MINHAJ International Journal of Economics and Organization Sciences

Volume 6, No.1 /Jan-Jun 2026

Determinants of Entrepreneurial Intentions among Youth in Balochistan: Evidence from a Developing Region

Amanullah[1], Mehnaz Gull[2], Syed Bilal Shah[3]

Abstract

This study was conducted in Balochistan and discusses how financial literacy, financial attitude, financial knowledge would influence the entrepreneurial intentions of the youths in Balochistan province of Pakistan. In order to examine the impact of financial literacy, the study examined young business owners in Balochistan and their level of financial literacy. Data were gathered through the use of self-administered, structured questionnaires on 210 young entrepreneurs on their financial knowledge, financial attitude, financial education, and entrepreneurship. The author employed Partial Least Squares Structural Equation Modelling (PLS-SEM) to get the relationships between these factors and entrepreneurial intention. As per the findings, financial knowledge, financial attitude, and financial literacy have a positive impact on entrepreneurial intention. Moreover, the financial literacy, both overall and the elements of it make the entrepreneurial propensity of youth even greater. The findings of this research indicate that financial literacy must be encouraged to enhance entrepreneurial intentions. Specific financial education should be provided to the young individuals in Balochistan to increase their capacity to initiate new businesses that will benefit the economy.

Keywords: A financial attitude, Financial literacy, Entrepreneurial intent.

Background

Balochistan is the largest province in Pakistan by area, spanning 347,190 square kilometers, covering 43.6% of the nation's total land area, with a population of more than 14.89 million people, Balochistan has a significantly young population, with over 60% of its population below the age of 30 (Pakistan Bureau of Statistics, 2023; Government of Pakistan, 2024). According to the 2023 digital census, the province has minerals, coal, oil, and gas, which have good opportunities to develop in various types of industries, such as agribusiness, mining, and tourism (Wang, S., & Yang, L., 2024). Although the province is characterized by a high rate of youth unemployment; youth in Balochistan face significant challenges in finding employment, with the unemployment rate reported at approximately 9.13% (The Nation, July 18, 2023). The Balochistan government has put in place a number of

[1] Research Scholar, Institute of Management Studies, University of Peshawar,
Email: amanullah12586@gmail.com
[2] Associate Professor, Institute of Management Studies, University of Peshawar,
Email: mehnazgul@uop.edu.pk
[3] PhD Scholar, Institute of Management Studies, University of Peshawar,
Email: hamzabilal792@gmail.com

https://doi.org/10.58932/MULE0066

initiatives to reduce youth unemployment through entrepreneurial spirit development among the youth. These include entrepreneurship training, startup business incubation, as well as, post-venture funding. For example, in Balochistan, there are a series of workshops called Skills of Entrepreneurs through which young people learn the basic skills of business. Also, it is home to the BizLaunch Incubator that provides advice and support to start-ups. The "Youth Startup Fund" provides financial assistance to aspiring young entrepreneurs in Balochistan.

Consequently, Balochistan, particularly its youth, has seen an influx of entrepreneurship. While starting businesses is difficult, young entrepreneurial adventurers face an array of obstacles, such as restricted financing, poor business management competency, and low levels of financial management. Entrepreneurs, in order to grow and to succeed in these situations, need to be financially literate, at least as far as understanding and addressing money issues. Such and related questions intrigued the current research in mind. The researcher decided to explore this phenomenon: what problems they face in getting financial freedom.

1. Introduction

The relationship between entrepreneurial intent and financial literacy in youth of Balochistan is essential if one wishes to understand and foster youth entrepreneurship in the region. This study aims to analyse the relationship between financial literacy, financial attitude, and entrepreneurial intention with the entrepreneurial aspiration of youth in Balochistan. The importance of financial literacy and entrepreneurial intention as means of promoting economic growth and development in any society cannot be over emphasized (Alshebami & Al Marri, 2022). Financial literacy is defined as the ability to make choices that involve financial risks, and the understanding of the concepts, instruments and practices of management (Iram et al., 2024). For (Tran, et al., 2024) entrepreneurial intention is the mental state that leads to the decision and desire to start a business. There has been an increased focus on promoting entrepreneurship among the youth of developing countries, and Pakistan is no exception. With the largest land area in Pakistan, Balochistan is rich in underdeveloped youthful population with entrepreneurial potential. However, the problem of youth financial literacy seems to be a barrier to starting and running successful businesses. Young business owners often lack knowledge and understanding of budgeting, financial planning, and capital access. The outcome of such a situation would be poor decision-making, less entrepreneurial spirit and low economic contribution.

Studies indicate that financial literacy is positively associated with entrepreneurial intent as it assists youth to make more sense of financial and business decision-making (Breit & Volkmann, 2025). Both financial attitude and financial knowledge are valuable elements which contribute to entrepreneurial behaviour. Financially literate youth can make a better evaluation and manage opportunities and risks and maximize means, which proves their motivation to create business more. Therefore, the correlation between financial literacy and entrepreneurial intent is of

much importance in terms of promotion of youth entrepreneurship and economic growth of a region.

This paper will seek to fill this gap in research on youth entrepreneurship within less extensively researched areas, in the case of Balochistan. The findings are expected to help the policymakers, educators and practitioners in developing specific and relevant actions to enhance economic literacy of the youth and encourage entrepreneurship. Such measures may encompass applied training in finances, and mentoring, and resources that the youths may use to make their entrepreneurial ideas come into reality in the form of business.

The paper is based on the correlation between financial literacy and the entrepreneurship intention of young people, especially Balochistan. The target market will be the capacity of financially literate youth, particularly those in cities, who attend universities and colleges, to learn entrepreneurial skills and establish their own enterprise. Financial literacy refers to the skill of making financial choices and the management of one's business and personal finances. The necessity to comprehend how financial literacy affects the entrepreneurial intention of the youth has become relevant over the past few decades. Nonetheless, not many research works have been carried out in this part of Pakistan, the existing ones, are mostly concentrated on metropolitan areas, and omitting rural regions of Pakistan. The paper is based on the findings of research in the area of Balochistan and tries to comprehend the issue of financial literacy and youth entrepreneurship, which sparks the debate on the correlation between financial literacy and youth entrepreneurship and offers a research framework to solve the problem. The study findings make a policy and programme suggestion on financial literacy and, therefore, youth entrepreneurship, in terms of financial literacy training, guidance, and financing, which is projected to have a positive impact on the entry rates of the young people in the business and the general economic growth of the region.

In general, the research indicates that the financial literacy of the young generation in Balochistan can be optimised to ensure that the region attains the desired socio-economic development. People, who have the financial literacy skills, are able to improve their socio-economic statuses by managing the available resources well and making sound choices. Promoting financial literacy is essential for youth empowerment and for the beneficial economic potential that youth control over their financial literacy will provide. It is important for cultivating positive entrepreneurial sentiments in the youth and improving overall economic conditions and the quality of life of the people of Balochistan. Additionally, in the long run, it will support sustainable economic development.

2. Literature Review

The focus of the study was the Theory of Planned Behaviour (TPB), which states that behavioural intention direetly leads to planned behaviour and helps understand the new business start-up process (Abu Shriha et al., 2025). Its application is especially appropriate in those cases when some behaviours are not frequent, hard

to observe, or at the time of unpredictable time intervals (Loo, et al., 2023). The intention is regarded as the most effective predictor of planned behaviour, including entrepreneurial behaviour (Kamarudin, et al., 2023). Although research studies concerning the entrepreneurial intention of students are scarce, it is critical to comprehend the factors that cause the students to have such intentions as it would assist in understanding entrepreneurial behaviour (Anshika & Singla, 2022).

Self-efficacy and attitude of an individual serve the role of a primary determinant that influences the probability of an individual to enter into the entrepreneurship (Lusardi & Messy, 2023). Entrepreneurs are free to either establish a new business or enhance an existing one (Alshebami & Al Marri, 2022). The perspective of a person on autonomy, ownership, and risk is very influential in the formation of entrepreneurial intent (Sánchez, et al., 2022). The opportunity identification, acceptability of risks that can be managed, and the ability to provide innovations in the market are important entrepreneurial qualities (Kamarudin et. al., 2023). In modern society, the entrepreneurship is driven by survival and sustainability as it makes the economies competitive and jobs are created (Usman et. al., 2024).

2.1 The Intention to be an entrepreneur and Financial Literacy

Financial literacy is the understanding of the basic elements of business and finance; the person has awareness of how to handle personal finances and the choice of making a short-term and long-term decision in a wise manner taking the life cycle and economic environment into account (Lusardi & Messy, 2023). Financial literacy is not a simple piece of knowledge, and it is one of the key life skills in the modern world (Anshika & Singla, 2022). The issue of financial illiteracy is one of the biggest ones, and its role cannot be overestimated (Dekamini et al., 2024). The more financially literate an individual is, the less likely the financial errors that the individual is likely to commit and the more likely the financial outcomes that the individual is likely to exceed (Meier & Sprenger, 2013).

The Balochistan youth are becoming more conscious of the economic and academic obstacles they are dealt with, and how such obstacles are compromising their financial empowerment and entrepreneurial desires. It has been found out that financial literacy of younger generation in Balochistan does not merely determine the entrepreneurial ambitions of the youth, but also influences the financial and educational impediments that the youth go through. Systematic reviews convey that financial literacy boosts business performance, especially when capital is available (Anshika & Singla, 2022). Suparno and Saptono (2018) stated that the positive impact of entrepreneurship education on financial literacy, together with the development of entrepreneurship, is undeniable. Likewise, Liu and Fang (2025), emphasized the importance of obtaining financial literacy and also financial advice on family decisions regarding diversification of investments.

2.2 Developing Entrepreneurial Education and Skills

Developing Entrepreneurial Education and Skills. Research shows that financial literacy and entrepreneurship education impact the financial literacy and entrepreneurial skills of students. Hussain et al., (2021) stated that undergraduate students participating in programmes that provide education in entrepreneurship are more inclined to have a positive orientation toward entrepreneurship. According to Lopes et al., (2025), and Lofstrom et al., (2014) of the available literature, education and skills are necessary to recognize and exploit business opportunities.

The growing number of entrepreneurial courses and programs at universities indicates the increasing confidence in universities as entrepreneurial knowledge providers and the need for university-based educational investments (Owen et al., 2024). Education in entrepreneurship provides students with knowledge essential for successful entrepreneurship (Astiana, et al., 2022; Burchi et al., 2021).

2.3 Research Gap

There was an absence of research focusing on youth in Balochistan, more specifically, urban universities and colleges, despite numerous studies addressing financial literacy, entrepreneurship education, and entrepreneurial intention on a global scale. Despite growing research on entrepreneurial intention, limited studies have examined the role of financial mindset and lack of financial literacy in shaping entrepreneurial ambition and intention. Most research overlooks the area and the specific hardships associated with youth in Balochistan. This study aims to fill the gap by analysing the relationship of financial literacy, financial attitude, and entrepreneurial intent of youth in the province to offer applicable recommendations for policymakers and educators to enhance initiatives aimed at fostering entrepreneurship.

2.4 Theoretical Framework and Hypotheses Development Research Model

Figure 1 shows the conceptual framework with entrepreneurial intent as the dependent/response variable and the independent/predictor variables, financial literacy, knowledge, and attitude. The model views saving behavior as a mediator between the financial literacy and entrepreneurial intent relationship.

Financial Literacy → Entrepreneurial Intent

Firm financial skills in budgeting, investing, and management of personal finances are expected to be a + contributor of entrepreneurial intent. However, a few studies state that financial literacy cannot impact entrepreneurial intent directly; saving behaviour seems to suggest a greater propensity to be a factor in the entrepreneurship continuum (Alshebami & Al Marri, 2022).

Financial Attitude → Entrepreneurial Intent

Student's entrepreneurial attitudes, including attitudes toward entrepreneurship in a society and entrepreneurial activity, are critical determinants of their career choices. In research of university students in Catalonia and Puerto Rico,

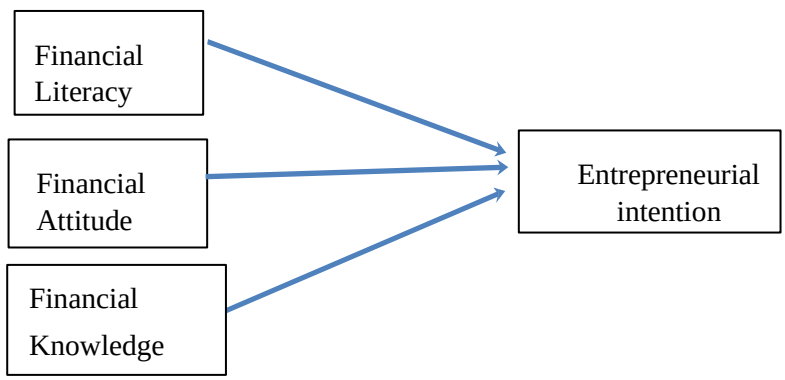
positive perceptions towards entrepreneurship were registered and this highlights the importance of perceptions towards entrepreneurial intent.

Financial Knowledge → Entrepreneurial Intent

Financial knowledge is critical in the recognition of opportunities and the subsequent decision-making process. Nevertheless, the entrepreneurial process is influenced by other variables, including social ties and potential financial rewards. Burchi et al., (2021) argue that increasing financial literacy positively impacts the entrepreneurial sustainability of an individual. In order to promote entrepreneurship, developing countries must change their institutional frameworks to priorities financial literacy.

- H1: Financial literacy → Entrepreneurial intention
- H2: Financial attitude → Entrepreneurial intention
- H3: Financial knowledge → Entrepreneurial intention

Figure: 1 *Research Framework*



3. Methodology

3.1 Research Objective and Design

The main focus of this research is to understand the issues pertaining to the financial literacy and the entrepreneurial ambitions of young people in Balochistan. The study is based on the modified theoretical model of Rugimbana and Oseifuah (2010). Since Rugimbana and Oseifuah (2010) are being followed in this study along with Saunders and Lewis (2012) and define causal research as studying relationships between two or more variables, this study is causal and quantitative in nature. To achieve data reliability and consistency, a single-method design was adopted, followed by a concurrent quantitative analysis.

3.2 Data Collection Technique

The primary data collection tool consisted of a closed-ended, self-administered questionnaire. The respondents completed the survey on their own, without any interviewer's guidance. This method was from bias, representative of the sample. The use of structured surveys made data collection more organized. The targeted population of the study was young people in Balochistan between the ages of 18 and 35 years. The minimum requirement for determining sample size was set at 210 participants. Convenience sampling as a non-probability sampling method was adopted in accordance with Saunders and Lewis (2012), who advocated the use of data obtained from participants who are easily accessible and willing. The data were collected through on-site surveys in the following larger Universities in Balochistan, Pakistan: University of Balochistan, Lasbela University of Agriculture, Water, and Marine Sciences (LUAWM) Sardar Bahadur Khan Women University (SBK), Bolan Medical College (BMC) and University of Turbat. This choice of universities allowed for a breadth and depth of data which should determine the result of the study with certainty.

3.3 Analytical Tool

The data analysis was conducted in terms of Partial Least Squares (PLS) and with the help of Smart PLS software. It aimed at determining how many independent variables would affect one dependent variable. Although Smart PLS is the most suitable software to be used in such analytical structural equations, the selected multivariate statistical analysis model was the structural equation (SEM). This approach provided a comprehensive analysis of the variables: financial literacy, financial attitude, financial knowledge, and entrepreneurial intent.

4. Data Analysis

4.1. Descriptive

The form asks about Gender, Occupation, Qualification, and Age. 77.6% of the respondents held a bachelor's degree, 11% a master's or master's degree, and 11.4% had only an intermediate education or less. Among the respondents were 52% females and 48% males. 10% unemployed respondents and 90% students completed–the questionnaires; 71% of the respondents were between the ages of 18 and 24, 29% were between the ages of 25 and 34. The information is shown in Table 1.

Table 1: *Characteristic Statistics*

Qualification of Respondents	Participants	Percentage
Intermediate Students	23	11%
Bachelors Students	163	77.6%
Master/MS Students	24	11.4%
Gender		
Female	98	52%
Male	112	48%
Occupation of Respondents		
Total Student	190	90%
Total Unemployed	20	10%
Age of Respondents		
18-24	155	71%
25-34	52	29%

4.2. Analysis of Measurement Models (Part 1)

According to Hair et al., (2017), the measurement model explains the link between dependent and independent variables. The data used in this study was gathered using a questionnaire instrument, and Smart PLS was used to conduct a SEM analysis on the survey. In particular, we use Smart PLS as our main tool for quantitative data analysis. There are two stages to the examination of the measurement model. Using Smart PLS, we first evaluate the validity and reliability of the Entrepreneurial Intent and Financial Literacy dimensions in accordance with the standards suggested by Hair et al., (2017). In the subsequent stage, we utilize the bootstrapping approach within Smart PLS to assess the structural model, wherein beginning or expanding a business might be "self-funding" or "self-sustaining." 'P' values and t-statistics' are obtained. Importantly, the almost’t-statistic' represents to the ratio of the standard error to the forecasted parameter value's deviation from the value that was hypothesized. To ascertain whether the null hypothesis is rejected or supported, we apply the T-test with Smart PLS. The 'p-value,' which is the likelihood of receiving outcomes as extreme as the observed ones assuming the null hypothesis is true, is another calculation that Smart PLS does. A lower 'p-value' indicates more evidence supporting the alternative theory. As such, the measurement model evaluation is still crucial since it provides a thorough synopsis of the concepts in the SPSS analytical framework.

4.2.1. Result of Reliability

In this research article, we used Cronbach's alpha as a metric to assess internal consistency, or how closely related a set of items is to one another. Scale reliability is said to be measured by it. Table 2 illustrates the good constancy of Cronbach's coefficient Alpha values. Therefore, it can be trusted. The questionnaires yield consistent and dependable results; the lowest Alpha value for the Cronbach's

coefficient Alpha is 0.793, and the highest value is 0.855. All of the indications are acknowledged to be equally consistent by Cronbach's coefficient Alpha. A measure of internal consistency in scale items, composite reliability (sometimes called construct reliability) is comparable to Cronbach's alpha. The composite reliability (CR) values, as indicated by Table 2, fall between 0.7 and 0.8, which is the acceptable range. So, the results indicate that the instrument utilized in this investigation is reliable.

4.2.2. Result of Convergent Validity (CV)

CV refers to the extent to which the novel method corresponds with alternative variables and measurements of the identical construct. The construct must correlate with pertinent factors, but not with irrelevant or different ones. As a result, a construct's indicators should have a large variance or convergence. The average variance extracted, or AVE measures the amount of variation that a concept captures in comparison to the amount of variance brought on by measurement error. To establish convergent validity, it is essential to evaluate the indicator's outer/factor loadings, composite reliability (CR), and average variance extracted (AVE). A construct's outer loadings should ideally be over 0.72, indicating that the factor removes enough variance from the variable, in order for it to be considered high (Hair et al., 2017). Factor loadings for the constructs are greater than the 0.73 threshold value, as Table 2 illustrates. This demonstrates how similar the indicators were for the research's constructs. The construct's AVE values, as displayed in Table 2, are more than 0.5, meaning that it accounts for a larger portion of the variation in its indicators. Therefore, it is determined that there are no problems with the constructs' convergent validity based on the results of factor loadings and the AVE (Table.2).

4.2.3 Result of Discriminant Validity (DV)

In our Research Article, the results of the theory of Fornell and Larcker (1981) criterion, which evaluates DV, are shown in Table 3. This criterion aids in our assessment of whether or not our model's constructs show robust correlations with one another. It accomplishes this by contrasting the correlations between a given construct and its square root of the Average Variance Extracted (AVE) for that construct. Essentially, we are looking for the square root of the average variance extracted (AVE) to be larger than correlation coefficients. The results show that for our constructs, the square root of average variance extracted (AVE) is greater than the correlations between them. These findings suggest that discriminant validity in our present study is not compromised.

Table 2: *Result of Reliability and Convergent Validity (CV)*

	Outer Loadings Range	CA	CR	AVE
Entrepreneurial Intent -(EI)	0.72 – 0.85	0.819	0.830	0.536
Financial Attitude -(FA)	. 0.72 – 0.85	0.838	0.867	0.558
Financial Knowledge -(FK)	0.74 – 0.88	0.855	0.858	0.619
Financial literacy -(FL)	0.71 – 0.84	0.793	814	0.522

Note: AVE stands for Average Variance Extracted, CR for Composite Reliability, and CA for Cronbach's Alpha. Because of a single item, there is no reporting of the two exogenous constructs: computer knowledge and education level. Reliability (CA>0.7), AVE (>0.5), CR (>0.7) and outer Loading (>0.708).

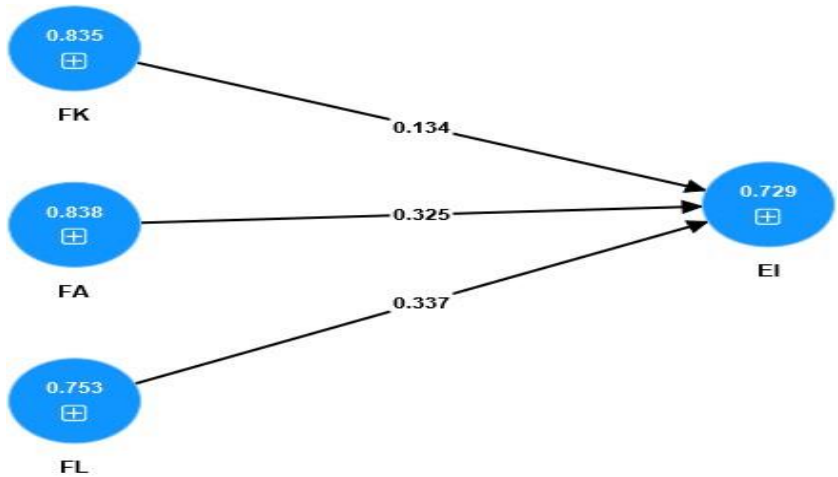
4.2.4. Ratio of correlations (HTMT). When Criteria for Discriminant Validity Assessment

The Heterotrait-Monotrait Ratio of Correlations (HTMT) is another method for assessing discriminant validity; a value of HTMT less than 0.9 suggests that the two constructs being examined are, in fact, distinct from one another. Our research, as presented in Table 3, showcases values below the critical threshold of 2 0.9. Hence, we are able to state that our research has clearly demonstrated discriminant validity between 3 the two constructs examined.

Evaluation of the Structural Model (Part-2)

The structural model shown in figure 2 illustrates the relationships among the variables studied - Financial Literacy, Financial Attitude, Financial Knowledge, Entrepreneurial Intent. Figure 2 also demonstrates how the components of the structural model relate to entrepreneurial intent. Furthermore, the model was tested to determine if the independent variables have an impact on the dependent variable. In this study, we presumed that the positive impact of Financial Literacy (which includes Financial Attitude and Financial Knowledge) on Entrepreneurial Intent was positive. The beta values are 0.325 for Financial Attitude, 0.134 for Financial Knowledge, and 0.337 for Financial Literacy as presented in Table 5 below.

Figure 2: *Structural Model*



4.3.1. Evaluation of Collinearity

Recognizing collinearity is equally vital, as elaborated by Hair et al. (2020). Collinearity especially poses a threat to the role of independent variables. Inaccuracy in estimating coefficients leads to wastage of statistical model power. There are two common measures to assess collinearity: Variance Inflation Factor (VIF) and tolerance. These are both commonly employed to understand how strongly an independent variable (say, the ith variable) is connected to the regression model's other independent variables. A suggested threshold for variance inflation factor (VIF) is 5. If a variable's VIF exceeds 5, it indicates the presence of collinearity issues. The results of VIF calculations are often presented in a table, in Table 4 below. In this table, you can see that the highest VIF value observed for any variable is 1.036, which is well below the recommended threshold of 5. This finding suggests that there are no significant collinearity problems.

Table 4: *The Result of Collinearity Statistics*

Financial Attitude - (FA)	1.036
Financial Knowledge – (FK)	1.002
Financial Literacy – (FL)	1.035

Note: *The table displays the findings of the Variance Inflation Factor (VIF) Collinearity Statistics, with a recommended threshold of less than three Hair. et al., (2020).*

Inner model list found in the table. The path coefficients in our model assess the significance of the relationships proposed among four latent variables, as outlined in the development section 2.2. The results of these path coefficients are presented in Table 5. Notably, according to our research, there is a positive and statistically

significant influence of Financial Attitude (β 0.268 and p < 0.002), Financial Knowledge (β 0.132 and p < 0.049), and Financial Literacy (β 0.291 and p < 0.001) on Entrepreneurial Intent (with p-values below 0.05). This compelling evidence confirms the support for all of our initial hypotheses, as summarized in Table 5.

4.3.2 Evaluation of R-Square

In structural model analysis research, the next critical step is to look at R-Square, this is known as coefficient of determination as well (Hair et al., 2020). This coefficient expresses the percentage of the dependent variable's variability that can be predicted based on the independent variable (s). This involves analysing how one variable's changes affect another variable's changes. In Table 6, the reviewer finds that the fluctuations of 20% of Entrepreneurial Intent (R-Square 0.203) are attributable to the impact of financial literacy and its components. It, thus, validates the relevance of the relationship of the variables.

Table 5: *Structural Model Summary*

	β (Path Coefficient)	**Standard Deviation (STDEV)**	**T-Statistics**	**P-Value**	**Final Decision**
(FA)→(EI)	0.268	0.085	3.15	0.002	
(FK)→(EI)	0.132	0.067	1.97	0.049	
(FL)→(EI)	0.291	0.089	2.27	0.001	Supported

Note: The partial least square results for the –path coefficients. Standard error for a given coefficient is equal to STDEV. Decision criteria and t-statistics apply to alternative hypotheses.

It is necessary to mention that in this case, the R-squared not only supports the strength of the relationship, but also confirms the validity of the analytical model. It demonstrates the ability of the model to capture the variation in the Entrepreneurial Intent as dependent on financial literacy and the other factors.

4.3.3. Effect size F-Square Assessment.

The impact size definition in the words of a layman is to quantify the strength of association between two variables. It plays an important role with regard to the influence of the independent variables on the dependent variables. Cohen's, (2013) criterion states that an effect size (f square) of 0.02 is little, 0.15 is mediocre, and 0.35 is large. Using this, it can be concluded that financial knowledge (f square 0.022) has a negligible effect on entrepreneurial intent, whereas financial attitude (f square 0.072) has a marginal impact. Table 6 notably indicates that the financial literacy effect on entrepreneurial intent had the largest effect size (f square 0.103).

4.3.4. Evaluation of the Predictive Significance Q-Square

The Last step in analyzing a structural model is assessing its predictive relevance, which is represented by the metric Q-Square. To evaluate how well independent variables, predict the dependent variable, researchers often employ a technique called blindfolding. According to Hair et al., (2020), this method implies that Q-Square (Stone Geisser) will be taken into account after R-Square has been assessed as a predictive accuracy metric. The PLS route model has predictive relevance for a given construct in this structural model when its Q-Square value is greater than zero. In this specific example, Table 6 displays a Q-Square value of 0.287, because it is greater than zero. This statistically significant result indicates that entrepreneurial desire can be predicted by a combination of financial education, financial literacy, and financial attitude. The positive Q-Square value suggests that these variables are significant in predicting entrepreneurial inclinations.

Table 6: *Result of F Square (Effect Size), and R-Square, & Predictive relevance*

	F –Square	Q-Square	R-Square	R-Square Adjusted
Entrepreneurial Intent –(EI)		0.287	0.203	0.191
Financial Attitude – (FA)	0.072			
Financial Knowledge – (FK)	0.022			
Financial Literacy – (FL)	0.103			

5.1 Discussions

This paper sought to investigate the relationship between financial literacy and its elements and the entrepreneurial intent of youth in Balochistan, Pakistan. The connection between the measurement model and entrepreneurial intent was also confirmed in the study, thus contributing to the available literature. By enhancing financial decision-making and confidence, financial literacy, attitude, and knowledge influence entrepreneurial intention. On the other hand, people who have a better understanding of finance are better equipped to manage risks and opportunities, which increases their willingness to pursue entrepreneurship. The proposed model was empirically tested with Structural Equation Modelling based on Partial Least Squares (PLS-SEM). It has been established that financial literacy positively influences the entrepreneurial intention of the Balochistan young people. To be more precise, financial attitude and financial knowledge have been found to be positive predictors of entrepreneurial intent. It was observed that financial literacy and its different elements were positive predictors of entrepreneurial intent, as the

research has already been done in Pakistan (Bibi, & Ali, (2022); Mabula & Ping 2019). Such results indicate that financial literacy improves the entrepreneurial intention and, hence, it ought to be promoted to facilitate formation of new business enterprises (Alshebami & Al Marri, 2022). The province must also encourage entrepreneurship that will enable new businesses to be established, something that is necessary in terms of achieving balanced economic growth in the province. Moreover, the increased financial awareness and the creation of the favorable financial attitude of the Balochistan youth can contribute to the entrepreneurial intention and, consequently, to the rise in the number of enterprises and the reduction in the high unemployment rates in the area. It is crucial that the youth should be motivated to become job creators and not job seekers, as far as the economic development of the region is concerned. We must point out that even though there is a positive correlation between financial literacy and entrepreneurial intent, there is still no consensus on a financial literacy model on how to define, conceptualize, measure, and model the various aspects of financial literacy. This is still a contentious issue in the literature and in policy circles.

5.2 Conclusion

This research adds to our knowledge on the role of financial literacy on entrepreneurial intent in the young population in Balochistan. The research demonstrates the effect of financial literacy in a narrower sense, financial knowledge, and a positive financial attitude as a motivator of entrepreneurial activities among the youth. Financial literacy, financial attitude, and financial knowledge shape entrepreneurial intention by improving financial decision-making and confidence, while individuals with better financial understanding are more capable of managing risks and opportunities, increasing their motivation toward entrepreneurship.

The findings of the research are suggestive of potential practical implications of the Balochistan region. In particular, the findings indicate that the enhanced financial literacy and an entrepreneurial orientation among the younger population would most probably lead to the new venture formation, reduction in the unemployment rate and economic growth in the area.

In theory, this research yields evidence of the intersection between entrepreneurial intention and financial literacy, especially in a poorly studied area. The above study results point to policy and programmatic incorporation of financial literacy in youth entrepreneurship programs.

The absence of the universally agreed model of financial literacy, convenience sampling, and the subsequent effect of the factors, on generalizability, are all the most salient weaknesses of the study. Further research has a lot of potential in order to help in the reinforcement of these results by creating financial literacy measurement models, longitudinal research, and cross-study analysis.

This paper has revealed the significance of financial literacy in enabling young people to come up with policies and interventions to enhance entrepreneurial intention and

economic growth in Balochistan through job creation among themselves. (Khan & Liaqat, 2023).

5.3 Practical Implications:

Educators and policymakers should implement and support financial literacy initiatives that promote the development of entrepreneurial activities, which will impact youth unemployment and economic development in the less developed areas of the world. Theoretical Implications: The given paper contributes to the empirical research on the topic of financial literacy and entrepreneurial intent in the Balochistan region that is a rather untapped area. This work can be extended by other scholars to other geographic and time scales of this study to other provinces, countries, and longitudinal studies that can be used to trace changes with the course of time.

5.4 Limitation and Future Research Directions

There are a number of limitations to this study that should be noted. First, the study is restricted to the Balochistan environment, which could limit the findings' applicability to other areas. Second, because the study uses cross-sectional data, it is unable to account for variations in entrepreneurial intention over time. Third, other possible elements including social, cultural, and institutional effects were not taken into account; only financial literacy, financial attitude, and financial knowledge were. It is advised that future research employ longitudinal data to better understand changes over time and extend the study to other geographic regions. To provide a more thorough knowledge of entrepreneurial purpose, future research may also take into account additional factors like personality qualities, financial access, and governmental backing.

References

Abu Shriha, S., AL-Shboul, M. D. A., & Abaddi, S. (2025). The entrepreneurial intentions of Jordanian business students to start an online business in emerging economies: an application of planned behavior theory. *Management & Sustainability: An Arab Review*, *4*(2), 237-267.

Alshebami AS and Al Marri SH (2022). The impact of financial literacy on entrepreneurial intention: the mediating role of saving behavior. *Front. Psychol.* 13:911605. Doi: 10.3389/fpsyg.2022.911605

Anshika, A. and Singla, A. (2022). Financial literacy of entrepreneurs: a systematic review, Managerial Finance, Vol. 48 No. 9/10, pp. 1352-1371. https://doi.org/10.1108/MF-06-2021-0260

Astiana, M., Malinda, M., Nurbasari, A., & Margaretha, M. (2022). Entrepreneurship Education Increases Entrepreneurial Intention Among Undergraduate Students. *European Journal of Educational Research*, *11*(2), 995-1008.

Barba-Sánchez, V., Mitre-Aranda, M., & del Brío-González, J. (2022). The entrepreneurial intention of university students: An environmental

perspective. *European research on management and business economics*, *28*(2), 100184.

Bibi, A., & Ali, A. Z. (2022). Influence of financial literacy and education skills on entrepreneurial intent: empirical evidence from young entrepreneurs of Pakistan. *Benazir Research Journal of Humanities and Social Sciences*, *1*(2).

Breit, L. A., & Volkmann, C. K. (2025). Navigating start-ups: a qualitative exploration of causal and effectual decision-making in entrepreneurial marketing. *Journal of Research in Marketing and Entrepreneurship*, *27*(2), 206-231.

Burchi, A.; Włodarczyk, B.; Szturo, M.; Martelli, D. (2021) The effects of financial literacy on sustainable entrepreneurship. https://doi.org/10.3390/su13095070 9- *Statistical power analysis for the behavioral sciences*. routledge.

Dekamini, F., Dastanpour Hossein Abadi, A., Entezari, A., Birau, R., & Pourmansouri, R. (Eds.). (2024). *Entrepreneurial Financial Literacy During Crisis Conditions*. IGI Global.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of marketing research*, *18*(1), 39-50.

Government of Pakistan. (2023). *Population and Housing Census 2023*. https://balochistan.gov.pk/

Hair Jr, J. F., Howard, M. C., & Nitzl, C. (2020). Assessing measurement model quality in PLSSEM using confirmatory composite analysis. *Journal of business research*, *109*, 101-110.

Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of multivariate data analysis*, *1*(2), 107-123.

Iram, T., Bilal, A. R., & Latif, S. (2024). Is awareness that powerful? Women's financial literacy support to prospects behaviour in prudent decision-making. *Global Business Review*, *25*(5), 13561381.

Kamarudin, Z., Khan, N.H.A.L. (2023). The Importance of financial literacy towards entrepreneurship intention among university students: A Conceptual Paper. In: Mansour, N., Bujosa Vadell, L.M. (eds) Finance, Accounting and Law in the Digital Age. *Contributions to Management Science. Springer*, Cham. https://doi.org/10.1007/978-3-031-27296-7_68

Liu, Y., & Fang, Q. (2025). Can financial literacy enhance household financial risk asset allocation? Based financial planning and the mediating role of Taoist culture. *Review of Behavioral Finance*, *17*(2), 298-316.

Lofstrom, M., Bates, T., & Parker, S. C. (2014). Why are some people more likely to become small-businesses owners than others: Entrepreneurship entry and

industry-specific barriers. *Journal of Business Venturing, 29*(2), 232-251. https://doi. Org/10.1016/j.jbusvent.2013.01.004

Loo, W. H., Yeow, P. H., & Yee Yen, Y. (2023). Antecedents of the responsible acquisition of computers behaviour: Integrating the theory of planned behaviour with the value-belief-norm theory and the habits variable. *Plos one*, *18*(6), e0286022.

Lopes, J. M., Gomes, S., & Nogueira, E. (2025). Educational insights into digital entrepreneurship: the influence of personality and innovation attitudes. *Journal of Innovation and Entrepreneurship*, *14*(1), 16.

Lusardi A, Messy F-A. (2023). The importance of financial literacy and its impact on financial wellbeing. *Journal of Financial Literacy and Wellbeing*. 1(1): 1-11. Doi: 10.1017/flw.2023.8

Mabula, J. B., & Ping, H. D. (2019). Financial literacy position in developing economies: A review of studies and open issues. *Paper presented at the 2nd International Conference on Social Science, Public Health, and Education (SSPHE 2018).*

Meier, S., & Sprenger, C. D. (2013). Discounting financial literacy: Time preferences and participation in financial education programs. *Journal of Economic Behavior & Organization*, *95*, 159-174.

Owen, R., Vedanthachari, L. N., & Hussain, J. (2024). The role of the university entrepreneurial ecosystem in entrepreneurial finance: case studies of UK innovation knowledge centres. *Venture Capital*, *26*(3), 351-375.

Pakistan Bureau of Statistics. (2023). *7th Population and Housing Census 2023*. Government of Pakistan. https://www.pbs.gov.pk/

Rugimbana R., Oseifuah E. K. (2010). Financial literacy and youth entrepreneurship in South Africa. *Afr. J. Econ. Manag. Stud.* 1 164–182. 10.1108/20400701011073473

Saunders, M. N. K., & Lewis, P. (2012). Doing your research project. *Harlow, England: FT Prentice Hall*.

Suparno and Saptono's. (2018) Entrepreneurship education and its influence on financial literacy 1528-2651-21-4-222.pdf

The Nation. (2023). Concerns over unemployment in Balochistan.https://www.nation.com.pk

Tran, Q. N., Phung, T. M., Nguyen, N. H., & Nguyen, T. H. (2024). Financial knowledge matters entrepreneurial decisions: A survey in the COVID-19 pandemic. *Journal of the Knowledge Economy*, *15*(1), 2274-2297.

Usman, F. O., Kess-Momoh, A. J., Ibeh, C. V., Elufioye, A. E., Ilojianya, V. I., & Oyeyemi, O. P. (2024). Entrepreneurial innovations and trends: A global review: Examining emerging trends, challenges, and opportunities in the field of entrepreneurship, with a focus on how technology and globalization are shaping new business ventures. *International Journal of Science and Research Archive*, *11*(1), 552-569.