiambu Township

Ward Name	Estimated Household Population	Percentage of Total (%)
Township	6,200	33.6%
Ndumberi	4,950	26.8%
Riabai	3,800	20.6%
Ting'ang'a	3,504	19.0%
Total	18,454	100%

Note. Kiambu Township Estimated Household population

3.5 Sampling Procedure

The study used proportionate stratified random sampling to ensure fair representation of households across the four wards of Kiambu Township (Township, Ndumberi, Riabai, and Ting'ang'a). The total number of households in each ward, as reported by the 2019 Kenya Population and Housing Census, was used to determine the proportion of the sample allocated to each ward. This approach ensured that the sample was representative of the township's population in terms of the distribution across different wards.

Within each ward, households were randomly selected, and the head of the household or an adult family member (aged 18 years and above) was identified as the respondent. This procedure ensured that the sample reflected the actual distribution of households in the township while

maintaining randomness in selection. To select households within each ward, a systematic sampling approach was used. Every nth household was chosen from an updated household listing obtained from local administrative records. The sampling interval (n) was calculated by dividing the total number of households in each ward by the required sample size for that ward. The starting point for selection in each ward was determined randomly to avoid selection bias, ensuring that the sampling process was both systematic and random. This method guaranteed that all households had an equal chance of being included in the sample, thereby enhancing the representativeness and reliability of the sample.

3.5.1. Sample Size

The study used the Yamane formula to calculate the appropriate sample size, based on a household population size of 18,454. The formula, originally proposed in 1967, is still widely used for finite populations and has been recognized in recent research for its simplicity and reliability in providing a sample size with a known margin of error (Singh & Masuku, 2018). A 5% margin of error was chosen for this study, which is commonly accepted in social science research involving large populations. This margin of error ensures a reasonable level of precision for the results, balancing reliability and practicality for the sample size.

The final sample size was calculated to be [insert number] households. This sample size provided sufficient representation for the data collection and analysis, ensuring that the findings would be generalizable to the broader population of Kiambu Township.

Sample size (n)=N/{(1+N) $(e)^2$

Where:

N is the total population

(n) is the Sample size

(*e*) is the margin of error

$(n)=N/\{(1+N)\ (e)^2$

$n = 18454/\ \{1 + 18454\ (0.05)^2$

$n = 18454/\ \{1+ 18454 * 0.0025\}$

$n = 18454/\ (1 + 46.135)$

$n = 18454/\ 47.145$

$n = 392$

Therefore, the required sample size was approximately 392 households.

To ensure proportional representation across the four main wards in Kiambu Township, the sample was allocated based on each ward's percentage contribution to the total household population:

Table 3. 2

Sample size of population

Ward Name	Estimated Household Population	Sample Size
Township	6,200	132
Ndumberi	4,950	105
Riabai	3,800	81
Ting'ang'a	3,504	74
Total	18,454	392

Note. Kiambu Township calculated sample size

3.5.2. Sampling Techniques

The study applied stratified random sampling, where the four wards of Kiambu Township (Township, Ndumberi, Riabai, and Ting'ang'a) served as the strata. The number of respondents selected from each ward was proportional to the total number of households in that ward, based on the 2019 census data. The sampling procedure involved determining the quota for each ward based on household distribution, and then randomly selecting households to participate. Within each selected household, the head of the household or an adult member (aged 18 years and above) was identified as the respondent. The sampling technique used was stratified random sampling, a method that ensures a fair representation from each ward while minimizing the potential for bias. This approach ensures that households from each ward were included in the sample in proportion

to their numbers, allowing for a diverse and accurate representation of the population. This approach ensured that the final sample was proportionate and representative of the Kiambu Township household structure.

3.6. Data Collection Procedure

Data collection for this study was conducted systematically among a selected sample of urban families in Kiambu Township. After obtaining the necessary approvals, including research clearance from the KCA University Graduate School and the National Commission for Science, Technology and Innovation (NACOSTI), the researcher coordinated with local authorities to ensure smooth field operations. Research assistants visited sampled households across the four wards to explain the study's objectives and invite eligible participants. Participation was voluntary, and informed consent was obtained from each respondent before any data was collected. Anonymity and confidentiality were ensured by not collecting personally identifiable information, and all responses were securely stored for academic use only. A drop-and-pick-later method was employed to improve response rates. Questionnaires were delivered to the selected households, and participants were allowed sufficient time to complete them before they were collected on an agreed-upon date.

3.6.1 Data Collection Techniques

Data were collected using a structured survey questionnaire administered to household representatives in Kiambu Township. This approach allowed for standardized responses on both financial wellness and mental well-being, facilitating statistical analysis. The method was also cost-effective and time-efficient, enabling the collection of data from a large number of households in a short period.

The questionnaire included items adapted from well-known and validated tools. Questions on financial wellness were drawn from the Personal Financial Wellness Scale (Prawitz et al., 2006) and other recent studies conducted in Kenya, such as Sitai et al. (2025). Items on mental well-being were adapted from the WHO-5 Well-Being Index, a tool that has been validated in Kenya. Where local validation was not available, the items were reviewed by experts and pre-tested on a small group to ensure clarity and relevance to the local context. A limitation of this method is that, although the tools are reliable, the cross-sectional nature of the questionnaire design means that the study can show relationships but not establish cause-and-effect. This is an important consideration, as the study aims to explore how financial wellness influences mental well-being.

3.6.2 Data Collection Tools

For this study, the researcher used a specially designed questionnaire to collect information. The main sections of the questionnaire were aligned with what the study aimed to achieve and its conceptual foundation. The survey included parts for demographic information, questions about personal finances such as budgeting and debt, income continuity, financial literacy, and aspects related to feelings such as stress and anxiety. Furthermore, the questionnaire contained items aimed at discovering the tactics households used to manage their money problems.

The primary type of questions used was close-ended ones, such as Likert-scale items, so the data could be easily counted and analyzed statistically. The use of a structured questionnaire ensured standardization of responses, which improved reliability and comparability of results. In some cases, a few open-ended questions were asked to help respondents expand on specific matters or offer additional insights that the survey might have missed. The questionnaire was tested during

the pilot study to confirm its clarity, relevance, and suitability for the intended population before it was used for the main data collection.

3.6.3. Ethical Considerations

Adhering to ethical standards in research involving human participants was essential to ensure the protection of respondents' rights, promote voluntary participation, and maintain the integrity of the research process. The researcher first obtained ethical clearance from the KCA University Scientific and Ethical Research Committee, followed by approval to collect data from the KCA University Graduate School. A research license was also obtained from the National Commission for Science, Technology and Innovation (NACOSTI). Further approval was sought from Kiambu Township's local authorities to ensure smooth access and collaboration.

The questionnaire included selected items adapted from recognized and validated tools. Questions on financial wellness were drawn from the Personal Financial Wellness Scale (Prawitz et al., 2006) and recent Kenyan studies that examined household financial behavior. Questions related to mental well-being were based on the WHO-5 Well-Being Index, which has been tested and applied in Kenya. Where full local validation was not available, the items were reviewed by experts to ensure they were clear and suitable for the study population.

Prior to the administration of the surveys, respondents were informed of the study's aim, their right to participate voluntarily, and the confidentiality of the information they provided. Participants were asked to provide written informed consent and were informed that they could withdraw at any time without penalty. The questionnaires were administered with dignity and without coercion, and participants were given ample time to respond privately and at their convenience. All the data obtained were stored securely and used solely for academic purposes,

with no personal identifiers collected. These measures ensured the protection of participants' dignity, transparency, and the integrity of the research process.

3.7 Validity and Reliability of the Research Instruments

The validity and reliability of the research instrument played a critical role in determining the credibility and trustworthiness of the study results. This section outlines the procedures that were undertaken to test and enhance the accuracy and consistency of the questionnaire used in the study.

3.7.1 Pilot Study

A pilot study was conducted in advance to test the effectiveness of the questionnaire and to determine the clarity of the questions. The pilot took place in Ruiru Sub-County, an urban area near Kiambu County that shares similar socioeconomic characteristics with Kiambu Township. This location was chosen to avoid contaminating the main sample while still providing meaningful insights. Approximately 40 respondents, representing about 10% of the total sample size, were selected for the pilot study. The feedback obtained helped identify any unclear or ambiguous items, assessed the time required to complete the questionnaire, and evaluated respondents' understanding of the questions. Based on the results, the research instrument was refined and adjusted to enhance its clarity, reliability, and effectiveness before the main data collection commenced.

To assess the internal consistency and reliability of the research instrument, Cronbach's Alpha (α) was used. A coefficient value of 0.70 or higher is generally considered acceptable for

social science research (Tavakol & Dennick, 2011). The results from the pilot study are presented in Table 3.1.

Table 3. 1

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.832	.816	34

Note. Source: Field data (2025)

The Cronbach's Alpha value of 0.832 indicates a high level of internal consistency across the 34 items in the questionnaire. This suggests that the items measuring Financial Wellness and Mental Well-being were reliable and measured the intended constructs consistently. Consequently, the instrument was considered dependable for use in the main study.

3.7.2. Validity of the Research Instruments

A research instrument is considered valid if it accurately measures what it is intended to measure. To ensure content validity, the questionnaire was reviewed by experts and academic supervisors from KCA University. Their professional input was used to determine whether the items adequately captured the key dimensions of financial wellness, mental well-being, and coping strategies. The instrument was also aligned with the study objectives and conceptual framework to further strengthen its validity. In addition, feedback obtained from the pilot study informed

necessary revisions to improve the clarity, relevance, and comprehensibility of the questionnaire, ensuring that it effectively measured the intended constructs.

3.7.3. Reliability of the Research Instrument

Reliability involved the uniformity and steadiness of the responses to the research tool. Cronbach's Alpha coefficient of internal reliability was used during the pilot study to test the internal consistency of the questionnaire, in the sense that it measured the degree to which a collection of items was interrelated as a group. The Cronbach's Alpha was pegged at 0.7 and above in determining the reliability of the instrument. In cases where the level of reliability was lower than the recommended value, the corresponding items were corrected or discarded with the aim of enhancing the consistency of the tool. This process ensured that the instrument used in the main study was reliable and statistically sound.

3.8. Data Analysis Techniques

Once the data had been collected, the questionnaires were checked to determine their completeness and accuracy, after which subsequent entry took place. The coded data were then input into the Statistical Package for the Social Sciences (SPSS) Version 25 software to analyze the data. The data were analyzed using both descriptive and inferential statistical measures in accordance with the research objectives.

The summary statistics, including frequencies, percentages, means, and standard deviations, were used to present the demographic characteristics of respondents and to summarize the general relationship between financial wellness, coping mechanisms, and mental well-being among urban households in Kiambu Township. These figures provided a basic impression of the distribution of responses and offered an opportunity to compare various subgroups.

The use of inferential statistics such as correlation analysis and regression analysis was employed to analyze the relationships among variables and to test the research hypotheses. The following hypotheses guided the statistical analysis of this study:

- Null Hypothesis (H_0): There is no significant relationship between financial wellness and mental well-being among urban families in Kiambu Township.

To test these hypotheses, Pearson's Product-Moment Correlation Coefficient was used to determine the strength and direction of the relationship between financial wellness and mental well-being. The formula was expressed as:

$$r = (\text{covariance of X and Y}) \div (\text{standard deviation of X} \times \text{standard deviation of Y})$$

In simple terms, this formula showed how two variables (for example, financial wellness and mental well-being) moved together. A positive value of r meant that when one increased, the other also increased, while a negative value meant that when one went up, the other went down.

Additionally, linear regression analysis was employed to assess the predictive value of specific financial wellness indicators, such as budgeting practices, debt burden, income stability, and savings, on mental health outcomes, including stress, anxiety, and emotional resilience. The level of significance for all statistical tests was set at $p < 0.05$. The findings were presented using tables and charts to enhance clarity and interpretation. This analytical approach allowed the researcher to draw valid conclusions, test the stated hypotheses, and provide evidence-based recommendations based on the observed patterns and relationships in the data.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

The chapter is an analysis, interpretation, and discussion of the study results in line with the information gathered on urban families in the Kiambu Township. The objectives of the study guided the analysis, which was based on descriptive and inferential statistics. The demographic data of the respondents and the primary research variables were summarized using descriptive statistics and the correlational and regression analysis, through which the correlation among financial wellness, financial stressors, the strategies used to cope with them, and mental well-being was made. The results have been displayed in tables and explanations to enable understanding and interpretation.

4.2 Demographics Findings of the Respondents

This section gives the demographic attributes of the respondents who volunteered to take part in the study. Demographic data are background information that is important in comprehending the structure of respondents and also in interpreting the study findings in the relevant social and economic context. The demographic variables under analysis are gender, age, marital status, education level, household income, and household size. Frequency and percentage distributions were used to summarize the data and explain the characteristics.

4.2.1 Response Rate

A total of 392 respondents who were sampled in the study were households located in the Kiambu Township.

Table 4. 1

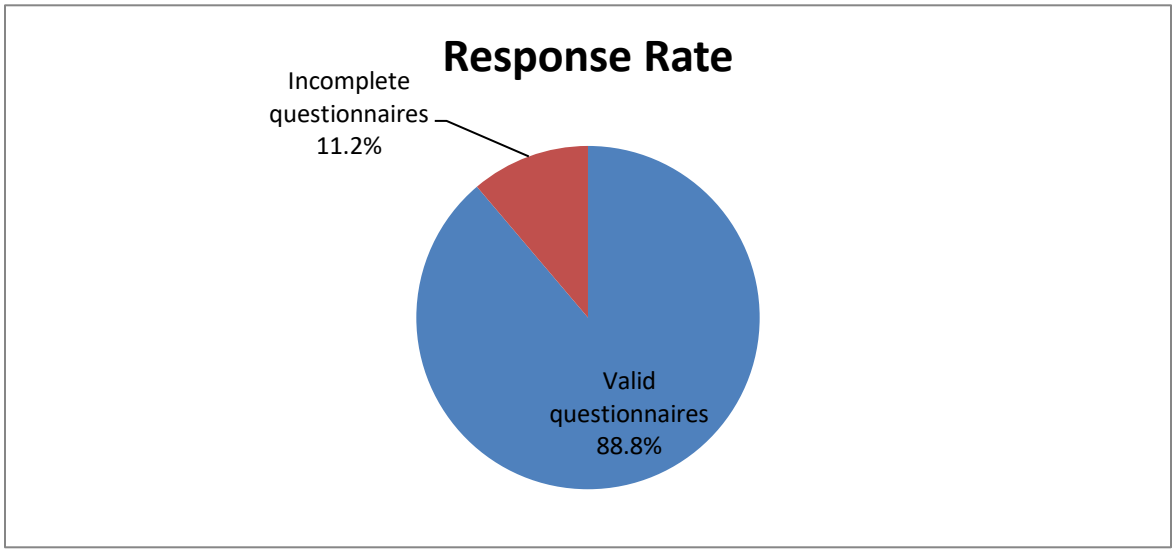
Response Rate

Response Category	Frequency	Percentage (%)
Returned and valid questionnaires	348	88.8
Non-responses / Incomplete questionnaires	44	11.2
Total	392	100.0

Note. Source: Field data (2025)

Figure 4. 1

Response Rate



Note. Source: Field data (2025)

Of these, 348 questionnaires were correctly filled out and sent back, resulting in a high response rate of 88.8%. The non-returned questionnaires, 11.2% out of the 392 questionnaires, were either not submitted or had not been filled out entirely, hence were not included in the

analysis. Mugenda and Mugenda (2003) say that a response rate of over 70 per cent is excellent when it comes to analysis and reporting, meaning that the information gathered was sufficient and valid for the research study.

4.2.2 Gender of Respondents

According to the findings in Table 4.2, most of the respondents were males (60.6%), and the female respondents made up 39.4% of the overall sample. The gender discrepancy in the sample is likely due to the selection of the head of the household as the primary respondent, a role traditionally more often held by men in many households.

Table 4. 2

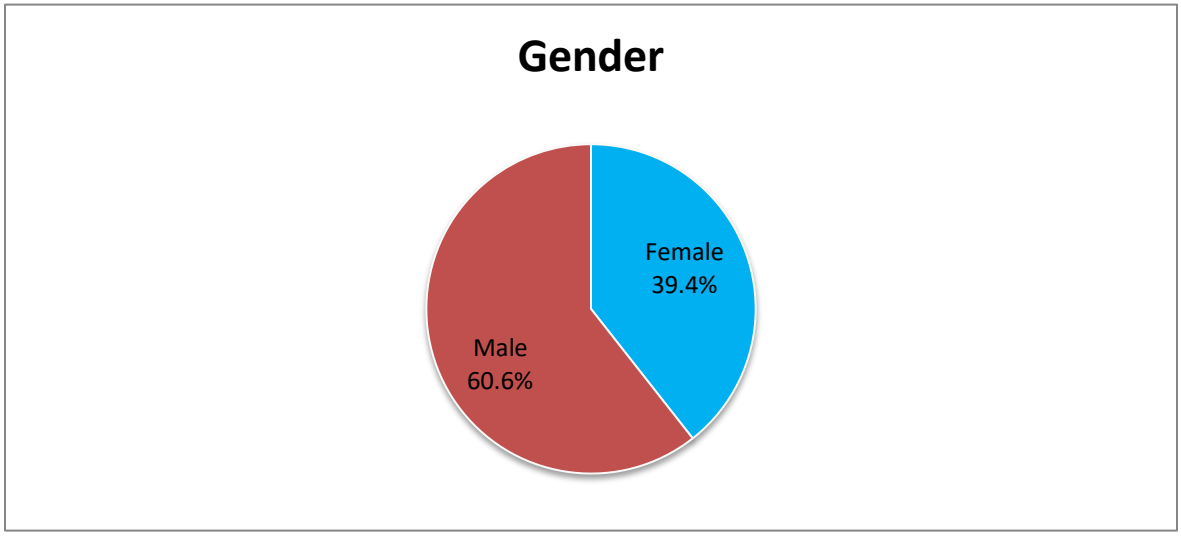
Gender of Respondents

Gender	Frequency	Percent
Female	137	39.4
Male	211	60.6
Total	348	100

Note. Source: Field data (2025)

Figure 4. 2

Gender of Respondents



Note. Source: Field data (2025)

This implies that the decision on financial matters by most households among the sampled urban families in Kiambu Town could be made or influenced by men. Nevertheless, the role of women was also significant, which implies that both genders are actively involved in the management of family financial and mental health-related challenges.

This gender distribution is significant to the study because it highlights how financial decision-making and coping mechanisms may differ between men and women, influencing household financial wellness and psychological outcomes. The predominance of male respondents suggests that men often bear the main financial responsibility, which may expose them to higher financial stress, while the notable participation of women reflects their increasing contribution to both financial and emotional stability at the family level. This aligns with the Family Stress Theory, which emphasizes shared responsibility and adaptive coping as essential in managing

stress and maintaining family well-being. Hence, understanding gender dynamics is crucial for designing inclusive financial literacy and mental health interventions in urban areas such as Kiambu Township.

4.2.3 Marital Status

The results in Table 4.3 indicate that the majority of respondents were married (80.2%), followed by single respondents (16.7%). A small proportion was divorced or separated (2.3%), while widowed respondents accounted for only 0.9%.

Table 4. 3

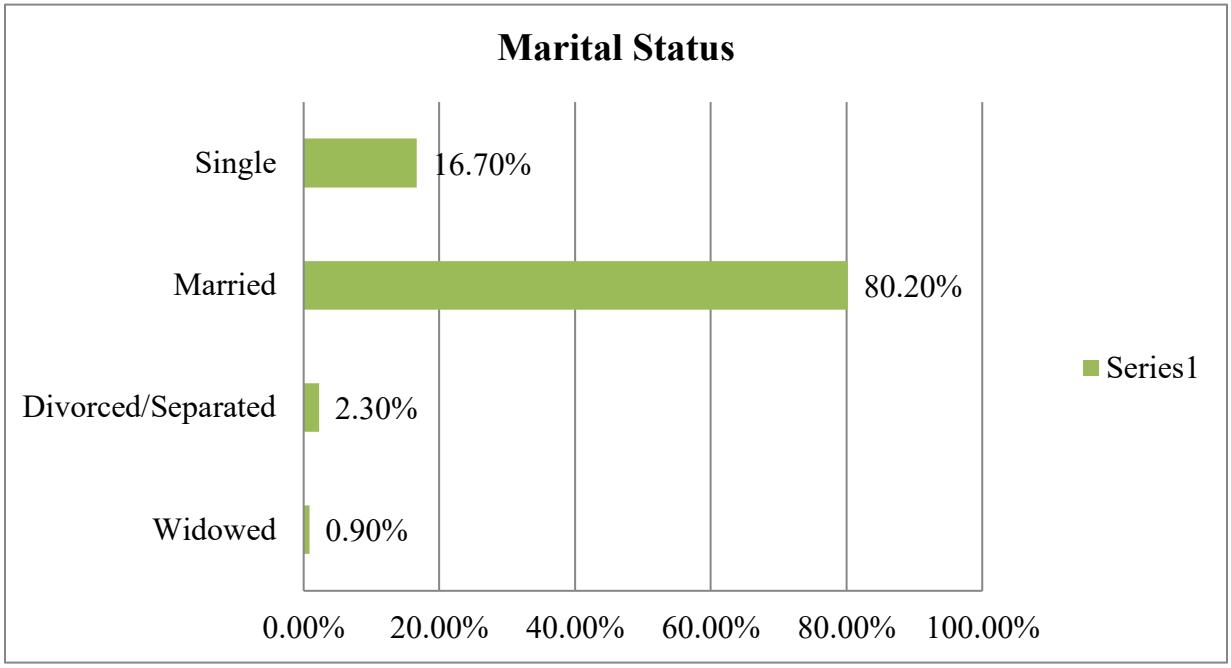
Marital Status of Respondents

Marital Status	Frequency	Percent
Single	58	16.7
Married	279	80.2
Divorced/Separated	8	2.3
Widowed	3	0.9
Total	348	100

Note. Source: Field data (2025)

Figure 4. 3

Marital Status of Respondents



Note. Source: Field data (2025)

This implies that most of the sampled households are family-based, where financial responsibilities and stressors are likely shared between partners. The high proportion of married respondents also suggests that the study adequately captured perspectives from family settings, which are crucial in assessing how financial wellness affects overall mental well-being among urban families in Kiambu Township.

This finding is important because marital status directly influences financial management and emotional resilience within households. Married individuals often experience shared financial responsibilities, which may reduce individual stress but also introduce collective pressures that test family coping mechanisms. According to the Family Stress Theory, effective communication and

cooperative problem-solving among married partners can buffer the effects of financial strain, promoting better mental well-being. Conversely, single or separated individuals may face higher economic and emotional burdens due to lack of shared support. Therefore, the dominance of married respondents provides valuable insights into how family structure shapes financial wellness and psychological health in urban settings such as Kiambu Township.

4.2.4 Age Group of Respondents

Understanding the age composition of respondents is important because it influences financial stability, decision-making, and coping capacity, which are central to this study on financial wellness and mental well-being.

Table 4. 4

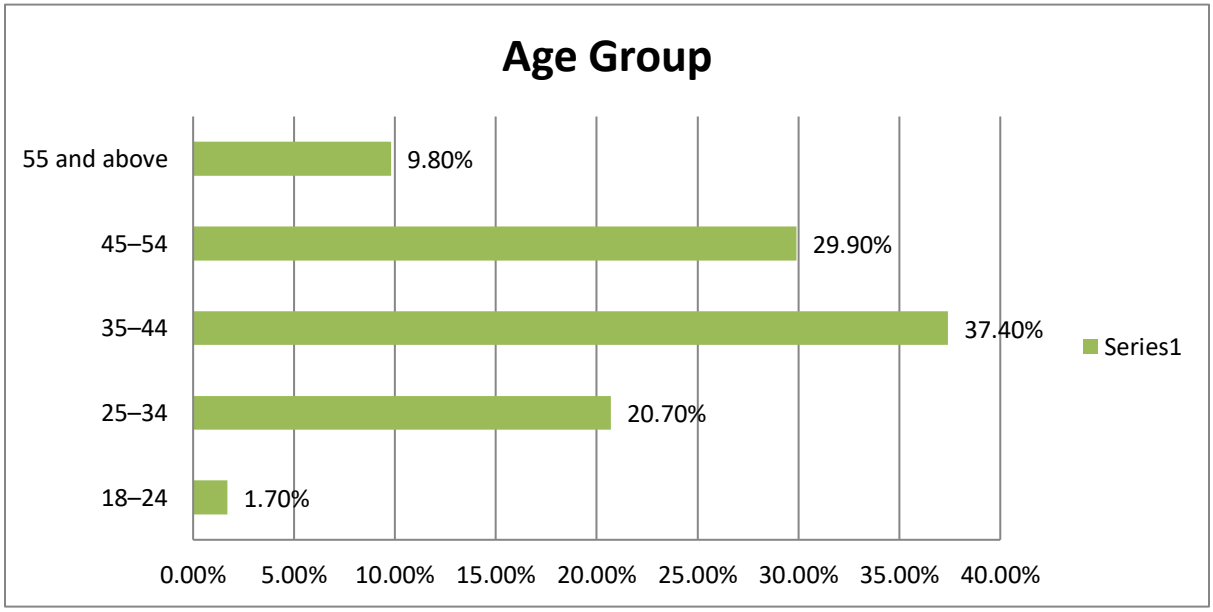
Age Group of Respondents

Age group	Frequency	Percent
18–24	6	1.7
25–34	72	20.8
35–44	130	37.6
45–54	104	30.1
55 and above	34	9.8
Total	346	100

Note. Source: Field data (2025)

Figure 4. 4

Age Group of Respondents



Note. Source: Field data (2025)

In Table 4.4, it is observed that most of the respondents (37.6% of the total respondents) are between 35 and 44 years, then 30.1% between 45 and 54 years, and 20.8% between 25 and 34 years. The respondents aged 55 years and above were 9.8% and respondents aged 18-24 years were totaling 1.7 percent of the sample. This implies that the majority of the respondents were middle-aged adults who would probably have developed households and regular financial commitments.

This age group is considered the most economically active, often juggling multiple financial responsibilities such as education, healthcare, and housing costs. These commitments make them more exposed to financial pressures that can directly influence mental well-being. The age bracket is considered to be more active in economic and family matters, and so this age group

is ideal in investigating the connection between financial and mental health in an urban area such as Kiambu Township. Therefore, their predominance in the sample strengthens the study by providing insights from individuals most affected by the intersection between financial wellness and psychological stability, aligning directly with the study's objectives.

4.2.5 Highest Education Level Completed

Education level is a critical demographic factor that influences an individual's financial literacy, decision-making ability, and awareness of mental health issues. It provides insight into how knowledge and skills shape financial behavior and psychological resilience, which are central to this study.

Table 4. 5

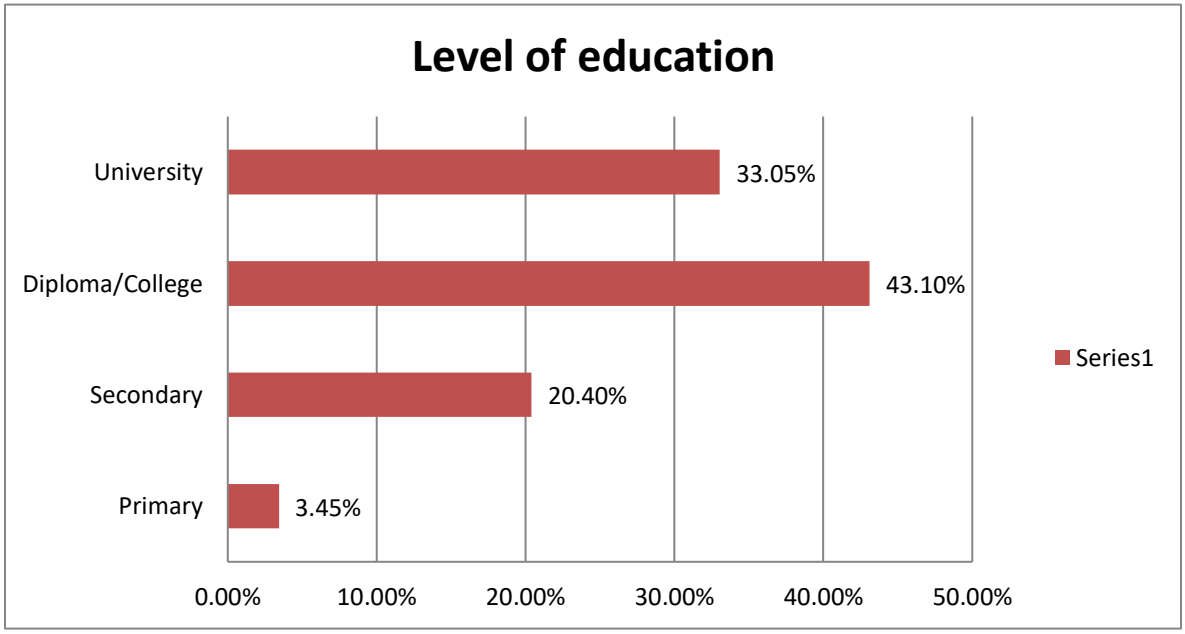
Highest Education Level Completed

Level of Education	Frequency	Percent
Primary	12	3.45
Secondary	71	20.40
Diploma/College	150	43.10
University	115	33.05
Total	348	100

Note. Source: Field data (2025)

Figure 4. 5

Highest Education Level Completed



Note. Source: Field data (2025)

According to the findings, most of the respondents had a higher education. Table 4.5 demonstrates that 43.10% of the respondents had attended a college or diploma level education, with 33.05% having a university degree. The proportion of secondary education was 20.40%, with only 3.45% of primary education. This distribution indicates that the majority of the participants were well-educated, which might have contributed positively to their knowledge of the financial management practices and their consideration of informed decisions about their finances at home. Higher education levels often enhance financial literacy, enabling individuals to plan, budget, and manage debt more effectively, are factors that are vital for maintaining both financial wellness and mental stability. The comparative education level would also mean that people were more familiar with the concepts of financial wellness and how this could affect mental health. This finding is

significant to the study because it implies that the respondents possessed the cognitive and analytical capacity to understand the relationship between financial stressors and psychological outcomes, thereby strengthening the credibility and reliability of the data collected.

4.2.6 Estimated Monthly Household Income (KES)

Household income is a key economic indicator that directly influences financial wellness and psychological well-being. It determines the ability of families to meet their daily needs, manage debt, and save for emergencies, all of which are critical variables in this study.

Table 4. 6

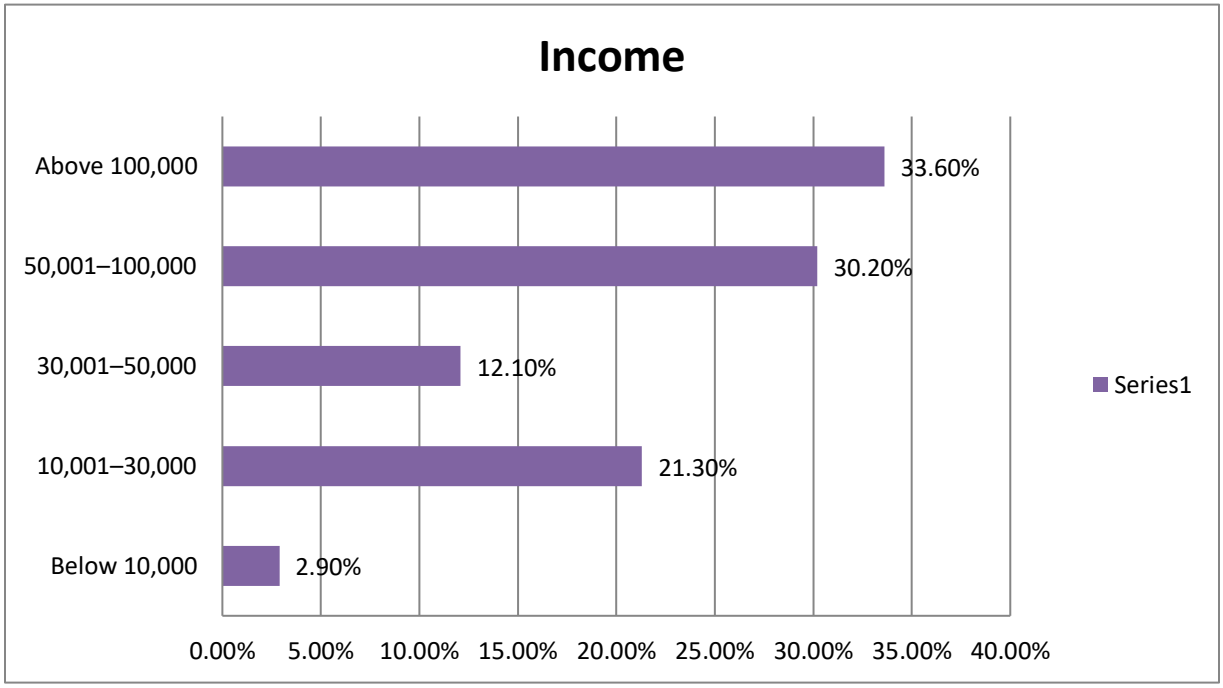
Estimated Monthly Household Income (KES)

Estimated monthly household income (KES)	Frequency	Percent
Below 10,000	10	2.9
10,001–30,000	74	21.3
30,001–50,000	42	12.1
50,001–100,000	105	30.2
Above 100,000	117	33.6
Total	348	100

Note. Source: Field data (2025)

Figure 4. 6

Monthly Household Income (KES)



Note. Source: Field data (2025)

The household income results reported in Table 4.6 reveal that a significant percentage of respondents (33.6%) stated that they earned more than KES 100,000 per month, while 30.2% said that they had a monthly income of between KES 50,001–100,000. Approximately 21.3 per cent earn between KES 10,001-30,000 and 12.1 per cent between KES 30,001-50,000. Only 2.9% of the respondents indicated that they earned less than KES 10,000 a month. The findings indicate that the majority of the households surveyed are in the middle- to high-income brackets, which could affect their financial stability and financial stress. Increased levels of income are usually attributed to increased financial wellness, but in an urban area such as Kiambu Township, even

relatively well-paid families might face financial stress because of the high cost of living and economic insecurity.

4.2.7 Household Size

Household size is a crucial demographic factor influencing both financial wellness and mental well-being. Larger families often face higher financial demands, while smaller ones may experience more stability and flexibility in resource allocation. Examining household composition therefore helps to contextualize how family structure affects financial stress and psychological outcomes in this study.

Table 4. 7

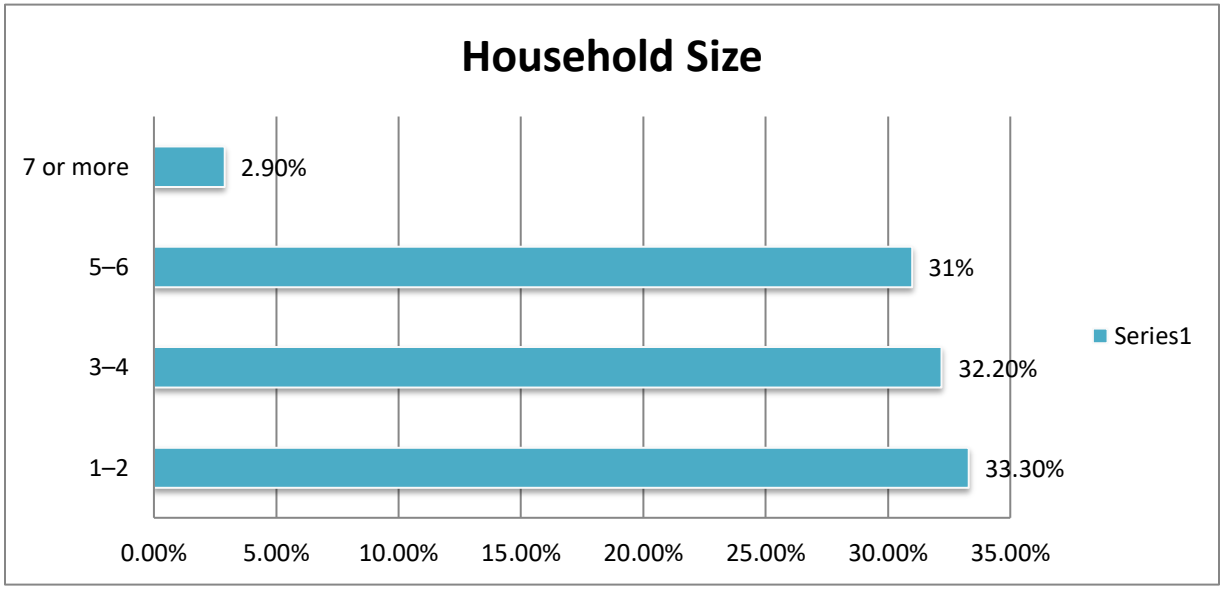
Household Size

Household Size	Frequency	Percent
1–2	116	33.5
3–4	112	32.4
5–6	108	31.2
7 or more	10	2.9
Total	346	100

Note. Source: Field data (2025)

Figure 4. 7

Household Size



Note. Source: Field data (2025)

According to Table 4.7, the majority of the households comprised one to six members. Specifically, 33.5% of the respondents reported residing in households comprising 1–2 members, 32.4% in households with 3–4 members, and 31.2% in households with 5–6 members. Notably, only 2.9% of the respondents indicated that their households consisted of seven or more members. This distribution shows that most families in urban areas in Kiambu Township are in small or medium-sized families, which is normal in urban areas where space and living expenses determine family size. Smaller families might be less dependent and probably less stressed about finances, whereas bigger families may have higher financial levels that might cause stress and influence mental health. The predominance of small to medium-sized households suggests that most families can manage financial responsibilities more efficiently, potentially reducing the emotional strain linked to economic instability.

This pattern suggests greater economic independence and potentially lower financial stress among smaller households, which may positively affect well-being. In contrast, the few larger households (7 or more members) likely experience higher dependency ratios and financial strain, factors that can increase stress and affect quality of life. Overall, these demographic characteristics provide valuable context for understanding how household composition may shape socioeconomic and psychological outcomes within the study. These findings are significant to the study because they demonstrate how family size can mediate the relationship between financial resources and mental health outcomes, reinforcing the study's objective of exploring the socioeconomic factors that shape emotional resilience and well-being among urban families in Kiambu Township.

4.3 Data presentation and Interpretation per Objective

4.3.1 Level of Financial Wellness Among Urban Families

This section presents both the descriptive and correlation results, along with a discussion of the findings for the first objective of the study, which sought to assess the level of financial wellness among urban families in Kiambu Township.

4.3.1.1 Descriptive Results on Level of Financial Wellness Among Urban Families

The research determined financial wellness by five statements on budgeting, financial confidence, savings, planning, and debt management. The respondents scored all the items on a 5-point Likert scale between 1(Strongly Disagree) and 5 (Strongly Agree). The findings are summarized in Table 4.8.

Table 4. 8

Descriptive Statistics for Financial Wellness

	Count	Mean	Standard Deviation
I regularly follow a household budget to manage expenses.	348	3.4483	1.0073
I feel confident in my ability to make financial decisions.	348	3.8121	.9762
Our household has an emergency savings fund.	348	2.8649	1.1621
I have a long-term financial plan for my household.	348	3.3563	1.1104
We pay our debts or bills on time without struggling.	348	3.1494	1.1365

Note. Source: Field data (2025)

The outcomes indicate that the respondents overall portrayed a moderate level of financial wellness. The greatest mean of 3.81 (SD = 0.98) was obtained in the statement: “I believe that I can make financial decisions” because it has been stated that a greater proportion of the respondents were comfortable and self-confident in their household finances. Equally, the claim that “I always had a household budget to regulate spending” got a mean of 3.45 (SD = 1.01), indicating that most of the respondents are budgeters as a way of living financially sound.

Conversely, the mean of 2.86 (SD = 1.16) was the lowest in the case of our household having an emergency savings fund, which indicates a high number of households do not have

enough financial resources to fall back on in the event of sudden costs. The mean of the statement "I have a long-term financial plan for my household" was 3.36 (SD = 1.11); that is, even though there are respondents who are financially planning, this is not the case among all households. Lastly, the mean of "We pay our debts or bills on time without struggling" was 3.15 (SD = 1.14), indicating that some of the respondents can easily pay their financial obligations, whilst others are occasionally faced with the difficulty of making payments.

The general trend is that urban households of Kiambu Township have a moderate level of financial awareness and trust, but have difficulty keeping savings and consistent debt repayment. This result provides the answer to the first goal of the study by showing that despite the average financial control and the planning ability depicted by respondents, their financial wellness is not at the optimal level, which is caused by low saving power. The standard deviations are relatively small in the items, which means that there was moderate variability in responses and that the majority of the participants have similar opinions and experiences on financial behaviors and practices. These findings are consistent with recent studies such as Kim and Garman (2023) and Lusardi et al. (2022), which found that moderate financial literacy and inconsistent saving habits remain key barriers to household financial wellness in urban African contexts. Similarly, Gerrans and Byrd (2021) observed that limited emergency savings reduce economic resilience and expose families to heightened financial and psychological stress, particularly in middle-income populations. The current findings therefore confirm that while most urban families in Kiambu Township exhibit basic financial discipline, gaps in long-term financial planning persist.

From a theoretical standpoint, the results support the Conservation of Resources (COR) Theory (Hobfoll, 1989), which postulates that individuals strive to acquire and protect valued

resources such as income, savings, and financial security. The lack of sufficient savings and inconsistent debt repayment observed in this study reflect a depletion of such resources, which may in turn elevate psychological distress. Similarly, the Family Stress Theory (McCubbin & Patterson, 1983) explains that inadequate financial management can strain family functioning and emotional well-being, as households experience increased tension when financial demands exceed available resources.

The relevance of these findings to the present study lies in demonstrating that moderate financial wellness can both sustain and threaten mental well-being depending on the stability of income and saving behavior. The evidence underscores the need for targeted financial literacy programs and household budgeting initiatives in Kiambu Township to strengthen resource conservation and mitigate emotional stress. This directly aligns with the study's first objective and provides a foundation for understanding how financial wellness influences psychological resilience among urban families.

4.3.1.2 Correlation between Financial Wellness and Mental Well-being

This section examines the relationship between financial wellness and mental well-being among urban families in Kiambu Township to determine whether financial stability is associated with improved psychological health.

Table 4. 9

Correlation between Financial Wellness and Mental Well-being

	Correlations	Financial Wellness	Mental Well-being
Financial Wellness	Pearson Correlation	1	-.4.66**
	Sig. (2-tailed)		0
	N	348	348
Mental Well-being	Pearson Correlation	-.4.66**	1
	Sig. (2-tailed)	0	
	N	348	348

Note. Source: Field data (2025)

The correlation analysis revealed a moderate negative relationship ($r = –0.466$, $p < 0.01$) between financial wellness and mental well-being among urban families in Kiambu Township. This implies that as financial wellness increases, levels of psychological distress decrease, suggesting that financially stable households tend to experience better mental health outcomes. Conversely, households with poor financial wellness are more likely to report higher stress, anxiety, and emotional instability.

These findings are consistent with recent studies such as Richardson et al. (2022) and Kim and Garman (2023), which confirmed that improved financial management and literacy significantly reduce mental strain and enhance emotional stability. Similarly, a study by Lusardi

and Mitchell (2022) established that financially empowered families exhibit stronger psychological resilience due to their ability to plan, save, and manage risk effectively.

The observed negative relationship aligns with the Conservation of Resources (COR) Theory (Hobfoll, 1989), which posits that individuals experience stress when essential resources such as income and savings are threatened or lost. In this context, financial instability represents resource depletion, which triggers psychological distress. The results also resonate with the Family Stress Theory (McCubbin & Patterson, 1983), which asserts that economic strain disrupts family balance and emotional well-being, especially when coping mechanisms and financial literacy are inadequate.

These results are highly relevant to the study because they provide empirical evidence supporting the first hypothesis that financial wellness significantly predicts mental well-being. The strength and direction of the correlation confirm that improving financial wellness through budgeting, savings, and literacy can substantially enhance psychological health. This insight underscores the importance of integrating financial education into mental health interventions and policy frameworks targeting urban families in Kiambu Township.

4.3.2 Key Financial Stressors Affecting Mental Health in Urban Households

This section presents both the descriptive and correlation results for the second objective of the study, which sought to identify key financial stressors affecting mental health in urban households.

4.3.2.1 Descriptive Results on Key Financial Stressors Affecting Mental Health in Urban Households

This part will give the findings of financial stressors according to the second research objective which aimed at establishing the level of financial stress among urban families in Kiambu Township. Different dimensions of financial strain were measured using nine statements, such as income sufficiency, borrowing, savings constraints, and effects of financial shocks available. The respondents gave scale marks on each item using a five-point Likert scale, where 1 was Strongly Disagree and 5 was Strongly Agree. Table 4.10 summarizes the results.

Table 4. 10

Descriptive Statistics for Financial Stressors

	Count	Mean	Standard Deviation
We worry about not having enough income to cover basic needs.	348	3.2816	1.2270
We have taken loans to manage regular household expenses.	348	2.6408	1.2266
We face difficulties due to irregular or delayed income	348	2.9598	1.2211
Unexpected expenses (e.g., illness, repairs) significantly affect us.	348	3.6552	1.1596
We are currently repaying multiple debts at the same time.	348	3.0776	1.2714
We rely on mobile loans or digital lending apps to meet daily financial needs.	348	2.3333	1.1354
High interest rates on our debts increase our financial pressure.	348	3.1487	1.3907
We have limited or no savings to cover financial emergencies.	348	3.2328	1.2773
We often struggle to pay for essential services such as rent, electricity, or school fees.	348	2.6207	1.2288

Note. Source: Field data (2025)

Table 4.10 shows that the respondents have a moderately high level of financial stressors. The highest mean of 3.66 (SD = 1.16) matched the statement of unexpected expenses like illness or repairs; thus, things that suddenly cost us the most were the most frequent cause of stress. The standard deviation is relatively moderate, which means that the majority of households have similar experiences when it comes to the disruptive effect of unexpected costs.

The claim that "It worries me that I do not earn enough to take care of my basic needs" had a mean value of 3.28 (SD = 1.23), indicating that a considerable number of respondents are worried about the sufficiency of the income to sustain their daily needs. This is a manifestation of some form of economic pressure within the household that relies on unstable or low sources of income. Equally, the respondents have little or no way to save to cater to financial crises (Mean = 3.23, SD = 1.28), indicating that many respondents do not have sufficient funds to cushion them against economic shocks. The responses to the statement "High interest rates on our debts expand our financial load," with a mean of 3.15 (SD = 1.39), prove that debt repayment terms are one of the significant contributors to household financial pressure. The standard deviation is relatively high, indicating the variation between the households, where some have faced extreme strain, whilst others have dealt with the debts more sustainably. Similarly, the mean of "we are currently repaying multiple debts at the same time" was 3.08 (SD = 1.27), meaning that many families are concerned with accumulating debt, especially those with multiple financial commitments at a given time.

Moderate levels of stress were also realized on the stressor that used an average of 2.96 (SD = 1.22) on the stressors that include: "We face difficulties because of uneven or delayed income," meaning that even though there are respondents who have predictable incomes, others

encounter income disruptions that can make them financially unstable. The product, "We have taken loans to meet everyday household expenses," showed an average of 2.64 (SD = 1.23), and indicated that taking loans to pay daily expenses is not unique to all households and is not a prevalent behavior. At the lower end, mean = 2.62 (SD = 1.23), which means that although a section of the respondents has difficulties in covering basic expenses like rent, electricity, or school fees, the majority of them do not always face difficulty in this respect. The smallest mean of 2.33 (SD = 1.14) was obtained on the question of the reliance of mobile loans or digital lending apps to address the daily financial needs, which implies that despite the presence of digital credit, it is not the main coping strategy of the majority of households.

On the whole, these results suggest that urban families in the Kiambu Township have moderate yet significant financial stress levels, which are mostly caused by unexpected costs, poor savings, and debt. The latter finding fulfills the second goal of the study as it shows that even though a part of the families continues to be rather financially stable, a large portion of them is exposed to financial disturbances that may affect their general welfare.

These findings are consistent with recent studies such as Kim and Garman (2023), Lusardi and Mitchell (2022), and Chowa et al. (2021), which demonstrated that unpredictable expenses, unstable income, and limited savings are the leading causes of financial stress among urban households. Similarly, Mwangi and Wambugu (2024) found that in Kenyan urban settings, the rise in cost of living and debt dependency has exacerbated mental strain, especially for middle-income families. These parallels reinforce that the patterns observed in Kiambu Township mirror broader financial challenges affecting urban populations in developing economies. The results align with the Conservation of Resources (COR) Theory (Hobfoll, 1989), which emphasizes that stress arises

when individuals perceive a threat to or loss of essential resources such as income and savings. Financial shocks, debt, and lack of savings represent such threats, contributing to heightened emotional distress. The Family Stress Theory (McCubbin & Patterson, 1983) also explains that when financial strain disrupts a family's ability to meet basic needs, emotional tension and conflict increase, ultimately diminishing overall mental well-being.

The relevance of these findings lies in demonstrating that financial strain, particularly from unpredictable expenses and limited savings, directly affects household mental health. These results emphasize the need for policy interventions promoting financial literacy, emergency savings programs, and responsible borrowing practices among urban families. The findings therefore advance the study's objective by highlighting how financial stressors influence emotional stability and family resilience within Kiambu Township.

4.3.2.2 Correlation between Financial Stressors and Mental Well-being

This section presents the correlation results between financial stressors and mental well-being to determine the extent to which financial pressures influence psychological health among urban families in Kiambu Township.

Table 4. 11

Correlation between Financial Stressors and Mental Well-being

	Correlations	Financial Stressors	Mental Well-being
Financial Stressors	Pearson Correlation	1	.756**
	Sig. (2-tailed)		0
	N	348	348
Mental Well-being	Pearson Correlation	.756**	1
	Sig. (2-tailed)	0	
	N	348	348

Note. Source: Field data (2025)

The correlation analysis shows a strong positive relationship ($r = 0.756$, $p < 0.01$) between financial stressors and mental well-being. This implies that as financial stressors increase, mental well-being deteriorates significantly. In other words, households experiencing greater financial strain, through debt, income instability, or lack of savings are more likely to suffer from heightened emotional distress, anxiety, and reduced psychological stability.

These findings are consistent with recent empirical studies, such as Kim and Garman (2023), Richardson et al. (2022), and Mwangi and Wambugu (2024), which established that financial strain is one of the strongest predictors of reduced mental health outcomes in urban populations. Similarly, Lusardi and Mitchell (2022) found that persistent debt and irregular income sources are linked to increased psychological distress and family tension, particularly among

middle-income households. These studies support the conclusion that financial stress has a direct and significant impact on mental well-being.

The results strongly align with the Conservation of Resources (COR) Theory (Hobfoll, 1989), which explains that psychological stress arises when individuals lose or fail to protect essential resources such as income, savings, and job stability. The depletion of these financial resources undermines emotional security and contributes to mental strain. Additionally, the Family Stress Theory (McCubbin & Patterson, 1983) posits that when families face prolonged financial pressure, their adaptive capacity weakens, leading to emotional exhaustion and interpersonal conflict.

The relevance of these findings to the study is that they provide empirical support for the second research objective, confirming that financial stressors significantly affect mental well-being among urban families in Kiambu Township. The strong correlation ($r = 0.756$) underscores the critical role of financial stability in promoting psychological health. Therefore, interventions such as financial counseling, debt management programs, and social support systems are essential to mitigate the psychological burden caused by financial challenges. These findings contribute to a deeper understanding of how economic pressures translate into mental health outcomes, reinforcing the study's overall theoretical and practical significance.

4.3.3 State of Mental Well-Being Among Urban Families

This section presents both the descriptive and correlation results for the third objective of the study, which sought to evaluate the state of mental well-being among urban families in Kiambu Township.

4.3.3.1 Descriptive Results on the State of Mental Well-Being Among Urban Families

This section provides outcomes of the mental well-being in connection with the third research objective, which was to assess the degree to which the financial situation affects the emotional and psychological status of the urban families in the Kiambu Township. Five statements were applied to assess the contents of financial-related psychological distress, including anxiety, hopelessness, and family conflict. Each of the items was rated by the respondents on a five-point Likert scale, and the findings are summarized in Table 4.12.

Table 4. 12

Descriptive Statistics for Mental Well-being

	Count	Mean	Standard Deviation
I feel overwhelmed by our financial situation.	348	3.0776	1.2063
I have trouble sleeping due to financial concerns.	348	2.6092	1.1942
I feel anxious or worried about meeting family needs.	348	2.9971	1.2463
Financial problems have caused conflict in my household.	348	2.6609	1.2099
I often feel hopeless about our financial future.	348	2.5718	1.1970

Note. Source: Field data (2025)

According to the findings in Table 4.12, a large number of them report feeling mildly to moderately affected by financial situations. The statement of the highest mean score of 3.08 (SD = 1.21), which indicates that "I feel overwhelmed with our financial situation," indicates that a majority of households are sometimes emotionally stressed with their financial duties. The standard deviation is moderate, implying that the experiences are fairly alike among respondents. The mean of the statement "I feel anxious or worried about meeting family needs" was 3.00 (SD = 1.25), which means that a good number of the respondents have some degree of financial anxiety, but the range of responses suggests that the extent is different amongst households. Equally, the mean (2.66) of "Financial problems have caused conflict in my household" was (SD = 1.21), which indicated that financial strain has been a source of disagreements in some families, but this is not always the case. The product with the highest mean of 2.61 (SD = 1.19), as a result, was the product labeled "I have trouble sleeping due to financial concerns," which indicated that sleep disturbances due to financial stress only occur occasionally in most cases and are not severe. The minimum of the mean score of 2.57 (SD = 1.20) in the question of "I often feel hopeless about our financial future" is an indication that, despite the fact that some of the respondents portray a negative view about their financial future, the majority of the respondents do maintain a moderate level of hopefulness.

All in all, the results indicate that the financial stresses affect the mental health of the respondents in a moderate but significant manner. The data that surrounds the center of the scale indicates that the bulk of the population is subjected to only flares of emotional strain instead of constant distress. This finding is in line with the third goal of the study, to indicate that financial stressors are among the causes of psychological discomfort, although there are numerous families

who are resilient to financial uncertainty and can cope. These findings are consistent with recent studies such as Richardson et al. (2022), Kim and Garman (2023), and Mwangi and Wambugu (2024), which reported that financial strain leads to heightened anxiety, sleep disturbance, and family conflict among urban households. Similarly, Lusardi and Mitchell (2022) found that prolonged economic insecurity significantly reduces mental well-being, even among moderate-income earners. These parallels indicate that the emotional outcomes observed in Kiambu Township reflect a broader global pattern where financial instability undermines psychological health.

The results further align with the Conservation of Resources (COR) Theory (Hobfoll, 1989), which asserts that stress arises when individuals perceive a threat or loss of essential resources such as money, stability, or security. Financial challenges such as debt and insufficient income represent such threats, resulting in anxiety and emotional exhaustion. The Family Stress Theory (McCubbin & Patterson, 1983) also explains that persistent financial difficulties increase family tension and conflict, which are evident in the respondents' experiences.

The relevance of these findings lies in demonstrating that financial wellness is not only an economic concern but also a determinant of emotional and social stability. The moderate but notable levels of stress and anxiety among respondents underscore the importance of interventions that integrate financial counseling and mental health support. By highlighting the psychological dimension of financial hardship, the findings advance the study's objective of linking financial circumstances to mental well-being among urban families in Kiambu Township.

4.3.4 Coping Strategies Used by Families to Manage Financial Stress

This section presents both the descriptive and correlation results for the fourth objective of the study, which sought to explore coping strategies used by families to manage financial stress.

4.3.4.1 Descriptive Results on Coping Strategies Used by Families to Manage Financial Stress

This section presents the findings on the coping mechanisms employed by urban families in Kiambu Township to manage financial pressures, addressing the fourth research objective of the study. Understanding these coping strategies provides insight into how households adapt both behaviorally and emotionally to financial challenges, thereby sustaining family stability and mental well-being. This part gives the results of coping measures of the respondents used to cope with financial stress in accordance with the fourth research objective, which aimed at studying how urban families in the Kiambu Township cope with financial pressures. Both behavioral and psychological coping mechanisms were measured using five statements. Each of the items was rated using a five-point Likert scale; the results are summarized in Table 4.13.

Table 4. 13

Descriptive Statistics for Coping Strategies

	Count	Mean	Standard Deviation
I reduce spending on non-essentials to cope with financial pressure.	348	3.7960	.8894
I borrow money from friends, family, or mobile apps when in need.	348	3.1925	1.2659
I discuss financial challenges with family members for support.	348	3.0000	1.1489
I attend financial education sessions or seek advice.	348	2.9655	1.0677
I rely on prayer or spiritual guidance during financial hardship.	348	3.4253	1.1701

Note. Source: Field data (2025)

The findings in Table 4.13 reflect that the respondents use various coping strategies in order to cope with financial difficulties. I cut on non-essentials to manage financial pressure, had the largest mean of 3.80 at the SD = 0.89, indicating that expenditure control is a major coping strategy among the respondents. The standard deviation is low, and this indicates high consensus in that the cutting of costs is a strategy that is common amongst households. The second statement about the reliance on prayers or spiritual support in times of financial difficulty was followed very closely with a mean of 3.43 (SD = 1.17), which means that a significant number of the respondents resort to the faith-based coping mechanism as a source of emotional and psychological support.

The average fluctuation indicates that although the spiritual dependence is prevalent, it will vary in its degree among people. The item I borrow money from friends, family, or mobile apps when I need a place had a mean of 3.19 with SD = 1.27, which suggests that borrowing is not a common but situational coping strategy, especially when an immediate financial deficit is experienced. The standard deviation is quite large, which is an indicator of varying degrees of reliance on this method.

The sentence "I talk to my family members about financial issues and receive their support" obtained a mean score of 3.00 (SD = 1.15), which implies that family communication and mutual decision-making are moderately performed in households. Whereas other families do not have a closed-door financial conversation, other families might be able to deal with financial pressure more in the background. Lastly, the least mean at 2.97 (SD = 1.07) was the group of “I attend financial education or seek advice,” implying that even though some respondents appreciate the financial literacy and external advice, few of them actually engage in such activities. The slight change in the responses suggests that the given coping strategy is still in the development stage among urban families.

Comprehensively, the results suggest that the respondents use a combination of practical, social, and spiritual coping skills to deal with the financial strain. Results address the fourth research objective in that the majority of urban households use expenditure reduction and faith-based coping as the main coping strategies, whereas only financial literacy and advisory support are underused, although they could help enhance long-term financial stability. hese findings are consistent with recent studies such as Chowa et al. (2021), Kim and Garman (2023), and Mwangi and Wambugu (2024), which found that households facing financial distress often turn to cost-

cutting, social support, and spiritual coping as immediate mechanisms for emotional relief. Similarly, Lusardi and Mitchell (2022) highlighted that although behavioral adjustments like budgeting are common, proactive strategies such as financial education are less frequently adopted among urban populations. This consistency suggests that the coping behavior of families in Kiambu Township aligns with global and regional trends in financial stress management.

From a theoretical perspective, these results support the Family Stress Theory (McCubbin & Patterson, 1983), which posits that family resilience depends on adaptive coping mechanisms and open communication during economic strain. Likewise, the Conservation of Resources (COR) Theory (Hobfoll, 1989) emphasizes that individuals employ coping strategies to protect or recover threatened resources such as income and emotional stability. The reliance on spending control and spiritual coping reflects households' efforts to preserve limited financial and psychological resources amid uncertainty.

The relevance of these findings lies in demonstrating that while behavioral coping (e.g., reducing expenses) provides immediate relief, long-term resilience requires strengthening financial literacy and advisory participation. Promoting awareness and access to financial education can empower families to manage financial challenges more sustainably. These insights contribute to the fourth objective of the study by highlighting both the strengths and gaps in coping approaches among urban families in Kiambu Township, offering practical implications for policy and community-based interventions.

4.3.4.2 Correlation between Coping Strategies and Mental Well-being

This section presents the correlation results between coping strategies and mental well-being among urban families in Kiambu Township, in line with the fourth research objective. The analysis aimed to determine whether the coping mechanisms adopted by households have a significant effect on their psychological health.

Table 4. 14

Correlation between Coping Strategies and Mental Well-being

	Correlations	Coping Strategies	Mental Well-being
Coping Strategies	Pearson Correlation	1	.484**
	Sig. (2-tailed)		0
	N	306	303
Mental Well-being	Pearson Correlation	.484**	1
	Sig. (2-tailed)	0	
	N	303	303

Note. Source: Field data (2025)

The correlation analysis revealed a moderate positive relationship ($r = 0.484$, $p < 0.01$) between coping strategies and mental well-being. This indicates that effective coping mechanisms such as budgeting, seeking social or spiritual support, and problem-solving are associated with improved psychological health among urban families. The result implies that families who actively employ positive coping behaviors tend to experience reduced anxiety, fewer conflicts, and greater emotional balance despite financial stress.

These findings are in agreement with recent studies such as Richardson et al. (2022), Mwangi and Wambugu (2024), and Kim and Garman (2023), which established that adaptive coping strategies significantly mitigate the adverse effects of financial stress on mental health. Similarly, Chowa et al. (2021) found that practical financial behaviors combined with emotional coping mechanisms, such as faith and family communication, foster resilience and mental stability among households experiencing financial strain. These studies affirm that coping mechanisms act as protective buffers between financial hardship and psychological distress.

The findings also align with the Family Stress Theory (McCubbin & Patterson, 1983), which emphasizes that families that employ effective coping resources and problem-solving strategies adapt more successfully to financial and emotional challenges. Likewise, the Conservation of Resources (COR) Theory (Hobfoll, 1989) posits that individuals utilize coping efforts to protect and rebuild threatened resources, such as emotional stability and social support, thereby reducing the impact of financial loss on mental well-being.

The relevance of these findings lies in their demonstration that positive coping strategies can moderate the negative effects of financial stressors on psychological health. The moderate yet significant correlation ($r = 0.484$) underscores that the more effectively families manage their financial stress, the better their mental well-being. This result supports the fourth objective of the study and highlights the need for interventions that promote adaptive coping practices—such as financial literacy training, family communication programs, and community-based support—to strengthen emotional resilience among urban households in Kiambu Township.

4.3.5 Multiple Regression Analysis

This section presents the inferential statistical analysis used to examine the relationships and predictive influence among the study variables, specifically through multiple regression analysis, which sought to assess the predictive influence of financial wellness on mental well-being among urban families in Kiambu Township.

4.3.5.1 Model Summary

The model summary in Table 4.13 shows the overall strength of the relationship between the independent variables (financial wellness, financial stressors, and coping strategies) and the dependent variable (mental well-being).

Table 4. 15

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780[a]	.608	.605	.63942

a. Predictors: (Constant), Coping Strategies, Financial Wellness, Financial Stressors

Note. Source: Field data (2025)

The results show that the model had a strong positive correlation (R = 0.780) between the predictors and mental well-being. The R Square value of 0.608 indicates that about 60.8% of the variation in mental well-being is explained by financial wellness, financial stressors, and coping strategies. This suggests that the three factors jointly have a substantial influence on mental well-being among urban families in Kiambu Township.

4.3.5.2 ANOVA Analysis

Analysis of Variance (ANOVA) was used to determine whether the overall regression model has a significant predictive value on mental well-being among urban families in Kiambu Township. The outcomes are as indicated in Table 4.14.

Table 4. 16

ANOVA Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	218.414	3	72.805	178.066	.000[b]
Residual	140.649	344	0.409		
Total	359.063	347			

a. Dependent Variable: Mental Well-being

b. Predictors: (Constant), Coping Strategies, Financial Wellness, Financial Stressors

Note. Source: Field data (2025)

As revealed in the ANOVA, the regression model was significant, with an F-value of 178.066 and a p-value of 0.000, which is less than the significance level of 0.05. It means that the financial wellness, financial stressors, and coping strategies together are important predictors of mental well-being in urban families in Kiambu Township. That is, one of the independent variables has a significant role to play in changes in mental well-being.

4.3.5.3 Regression Coefficients Analysis

This section presents the individual contribution of each predictor variable, including financial wellness, financial stressors, and coping strategies, to mental well-being among urban families in Kiambu Township. Table 4.15 summarizes the results of the regression coefficients analysis, highlighting the strength and significance of each predictor variable in relation to mental well-being.

Table 4. 17

Regression Coefficients Analysis

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	.027	.311		.088	.930
Financial Wellness	-.121	.061	-.087	-1.991	.047
Financial Stressors	.693	.054	.611	12.753	.000
Coping Strategies	.330	.058	.220	5.703	.000

a. Dependent Variable: Mental Well-being

Note. Source: Field data (2025)

Based on the unstandardized coefficients, the regression equation for predicting mental well-being (Y) is expressed as:

Mental Well-being = 0.027 − 0.121(Financial Wellness) + 0.693(Financial Stressors) + 0.330 (Coping Strategies)

Financial stressors ($B = 0.693$, $p < 0.001$) had the most significant and positive impact on mental well-being, which means that an increase in financial stress levels correlates with an increase in the level of psychological stress. The effects of coping strategies ($B = 0.330$, $p < 0.001$) were also very positive, which is probably because the higher the level of coping mechanisms, the higher the level of mental well-being; it is more probably a stress response, rather than a sign of better wellness.

On the other hand, financial wellness ($B = -0.121$, $p = 0.047$) showed a negative and significant association with mental well-being, such that the greater the financial well-being, the lesser the psychological distress. Even though the effect of this is not as large as the effect of financial stressors, it nevertheless shows the protective nature of sound financial practices in sustaining mental health.

On the whole, the regression analysis proves that financial stressors, financial well-being, and the coping strategies together significantly affect mental well-being. It is revealed that the financial stressors have the most significant influence, and it is important to highlight that money and stability can be a major determinant of psychological wellness among urban households in Kiambu town.

4.4 Discussion of Findings

The purpose of this study was to explore the relationship between financial wellness and mental well-being among urban families in Kiambu Township. The results revealed significant insights into the level of financial wellness, the key financial stressors affecting mental health, the state of mental well-being, and the coping strategies used by urban families.

The study's first objective sought to assess the level of financial wellness among urban families in Kiambu Township. The findings indicated that while many families exhibited moderate financial wellness characterized by budgeting, planning, and financial confidence, there were significant gaps in their saving habits and consistency in meeting household financial responsibilities. This suggests that urban families are generally reactive rather than proactive in their financial practices. Although they manage daily needs relatively well, they lack long-term financial security, leaving them vulnerable to economic shocks. These findings align with previous studies in similar urban settings, where competing financial needs make it difficult to accumulate savings or achieve long-term financial goals, even with regular incomes. The analysis further revealed that higher financial wellness was positively correlated with lower financial stress and improved mental well-being, supporting the Conservation of Resources (COR) Theory. This theory posits that individuals are motivated to conserve valuable resources, such as income and financial security, to avoid stress and maintain emotional balance. These findings are consistent with research by Shim et al. (2009) and Xiao & O'Neill (2018), which emphasized the importance of sound financial management in promoting emotional stability and life satisfaction. Overall, the results highlight that while Kiambu Township families show some financial awareness, there is a

need to improve financial literacy, disciplined saving, and proactive financial planning to enhance their financial and mental resilience.

The second objective of the study sought to identify the key financial stressors affecting mental health in urban households. The results showed that financial stress is a major issue, with significant variations in intensity across families. Respondents reported difficulties such as inconsistent income, debt repayment, and unplanned expenses, all of which contributed to heightened financial stress. Despite some families managing their finances well, a considerable portion remains financially fragile, particularly when faced with unexpected financial obligations. These findings suggest that financial instability, particularly a reliance on regular income without adequate savings, exacerbates financial stress and mental distress. The high cost of living, inflation, and low disposable income in urban areas contribute to this cycle of financial vulnerability. The study confirmed the Family Stress Theory, which asserts that financial strain disrupts family stability and emotional well-being, leading to increased psychological distress. The relationship between financial stressors and mental health is consistent with global literature, which highlights financial difficulties as key predictors of anxiety, family conflict, and low life satisfaction. To address these issues, enhancing financial resilience through better income management, debt control, and emergency savings is crucial. Empowering families with financial literacy and providing access to affordable credit can mitigate financial stress and improve psychological well-being.

The third objective was to assess the mental health status of urban families in Kiambu Township. The study found that many respondents experienced mild to moderate psychological distress, primarily related to financial concerns. Anxiety, particularly concerning the ability to

meet family needs, was common, although issues such as hopelessness and family conflict were less frequently reported. Despite these challenges, the majority of households demonstrated some level of emotional resilience, as reflected by their moderate mental well-being scores. However, the ongoing anxiety and sleep disturbances associated with financial stress underline the significant emotional toll that financial instability takes on urban families. These findings align with the Conservation of Resources Theory (Hobfoll, 1989), which suggests that individuals are emotionally affected when essential resources, like income and job security, are threatened. The study also confirmed the relationship between financial wellness and mental health, with better financial management being linked to less emotional distress and better psychological outcomes. These results are consistent with previous studies by Richardson et al. (2022) and Netemeyer et al. (2018) that showed financial strain is a strong predictor of mental health problems such as anxiety, depression, and lower life satisfaction. In the context of Kiambu Township, financial strain emerged as a key determinant of mental health problems, emphasizing the need for targeted interventions that address both economic and psychological well-being.

The fourth objective of the study was to explore the coping mechanisms used by urban families in Kiambu Township to manage financial stress. The results showed that respondents employed a combination of behavioral, social, and spiritual coping strategies. The most commonly used coping strategies included reducing non-essential spending, relying on prayer and spiritual guidance, and borrowing from friends, family, or mobile lending platforms. While these strategies provided short-term relief, they were reactive rather than preventive, highlighting the need for more proactive financial management approaches. The study also found a positive relationship between coping strategies and mental well-being, with families who actively engaged in coping

strategies reporting better mental health outcomes. However, the relationship between financial wellness and coping strategies was weak, indicating that financial health does not necessarily reduce the need for coping mechanisms. This supports the Transactional Model of Stress and Coping (Lazarus & Folkman, 1984), which suggests that coping strategies are often employed as a reaction to stress rather than as a preventive measure. The findings also align with previous research by Hira (2017) and Ngigi & Were (2021), which emphasized that coping strategies are often short-term solutions to deeper financial vulnerabilities. While emotional and material coping strategies can offer immediate relief, they do not address the root causes of financial insecurity. This highlights the need for comprehensive programs that integrate financial literacy education, access to affordable credit, and psychological support to build long-term resilience and reduce the emotional burden of financial stress.

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CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, discussion, conclusions, and recommendations based on the findings from the study. It highlights how financial wellness, financial stressors, and coping strategies influence mental well-being among urban families in Kiambu Township. The chapter is organized according to the study objectives, beginning with a summary of key findings, followed by a discussion of the results in relation to existing literature and theories, and concluding with practical recommendations and areas for further research.

5.3 Summary of Findings

The current study findings showed significant understanding of the association that existed between financial wellness, financial stressors, coping mechanisms, and mental well-being among urban families in Kiambu township. The discussion is based on the Conservation of Resources (COR) Theory and the Family Stress Theory, so the outcomes given by statistics are combined with theoretical and empirical approaches to comprehend the interaction of economic and psychological factors in the urban family.

This research has determined that financial wellness plays an important role in determining the psychological condition of families. Those respondents who had greater financial wellness, as shown by budgeting, planning, confidence regarding decision-making, and debt management on time, had lower financial stress and improved mental well-being. This result is consistent with the Conservation of Resources Theory (Hobfoll, 1989), which suggests that people attempt to gain,

maintain, and defend precious resources, including income, savings, and security of their job. Emotional balance and mental well-being are maintained when these resources are maintained. On the other hand, decreased resources or instability of such resources causes stress and poor well-being. They are also backed up by the research of Shim et al. (2009) and Xiao and O'Neill (2018), as they determined that financially literate and disciplined people feel less anxiety and are more satisfied with life. Thus, the concept of financial wellness enhancement due to conscious education and behavioral intervention appears to be one of the primary methods through which mental health outcomes can be enhanced.

The results also established that one of the biggest determinants of psychological well-being is the presence of financial stressors. The positive and high correlation existing between financial stressors and mental distress means that the higher the economic stress experienced by a family, the more chances it has of suffering anxiety, emotional fatigue, and interpersonal conflict. The most noteworthy financial pressures, as noted by the respondents, were the costs that were not expected, unstable income, and debt repayment. These results are consistent with the Family Stress Theory (McCubbin and Patterson, 1983), according to which family functioning can be disrupted by constant financial pressure, and emotional distress is likely to be enhanced. The same was noted by other researchers like Conger et al. (2010), who observed that acute financial stress is one of the causes of marital conflict and lack of cohesion within the family. Considering the situation in Kiambu Township with the high cost of living and the continuous instability of employment opportunities, the results indicate that financial stress factors are closely connected with the process of living in the city and determine emotional and relationship dynamics.

Moreover, coping strategies were also identified to be influential in the response mechanism of families to financial hardships. The research found that the majority of the interviewed people resort to behavioral, emotional, and spiritual coping strategies, such as lowering spending, finding social or spiritual support, and borrowing when there is a need. These results are indicative of the Transactional Model of Stress and Coping suggested by Lazarus and Folkman (1984), which highlights the fact that coping is a dynamic process applied to deal with internal and external demands that may be seen as stressful. The correlation between coping habits and mental health is positive information, suggesting that active coping, such as problem-oriented coping, such as budgeting, or emotion-oriented coping, such as prayer, helps households cope better during a financial crisis. The outcomes, however, also indicate that there are more reactive than preventive coping behaviors, which are only invoked once the stress arises. This trend is correlated with the results of Hira (2017) and Gathergood (2012), who stated that families tend to use short-term coping strategies, which give them temporary relief but fail to solve the underlying issues of financial vulnerability.

Taken in sum, the outcomes indicate a rather complicated yet consistent scheme: financial wellness decreases psychological distress, financial stress leads to an increase in this psychological stress, and coping strategies are moderating factors that assist families to adapt to the transforming economic circumstances. The fact that the three factors together and at a significant level determined the emotional stability of urban families is justified by the regression model that explained 60.8% of the variance in mental well-being. The results confirm that financial wellness is a protective buffer, whereas financial stress is the major cause of psychological strain. Even the

coping techniques are not effective alternatives to effective financial management and resource stability.

Altogether, the discussion highlights the fact that the mental health of urban families living in Kiambu city is profoundly affected by their economic conditions. Economic strains, low savings, and the cost of living still remain a challenge to mental stability. The research consequently supports the need to combine interventions that focus on financial literacy, as well as on mental health, so as to help families manage their resources successfully, alleviate financial anxiety, and become more resilient to the stressors of the future.

5.4 Conclusions

This research was aimed at discussing how financial wellness, financial stressors, and coping strategies affect the mental well-being of urban families in the Kiambu township, Kenya. According to the research findings, there are a number of main findings that can be made based on the study objectives.

To begin with, the research finds that financial wellness among urban families at Kiambu Township is moderate, with moderate financial awareness and budgeting use, and poor saving capacity and long-term financial planning. Most of the respondents are financially confident and dedicated to responsible spending, but in case of an emergency, they are not able to sustain financial security. This means that the households know how significant it is to manage their finances; however, they have to choose between economic needs that restrict their financial development and financial stability.

Second, the research concludes that financial stressors are rampant and pose the biggest danger to family well-being. Financial stress was primarily triggered by income fluctuation, debt repayment obligations, and unpredictable costs. The findings are clear that increased financial stress levels induce anxiety, emotional exhaustion, and tension within the family, which can cause poor psychological health. The findings confirm the statement that financial instability not only disrupts economic stability but also destabilizes emotional and relational stability in families.

Third, the research determined that coping mechanisms are essential but mostly responsive in dealing with financial stress. To deal with the burden of the economy, most families turn to cost reduction, borrowing, spirituality, and family communications. These measures provide a short-term relief and emotional support, but they do not completely address financial weaknesses. Proactive coping behavior, like financial education, financial planning, and the need to consult with professionals, is less widespread, which proves that more awareness and institutional support are required in this field.

Fourth, the paper makes the conclusion that financial well-being, financial stressors, and coping strategies are significant and independent predictors of mental well-being in urban families. The regression model has explained about 61 percent of changes in mental well-being, meaning that the factors are jointly defining the psychological outcome. Financial wellness has a protective role that improves emotional stability, whereas financial stressors have a very powerful adverse effect. This relationship is mediated by coping strategies, which assist the families to accommodate pressure, but these strategies rely on the types and continuity of the coping strategies used.

Overall, the paper concludes that the mental health of urban families in the Kiambu township is directly related to the economic situation. Financial stability leads to psychological

stability, and continuous financial stress affects psychological stability negatively. Coping mechanisms will act as cushions, but they will not replace long-term financial resilience. The results highlight the fact that enhancing mental health outcomes needs an integrated intervention that incorporates both economic empowerment and financial literacy and psychosocial support.

5.5 Recommendations

This study has highlighted the close relationship between the economic and psychological status of urban families and, hence, the need to implement interventions on a practical and policy level. Based on the achieved conclusions, several recommendations are drawn to make the families of the Kiambu Township and other cities more financially sustainable and provide them with psychological stability.

To begin with, households are recommended to embark on a proactive financial management orientation that is oriented towards achieving long-term stability. The family is required to strive to lay out and adhere to a contemporary family budget, which is utilized in day-to-day expenditure, and encourage saving habits. It is even more so when it comes to constructing an emergency fund, which is hedged against some kind of unforeseen occurrence, such as sickness, layoff, or any other financial event that is not wanted and tends to cause financial stress. Besides, families should be willing to take financial literacy and planning courses that can increase their understanding of budgeting, debt management, and investment. Perhaps the best solution to the situation of misunderstanding and emotional tension would be to openly discuss financial matters in families and create a more accepting environment that will contribute to the promotion of financial and mental health.

In addition to the home-based approaches, the study also states the importance of institutional and policy-level help in addressing the structural problems of a larger magnitude that give rise to financial and psychological pain. The social and economic development initiatives by the government, financial institutions, and community organisations should include financial literacy training, as people will have access to effective instruments and information to use money. The increased availability of affordable credit, particularly for middle- and low-income earners, can help reduce reliance on high-interest lending services that promote debt and financial anxiety. Furthermore, the workplace wellness programs must be such that they address not only the financial component of the issue, but also the mental one, because the productivity of employees is directly related to the health of both emotional and economic. The presence of the counseling centers in the town can also facilitate the provision of psychosocial support to the affected families that experience strain in the monetary department, and hence narrows down the difference between the monetary and emotional interventions.

Another level is the policy level, which contributes to improving the urban livelihood support systems. It can achieve this by carrying out economic reforms that will guarantee job security, good wages, and a low standard of living. To shield the families against the negative impact of financial shock, the social protection programs must be expanded, such as health insurance subsidies, emergency relief funds, and financial mentorship programs. Besides leading to increased economic resilience at the household level, these actions also lead to increased mental health outcomes at the community level since they reduce the prevalence of financial stress on a global scale.

Finally, the study conveys that further studies should be conducted to explore the novel dimensions of financial wellness and mental health. The research in the future should use longitudinal research to establish the impact of fluctuation of financial stability on psychological well-being in the long run. It would also be of interest to learn how demographic variation, such as age, gender, and family structure, has an impact on financial coping behavior and the power of social support networks to buffer against financial stress. In cities, rural, and peri-urban backgrounds, further research needs to be conducted so as to establish some forms of comparative knowledge, like the effect of environmental and economic inequalities on financial security and psychological well-being.

Concisely, financial wellness can be used to improve mental well-being, although it would require a multi-layered approach, such as the presence of personal discipline, institutional support, and a change in policy. A stronger and sturdier family will be created by empowering households individually through financial literacy, by providing equal opportunities to access financial services, and by integrating mental health support programs into economic programs. Through these concerted efforts, it is possible to achieve the financial and emotional health of city families in Kiambu Township and bring about the general social and economic well-being.

5.6 Suggestions for Further Research

Although this research offers significant information on the association between financial wellness, financial stressors, coping mechanisms, and mental wellness among urban families in Kiambu Township, additional areas could be explored in greater depth. Subsequent studies should consider the use of longitudinal research designs to determine how changes in household finances

over time influence mental health outcomes. Such an approach would provide deeper insight into causality and the long-term effects of financial instability on psychological resilience.

It is also recommended that future studies focus on gender and age differences in financial behavior and mental health responses, since men and women, as well as younger and older family members, may experience and respond to financial stress differently. Furthermore, contrasting urban and rural households would be beneficial in identifying contextual variations in financial wellness and coping strategies, given the distinct economic opportunities, living costs, and access to support resources in these environments. An additional research gap identified in this study concerns the effectiveness of coping strategies. Although the present findings show that most coping behaviors are reactive (such as cutting expenses or relying on prayer), future research should examine which specific coping strategies produce better long-term mental and financial outcomes. This would help identify adaptive approaches that contribute to sustained psychological stability and financial resilience among families.

Another promising area for exploration is the role of social support systems and community networks in moderating the relationship between financial stress and mental health. Understanding how family cohesion, peer relationships, and community engagement enhance emotional resilience could expand the current understanding of the connection between financial and psychological well-being. Additionally, incorporating qualitative approaches, such as in-depth interviews or focus group discussions, would provide richer insights into the lived experiences behind the statistical patterns observed in this study. Finally, future research could assess the impact of financial education interventions on economic behavior and mental health outcomes. Comparing the effectiveness of programs combining financial literacy with psychosocial support

would be highly informative for policymakers and practitioners seeking to enhance household well-being.

In conclusion, continued research in this area is necessary to develop evidence-based interventions that address both financial and emotional challenges. By broadening methodological approaches and exploring these emerging gaps, future researchers and policymakers can contribute to more sustainable strategies for improving financial resilience and mental wellness among Kenyan families and similar populations elsewhere.

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APPENDIX I: QUESTIONNAIRE

Dear Respondent,

This questionnaire is designed to collect data for a Master's research project titled: "Impact of Financial Wellness on Mental Well-being Among Urban Families in Kiambu Township." Your participation is voluntary and your responses will be treated with strict confidentiality. The information provided will only be used for academic purposes. Please answer all questions honestly.

Section A: Demographic Information

1. Gender:

   [ ] Male [ ] Female

   [ ] Prefer not to say

2. Age group:

   [ ] 18–24 [ ] 25–34

   [ ] 35–44 [ ] 45–54

   [ ] 55 and above

3. Marital status:

   [ ] Single [ ] Married

   [ ] Divorced/Separated [ ] Widowed

4. Highest education level completed:

   [ ] No formal education [ ] Primary

   [ ] Secondary [ ] Diploma/College

   [ ] University

5. Estimated monthly household income (KES):

   [ ] Below 10,000 [ ] 10,001–30,000

   [ ] 30,001–50,000 [ ] 50,001–100,000

   [ ] Above 100,000

6. Household size:

   [ ] 1–2 [ ] 3–4

   [ ] 5–6 [ ] 7 or more

Section B: Financial Wellness

Please rate the following statements using the scale: 1 = Strongly Disagree, 2 = Disagree 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/No.		2			5
1. I regularly follow a household budget to manage expenses.					
2. I feel confident in my ability to make financial decisions.					
3. Our household has an emergency savings fund.					
4. I have a long-term financial plan for my household.					
5. We pay our debts or bills on time without struggling.					

Section C: Financial Stressors

Please rate the following statements using the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/No.					
1. We worry about not having enough income to cover basic needs.					
2. We have taken loans to manage regular household expenses.					
3. We face difficulties due to irregular or delayed income					
4. Unexpected expenses (e.g., illness, repairs) significantly affect us.					
5. We are currently repaying multiple debts at the same time.					
6. We rely on mobile loans or digital lending apps to meet daily financial needs.					
7. High interest rates on our debts increase our financial pressure.					
8. We have limited or no savings to cover financial emergencies.					
9. We often struggle to pay for essential services such as rent, electricity, or school fees.					

Section D: Mental Well-being

Please rate the following statements using the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/No.					
1. I feel overwhelmed by our financial situation.					
2. I have trouble sleeping due to financial concerns.					
3. I feel anxious or worried about meeting family needs.					
4. Financial problems have caused conflict in my household.					
5. I often feel hopeless about our financial future.					

Section E: Coping Strategies

Please rate the following statements using the scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

S/No.					
1. I reduce spending on non-essentials to cope with financial pressure.					
2. I borrow money from friends, family, or mobile apps when in need.					

3. I discuss financial challenges with family members for support.					
4. I attend financial education sessions or seek advice.					
5. I rely on prayer or spiritual guidance during financial hardship.					

Thank you for your participation. If you have any questions, please feel free to ask the research assistant or contact the lead researcher directly.

APPENDIX IV: NACOSTI RESEARCH LICENSE

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KCA UNIVERSITY SCIENTIFIC & ETHICS REVIEW COMMITTEE

REF: **KCAU/SERC/SEASS025** **Date: 8TH SEPTEMBER, 2025**

TO: **JOSEPH NDIRANGU WOKABI (23/08279)**

Dear Sir/Madam,

RE: IMPACT OF FINANCIAL WELLNESS ON MENTAL WELL-BEING AMONG URBAN FAMILIES: A CASE STUDY OF KIAMBU TOWNSHIP, KENYA

This is to inform you that the KCA University Scientific Ethics Review Committee (KCAUSERC) has reviewed and approved your research proposal. Your application approval number is ***KCAUSERC/SEASS025.*** The approval period is ***8th September, 2025 – 8th September, 2026.***
This approval is subject to compliance with the following requirements.

i. Only approved documents, including informed consents, study instruments, and MTAs, will be used.
ii. All changes, including (amendments, deviations, and violations), are submitted for review and approval by ***KCAUSERC.***
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events, whether related or unrelated to the study, must be reported to **KCAU*SERC*** within 72 hours of notification.
iv. Any changes, anticipated or otherwise, that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to ***KCAUSERC*** within 72 hours.
v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days before expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to ***KCAUSERC.***

Before commencing your study, you will be expected to obtain a research license from the National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,

Dr. Caroline Ntara,
Chairperson,
KCA University Scientific & Ethics Review Committee.