

Financial Freedom as a Function of Control: An Imperative for Uganda's Youth

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Abstract

Background: Uganda's youth, constituting 78% of the population, face persistent financial insecurity despite expanding economic opportunities and financial inclusion initiatives. While various interventions have targeted youth financial empowerment, limited research has examined how control mechanisms influence the pathway to financial freedom in the Ugandan context.

Objective: This study examined the relationship between financial control and financial freedom among Uganda's youth, specifically assessing how financial literacy, access to financial services, and entrepreneurial engagement influenced young people's capacity to achieve financial independence.

Methods: A cross-sectional survey design was employed with 450 young Ugandans aged 18-35 years selected through multistage sampling across four regions. Data were collected using structured questionnaires measuring financial literacy, access to financial services, entrepreneurial engagement, perceived financial control, and financial freedom indicators. Statistical analyses included descriptive statistics, Pearson correlations, hierarchical multiple regression, moderation analysis using PROCESS macro, and structural equation modeling to test hypotheses regarding relationships between control mechanisms and financial freedom while controlling for demographic variables. Sample size calculations ensured 80% statistical power for detecting medium effect sizes.

Results: Financial literacy demonstrated significant positive correlations with both financial control ($r = .523, p < .01$) and financial freedom ($r = .567, p < .01$), with regression analysis confirming its predictive validity ($\beta = .198, p < .001$) after controlling for other variables. Hierarchical regression models explained 58.7% of variance in financial freedom, with perceived financial control emerging as the strongest predictor ($\beta = .387, p < .001$). Structural equation modeling demonstrated excellent fit ($CFI = .962, RMSEA = .050$), validating the theoretical framework linking control mechanisms to financial outcomes.

Conclusion: Financial freedom among Uganda's youth functioned fundamentally as a product of control mechanisms, with financial literacy, access to financial services, and entrepreneurial engagement serving as critical determinants that operated both independently and synergistically through enhanced perceived control. The findings demonstrated that effective interventions must simultaneously address knowledge deficits, structural access barriers, and income generation opportunities while explicitly cultivating youth agency and self-efficacy in financial decision-making. Integrated approaches combining financial literacy education, expanded youth-centered financial inclusion, and supportive entrepreneurship ecosystems offer the most promising pathways for enabling Uganda's youth to achieve sustainable financial freedom and contribute meaningfully to national economic development.

Keywords: Financial freedom, financial control, financial literacy, youth empowerment, financial inclusion, entrepreneurship

Introduction of the Study

Financial freedom represents more than mere accumulation of wealth; it embodies the capacity to make life choices without being constrained by financial limitations (Julius, 2024, 2025). For Uganda's youth, who constitute approximately 78% of the population, achieving financial freedom has become increasingly challenging amid rising

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unemployment rates, limited access to capital, and inadequate financial literacy (Fisch & Seligman, 2022; Huang et al., 2023). This study explores financial freedom through the lens of control—examining how young Ugandans' ability to exercise agency over their financial decisions, resources, and economic opportunities determines their path toward financial independence. The concept of control in financial matters encompasses multiple dimensions: control over income generation, expenditure patterns, savings behavior, investment decisions, and access to financial services (Arora & Chakraborty, 2023; Rahim Khan et al., 2020). In Uganda's context, where informal employment dominates and traditional banking systems remain inaccessible to many young people, understanding the relationship between perceived control and financial outcomes becomes critical (Ghazali et al., 2017; Nguyen & Nguyen, 2020). This research investigates how empowering youth with greater financial control mechanisms—through education, entrepreneurship support, and inclusive financial systems—can accelerate their journey toward financial freedom and, consequently, contribute to national economic development.

Background of the Study

Uganda's demographic landscape presents both opportunities and challenges. With a median age of 16.7 years, the country has one of the youngest populations globally. However, youth unemployment stands at approximately 13.3%, with underemployment affecting a significantly larger proportion (Audrey & Julius, 2023; Janet & Julius, 2023). Many young Ugandans engage in precarious informal sector work, lacking job security, social protection, and opportunities for financial growth (Böhm et al., 2023; Farimani et al., 2022). The financial ecosystem in Uganda has evolved considerably over the past decade, with increased penetration of mobile money services, microfinance institutions, and digital financial platforms (Julius & Nelson, 2023; Julius & Twinomujuni, 2025). Despite these advancements, many youth remain financially excluded or underserved. Limited financial literacy, inadequate entrepreneurship training, and restricted access to affordable credit constrain young people's ability to exercise meaningful control over their financial trajectories (Gallardo Canales et al., 2021; Mpaata & Koskei, 2021).

Globally, research has established strong correlations between financial literacy, perceived financial control, and financial well-being. Studies from both developed and developing economies demonstrate that individuals who possess financial knowledge and exercise control over their financial decisions exhibit better saving habits, make more informed investment choices, and demonstrate greater resilience during economic shocks (Christopher et al., 2022; Mishchenko et al., 2021). However, contextual factors unique to Uganda—including cultural attitudes toward money, gender disparities in financial access, and the predominance of agricultural livelihoods—necessitate localized research to understand how control mechanisms influence financial freedom among Ugandan youth (Justus, 2023).

Government initiatives such as the Youth Livelihood Programme and the Uganda Youth Empowerment Programme have attempted to enhance youth financial inclusion, yet their impact remains limited. The disconnect between policy intentions and actual outcomes suggests a need to examine the fundamental issue of control—whether young people possess the agency, resources, and capabilities to translate opportunities into sustainable financial freedom.

Problem Statement

Despite constituting the majority of Uganda's population and having access to various government programs and an expanding digital financial ecosystem, the country's youth continue to experience significant financial insecurity and limited progress toward financial freedom. High rates of youth unemployment, underemployment, and poverty persist,

with many young Ugandans lacking control over critical financial decisions and resources that determine their economic futures (Adoch et al., 2023; Monica & Richard, 2023; Moses et al., 2023).

The fundamental problem lies in the disconnect between the availability of financial opportunities and youth capacity to exercise meaningful control over their financial lives. Many young Ugandans lack the financial literacy necessary to make informed decisions, face barriers to accessing formal financial services, and operate within systems that limit their agency over income generation and wealth accumulation (Alex et al., 2023; Julius, 2023; Julius & Geoffrey, 2025). This lack of control manifests in poor savings behavior, limited investment capacity, vulnerability to financial exploitation, and perpetual dependence on external support.

Furthermore, existing interventions have not adequately addressed how control—or the lack thereof—mediates the relationship between available resources and achieved financial outcomes (Ariyo et al., 2024; Gladys, 2024). Without understanding the specific control mechanisms that enable or constrain financial freedom, policies and programs risk remaining ineffective, thereby perpetuating cycles of financial dependence among Uganda's youth. This study addresses this critical gap by examining how various dimensions of financial control influence the attainment of financial freedom among Ugandan youth.

Main Objective of the Study

To examine the relationship between financial control and financial freedom among Uganda's youth, and to identify the specific control mechanisms that significantly influence young people's capacity to achieve financial independence.

Specific Objectives

1. To assess the level of financial literacy and its influence on financial control among Uganda's youth.
2. To determine the relationship between access to financial services and perceived financial control among young Ugandans.
3. To evaluate the effect of entrepreneurial engagement and income generation control on the financial freedom of Uganda's youth.

Research Questions

1. What is the relationship between financial literacy and financial control among Uganda's youth, and how does this relationship influence their financial freedom?
2. How does access to financial services affect perceived financial control and subsequent financial freedom among young Ugandans?
3. To what extent does entrepreneurial engagement and control over income generation contribute to achieving financial freedom among Uganda's youth?

Research Hypotheses

H1: There is a significant positive relationship between financial literacy levels and financial control among Uganda's youth, which subsequently influences their financial freedom.

H2: Access to formal financial services significantly moderates the relationship between perceived financial control and financial freedom among Uganda's youth.

H3: Entrepreneurial engagement and control over income generation sources have a significant positive effect on the financial freedom of Uganda's youth.

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Methodology

This study employed a cross-sectional survey research design to examine the relationship between financial control and financial freedom among Uganda's youth. The target population comprised young Ugandans aged 18-35 years residing in both urban and rural areas across the country. Using a multistage sampling technique, the study first stratified Uganda into four regions (Central, Eastern, Northern, and Western), then randomly selected two districts from each region, and finally employed systematic random sampling to select respondents from each district. The sample size was calculated using Cochran's formula with a 95% confidence level, 5% margin of error, and assuming a population proportion of 50% to ensure maximum variability, which yielded an initial sample of 384 participants; however, to achieve a statistical power of 80% for detecting medium effect sizes (Cohen's $d = 0.5$) in regression analyses and to account for potential non-response and incomplete questionnaires, the sample was adjusted to 450 respondents using power analysis calculations in G*Power software. Data were collected through structured questionnaires administered both electronically via mobile devices and in paper format, with the instrument containing sections on demographic characteristics, financial literacy (measured using a modified version of the OECD Financial Literacy Scale), access to financial services, entrepreneurial engagement, perceived financial control (assessed through Locus of Control scales adapted for financial contexts), and financial freedom indicators including savings adequacy, debt management, investment capacity, and financial security perceptions. Prior to full-scale data collection, the questionnaire was pre-tested among 30 youth not included in the final sample to ensure validity and reliability, with Cronbach's alpha coefficients exceeding 0.70 for all multi-item scales. The collected data were cleaned, coded, and analyzed using Statistical Package for Social Sciences (SPSS) version 26 and STATA version 17. Descriptive statistics including frequencies, percentages, means, and standard deviations were computed to summarize respondent characteristics and study variables. To address the first objective, Pearson correlation analysis and hierarchical multiple regression were employed to examine the relationships between financial literacy, financial control, and financial freedom while controlling for demographic variables. For the second objective, moderation analysis using the PROCESS macro (Model 1) was conducted to test whether access to financial services moderated the relationship between perceived financial control and financial freedom, with simple slopes analysis performed to interpret significant interaction effects. The third objective was addressed through structural equation modeling (SEM) using maximum likelihood estimation to evaluate both direct and indirect effects of entrepreneurial engagement and income generation control on financial freedom, with model fit assessed using multiple indices including Chi-square/df ratio, Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR). For hypothesis testing, multiple linear regression models were specified with financial freedom as the dependent variable and the control mechanisms as independent variables, while controlling for potential confounders including age, gender, education level, employment status, and geographical location. Mediation analyses were conducted using bootstrapping procedures (5,000 bootstrap samples) to examine indirect effects and calculate bias-corrected confidence intervals. All statistical tests were two-tailed with significance levels set at $p < 0.05$, and multicollinearity was assessed using Variance Inflation Factor (VIF) values, with $VIF < 5$ considered acceptable. Additionally, assumptions of normality, linearity, homoscedasticity, and independence of residuals were tested and satisfied before conducting parametric analyses. Ethical approval was obtained from the

relevant institutional review board, and informed consent was secured from all participants prior to data collection, with assurances provided regarding confidentiality, anonymity, and voluntary participation.

Results

Table 1: Demographic Characteristics of Respondents (N=450)

Characteristic	Category	Frequency	Percentage (%)
Gender	Male	238	52.9
	Female	212	47.1
Age Group	18-24 years	187	41.6
	25-30 years	168	37.3
	31-35 years	95	21.1
Education Level	Primary or below	78	17.3
	Secondary	196	43.6
	Tertiary	176	39.1
Employment Status	Formally employed	112	24.9
	Self-employed/Entrepreneur	189	42.0
	Unemployed	149	33.1
Geographical Location	Urban	243	54.0
	Rural	207	46.0
Region	Central	118	26.2
	Eastern	109	24.2
	Northern	112	24.9
	Western	111	24.7
Access to Financial Services	Yes	297	66.0
	No	153	34.0
Monthly Income (UGX)	Below 200,000	156	34.7
	200,000-500,000	178	39.6
	Above 500,000	116	25.8

Statistical Interpretation

The demographic profile of the 450 respondents revealed a relatively balanced gender distribution with males constituting 52.9% (n=238) and females 47.1% (n=212), which aligned closely with Uganda's general population gender ratio and enhanced the representativeness of the sample. The age distribution showed that the majority of respondents fell within the 18-24 years bracket (41.6%, n=187), followed by the 25-30 years group (37.3%, n=168), and the 31-35 years category (21.1%, n=95), indicating that the sample adequately captured the perspectives of both younger and relatively older youth segments. Educational attainment data demonstrated that 43.6% (n=196) had completed secondary education, 39.1% (n=176) possessed tertiary qualifications, and 17.3% (n=78) had primary education or below, suggesting a generally educated sample that may have implications for financial literacy levels. Employment status revealed critical insights, with self-employment or entrepreneurship being the most common

category at 42.0% (n=189), followed by unemployment at 33.1% (n=149), and formal employment at only 24.9% (n=112), reflecting Uganda's labor market realities where informal sector engagement dominated and formal employment opportunities remained scarce. The geographical distribution showed a slight urban bias with 54.0% (n=243) urban residents compared to 46.0% (n=207) rural residents, while regional representation was well-balanced across Central (26.2%), Eastern (24.2%), Northern (24.9%), and Western (24.7%) regions, validating the multistage sampling approach.

Discussion of Findings

These demographic characteristics provided important contextual understanding for interpreting subsequent analyses and revealed several patterns relevant to financial freedom among Uganda's youth. The predominance of self-employment and entrepreneurship (42.0%) combined with high unemployment rates (33.1%) underscored the necessity for youth to create their own income-generating opportunities in the absence of formal employment, which directly related to the study's focus on control over income generation as a pathway to financial freedom. The finding that 66.0% (n=297) of respondents reported having access to financial services suggested moderate financial inclusion, though the substantial minority without access (34.0%, n=153) highlighted persistent exclusion challenges that could constrain financial control and freedom. Income distribution data revealed that 74.3% of respondents earned below 500,000 UGX monthly (approximately \$135), with 34.7% earning below 200,000 UGX (approximately \$54), indicating widespread financial vulnerability and limited disposable income for savings and investment activities. The relatively high proportion of respondents with secondary and tertiary education (82.7% combined) presented an interesting paradox when juxtaposed with high unemployment and low income levels, suggesting that educational credentials alone were insufficient for achieving financial success without corresponding control mechanisms, entrepreneurial opportunities, and financial literacy. This demographic foundation established that the study population faced genuine financial challenges and represented authentic experiences of youth struggling toward financial freedom in Uganda's contemporary economic context, thereby enhancing the relevance and potential applicability of study findings to policy and program interventions.

Table 2: Descriptive Statistics and Correlation Analysis of Study Variables (N=450)

Variable	Mean	SD	1	2	3	4	5
1. Financial Literacy	3.42	0.89	1				
2. Access to Financial Services	0.66	0.47	.412**	1			
3. Entrepreneurial Engagement	3.18	1.02	.385**	.298**	1		
4. Perceived Financial Control	3.25	0.94	.523**	.441**	.456**	1	
5. Financial Freedom	2.98	0.87	.567**	.389**	.502**	.634**	1

Note: ** $p < 0.01$ (2-tailed); Financial Literacy, Entrepreneurial Engagement, Perceived Financial Control, and Financial Freedom measured on 5-point Likert scales; Access to Financial Services coded as binary (0=No, 1=Yes)

Statistical Interpretation

The descriptive statistics revealed that respondents demonstrated moderate levels across all continuous variables measured on 5-point Likert scales, with financial literacy scoring a mean of 3.42 (SD=0.89), perceived financial control at 3.25 (SD=0.94), entrepreneurial engagement at 3.18 (SD=1.02), and financial freedom at 2.98 (SD=0.87), indicating that while youth possessed above-average financial knowledge and some degree of control, actual financial

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freedom remained closer to the midpoint and represented an area of continued struggle. The standard deviations ranging from 0.87 to 1.02 suggested reasonable variability within the sample, with entrepreneurial engagement showing the highest variability (SD=1.02), reflecting diverse levels of business involvement among youth, while financial freedom exhibited relatively lower variability (SD=0.87), possibly indicating fairly consistent challenges across the sample. The correlation matrix demonstrated statistically significant positive relationships among all variables at the $p < 0.01$ level, with the strongest correlation observed between perceived financial control and financial freedom ($r = .634, p < 0.01$), followed by financial literacy and financial freedom ($r = .567, p < 0.01$), and entrepreneurial engagement and financial freedom ($r = .502, p < 0.01$). Financial literacy showed strong positive correlations with perceived financial control ($r = .523, p < 0.01$), access to financial services ($r = .412, p < 0.01$), and entrepreneurial engagement ($r = .385, p < 0.01$), suggesting that financial knowledge served as a foundational element influencing multiple control mechanisms. Access to financial services, though measured as a binary variable with mean 0.66, demonstrated significant positive correlations with perceived financial control ($r = .441, p < 0.01$) and financial freedom ($r = .389, p < 0.01$), indicating its importance in the financial freedom equation.

Discussion of Findings

The correlation analysis provided preliminary support for the study's theoretical framework linking control mechanisms to financial freedom and offered insights into the interconnected nature of financial literacy, access, entrepreneurial engagement, and control in determining youth financial outcomes. The particularly strong correlation between perceived financial control and financial freedom ($r = .634$) suggested that approximately 40% of the variance in financial freedom could be attributed to how much control youth believed they had over their financial situations, underscoring the psychological and practical importance of agency in achieving financial independence. This finding aligned with self-determination theory and financial capability frameworks that emphasized the centrality of control in translating resources and knowledge into positive outcomes. The significant correlation between financial literacy and financial freedom ($r = .567$) validated the first research question's premise and suggested that knowledge truly translated into better financial outcomes, though the correlation's magnitude indicated that literacy alone explained only about 32% of the variance, implying that other factors including control mechanisms, access, and opportunities played substantial roles. The moderate yet significant correlations between entrepreneurial engagement and both financial control ($r = .456$) and financial freedom ($r = .502$) highlighted entrepreneurship as a viable pathway through which youth could exercise income generation control and advance toward financial independence, particularly relevant given Uganda's limited formal employment opportunities. The intercorrelations among financial literacy, access to financial services, and entrepreneurial engagement (ranging from $r = .298$ to $r = .412$) suggested these variables were related yet distinct constructs that likely worked synergistically rather than independently to influence financial freedom. These correlation patterns warranted further investigation through multivariate analyses to determine the unique contribution of each control mechanism while controlling for confounding variables and to test the proposed hypotheses regarding direct, indirect, and moderating effects on financial freedom among Uganda's youth.

Table 3: Hierarchical Multiple Regression Analysis Predicting Financial Freedom (N=450)

Variables	Model 1	Model 2	Model 3
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	β (SE)	β (SE)	β (SE)
Control Variables			
Age	.082 (.021)	.045 (.019)	.031 (.017)
Gender (Female=1)	-.104* (.082)	-.068 (.074)	-.052 (.067)
Education Level	.156** (.042)	.089* (.039)	.062 (.036)
Employment Status	.187** (.038)	.121** (.035)	.095** (.032)
Geographical Location (Rural=1)	-.142** (.084)	-.096* (.076)	-.073 (.069)
Independent Variables			
Financial Literacy		.342*** (.047)	.198*** (.046)
Access to Financial Services		.156** (.089)	.092* (.081)
Entrepreneurial Engagement		.268*** (.041)	.176*** (.039)
Main Effect			
Perceived Financial Control			.387*** (.045)
R ²	.127	.478	.587
Adjusted R ²	.117	.466	.576
R ² Change	.127	.351	.109
F for R ² Change	12.84***	94.26***	116.47***
VIF Range	1.12-1.89	1.24-2.31	1.28-2.54

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$; β = standardized regression coefficient; SE = standard error; VIF = Variance Inflation Factor

Statistical Interpretation

The hierarchical multiple regression analysis demonstrated a sequential improvement in explaining variance in financial freedom across three models, with Model 1 containing only control variables accounting for 12.7% of the variance ($R^2 = .127$, $F(5, 444) = 12.84$, $p < .001$), Model 2 adding financial literacy, access to financial services, and entrepreneurial engagement increasing explained variance to 47.8% ($R^2 = .478$, $\Delta R^2 = .351$, F change (3, 441) = 94.26, $p < .001$), and Model 3 incorporating perceived financial control as the main predictor achieving a final explained variance of 58.7% ($R^2 = .587$, $\Delta R^2 = .109$, F change (1, 440) = 116.47, $p < .001$). In Model 1, employment status ($\beta = .187$, $p < .01$) and education level ($\beta = .156$, $p < .01$) emerged as significant positive predictors, while geographical location showed a negative effect ($\beta = -.142$, $p < .01$), indicating that rural residence, unemployment, and lower education constrained financial freedom. Gender demonstrated a small but significant negative effect ($\beta = -.104$, $p < .05$), suggesting females experienced lower financial freedom than males when controlling for other demographic factors. Model 2 revealed that financial literacy ($\beta = .342$, $p < .001$), entrepreneurial engagement ($\beta = .268$, $p < .001$), and access to financial services ($\beta = .156$, $p < .01$) all significantly predicted financial freedom, with financial literacy showing the strongest standardized effect, though the significance of some control variables diminished, indicating these mechanisms partially mediated demographic influences. In the final Model 3, perceived financial control emerged as the strongest predictor of financial freedom ($\beta = .387$, $p < .001$), while financial literacy ($\beta = .198$, $p < .001$), entrepreneurial engagement ($\beta = .176$, $p < .001$), and access to financial services ($\beta = .092$, $p < .05$) retained

significance but with reduced coefficients, suggesting that these control mechanisms operated both directly and indirectly through perceived control. VIF values across all models ranged from 1.12 to 2.54, well below the threshold of 5, confirming absence of problematic multicollinearity despite the significant intercorrelations observed in the bivariate analysis.

Discussion of Findings

The hierarchical regression results provided robust support for Hypothesis 1, demonstrating that financial literacy significantly predicted financial freedom both directly and through its influence on perceived financial control, thereby validating the theoretical proposition that knowledge-based control mechanisms were fundamental to achieving financial independence among Uganda's youth. The substantial R² change of .351 when adding the three control mechanisms in Model 2 represented a practically meaningful improvement in prediction, indicating that beyond demographic characteristics, access to financial literacy, services, and entrepreneurial opportunities were critical determinants of financial outcomes. The emergence of perceived financial control as the strongest predictor in Model 3 ($\beta = .387$) illuminated a key finding: while financial literacy, access to services, and entrepreneurial engagement independently contributed to financial freedom, their effects were substantially mediated through the psychological and practical sense of control youth experienced over their financial lives. This finding suggested that interventions targeting financial freedom must not only provide knowledge, access, and opportunities but must also explicitly cultivate youth agency and self-efficacy in financial decision-making. The reduction in standardized coefficients for financial literacy (from $\beta = .342$ to $\beta = .198$), entrepreneurial engagement (from $\beta = .268$ to $\beta = .176$), and access to financial services (from $\beta = .156$ to $\beta = .092$) after introducing perceived financial control indicated significant mediation effects, suggesting that these mechanisms influenced financial freedom partially by enhancing youth perceptions of control, though their direct effects remained significant, pointing to both mediated and direct pathways. The persistent significance of employment status in all models underscored the reality that having stable income sources provided a foundation for exercising financial control and achieving freedom, while the negative effect of rural location, though diminished across models, reflected structural inequalities in access to opportunities, financial infrastructure, and markets that disadvantaged rural youth. The gender effect's reduction to non-significance in Models 2 and 3 suggested that observed gender disparities in financial freedom were largely explained by differential access to control mechanisms rather than gender per se, implying that equalizing access to financial literacy, services, and entrepreneurial opportunities could effectively close the gender gap in financial outcomes among Uganda's youth.

Table 4: Moderation Analysis and Structural Equation Modeling Results

Panel A: Moderation Effect of Access to Financial Services (PROCESS Model 1)

Predictor	Outcome: Financial Freedom
	β (SE)
Perceived Financial Control	.521*** (.058)
Access to Financial Services	.187** (.069)
Interaction (Control \times Access)	.243** (.087)
Age	.039 (.018)
Gender	-.048 (.065)

Education Level	.071 (.035)
Employment Status	.098** (.031)
Geographical Location	-.069 (.068)
R ²	.612
F(8, 441)	86.47***
Conditional Effects at Access Levels	
No Access (Access = 0)	.398*** (.071)
Has Access (Access = 1)	.641*** (.052)

Panel B: Structural Equation Model Results

Path	β	SE	p-value	95% CI
Direct Effects				
Entrepreneurial Engagement → Financial Control	.389	.045	< .001	[.301, .477]
Income Generation Control → Financial Control	.412	.048	< .001	[.318, .506]
Entrepreneurial Engagement → Financial Freedom	.156	.042	< .001	[.074, .238]
Income Generation Control → Financial Freedom	.183	.046	< .001	[.093, .273]
Financial Control → Financial Freedom	.447	.041	< .001	[.367, .527]
Indirect Effects (via Financial Control)				
Entrepreneurial Engagement → Control → Freedom	.174	.025	< .001	[.127, .226]
Income Generation Control → Control → Freedom	.184	.027	< .001	[.133, .239]
Total Effects				
Entrepreneurial Engagement → Financial Freedom	.330	.036	< .001	[.259, .401]
Income Generation Control → Financial Freedom	.367	.038	< .001	[.292, .442]
Model Fit Indices				
$\chi^2/df = 2.14$; CFI = .962; TLI = .954; RMSEA = .050 [.043, .058]; SRMR = .041				

Note: ** $p < 0.01$, *** $p < 0.001$; β = standardized coefficient; SE = standard error; CI = Confidence Interval (bootstrap with 5,000 samples); CFI = Comparative Fit Index; TLI = Tucker-Lewis Index; RMSEA = Root Mean Square Error of Approximation; SRMR = Standardized Root Mean Square Residual

Statistical Interpretation

The moderation analysis in Panel A revealed a statistically significant interaction effect between perceived financial control and access to financial services ($\beta = .243$, $p < .01$), providing empirical support for Hypothesis 2 and indicating that the relationship between financial control and financial freedom was contingent upon whether youth had access to formal financial services. The overall model explained 61.2% of the variance in financial freedom ($R^2 = .612$, $F(8, 441) = 86.47$, $p < .001$), representing a substantial improvement over the main effects model and demonstrating the importance of considering moderating factors in understanding financial freedom determinants. Simple slopes analysis of the conditional effects showed that for youth without access to financial services (Access = 0), the relationship between perceived financial control and financial freedom was significant but moderate ($\beta = .398$, $p < .001$), whereas for youth with access to financial services (Access = 1), this relationship was considerably stronger ($\beta = .641$, $p < .001$), representing a 61% increase in the strength of association. This interaction pattern indicated that while perceived control benefited all youth, those with access to formal financial infrastructure could translate their control into financial freedom more effectively, highlighting the synergistic effect of psychological agency and structural opportunity. The structural equation modeling results in Panel B demonstrated excellent model fit to the data, with χ^2/df ratio of 2.14 (below the recommended threshold of 3), CFI and TLI values of .962 and .954 respectively (exceeding the .95 criterion for excellent fit), RMSEA of .050 with 90% confidence interval [.043, .058] (below the .06 threshold for good fit), and SRMR of .041 (well below the .08 cutoff), collectively confirming that the proposed theoretical model adequately represented the relationships among observed variables. The direct effects analysis revealed that both entrepreneurial engagement ($\beta = .389$, $p < .001$) and income generation control ($\beta = .412$, $p < .001$) significantly predicted perceived financial control, while also demonstrating significant direct paths to financial freedom ($\beta = .156$ and $\beta = .183$ respectively, both $p < .001$). Critically, the indirect effects through perceived financial control were substantial and significant for both entrepreneurial engagement ($\beta = .174$, 95% CI [.127, .226]) and income generation control ($\beta = .184$, 95% CI [.133, .239]), with bootstrap confidence intervals excluding zero, confirming significant mediation. The total effects, combining direct and indirect pathways, showed that income generation control ($\beta = .367$) had a slightly stronger overall impact on financial freedom than entrepreneurial engagement ($\beta = .330$), both representing medium to large effect sizes according to conventional standards.

Discussion of Findings

The moderation findings provided nuanced understanding of how structural access to financial services amplified the benefits of perceived control, revealing that financial inclusion was not merely an independent predictor but fundamentally altered how youth could leverage their agency to achieve financial freedom. The 61% increase in the control-freedom relationship among youth with financial access versus those without access represented a practically significant difference that underscored the importance of expanding financial inclusion initiatives as a complement to empowerment and literacy programs. This finding suggested that policies focusing solely on building youth capacity without addressing systemic access barriers would yield suboptimal outcomes, as even financially literate and motivated youth faced constraints in translating their control into freedom without appropriate financial infrastructure.

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The interaction effect validated criticisms of purely supply-side financial inclusion approaches, demonstrating that access alone was insufficient without corresponding demand-side factors like perceived control, while simultaneously showing that empowerment without access left potential unrealized. The structural equation modeling results provided compelling support for Hypothesis 3 and illuminated the mechanisms through which entrepreneurial engagement and income generation control influenced financial freedom among Uganda's youth. The significant direct effects of entrepreneurship ($\beta = .156$) and income control ($\beta = .183$) on financial freedom indicated that these activities provided tangible benefits beyond psychological factors, likely through increased income, asset accumulation, and reduced financial vulnerability. However, the substantial indirect effects through perceived financial control ($\beta = .174$ and $\beta = .184$) revealed that approximately half of the total impact operated through enhanced sense of agency, suggesting that entrepreneurship and self-directed income generation empowered youth not only materially but also psychologically, building confidence and perceived mastery over financial circumstances. The finding that income generation control exerted a slightly stronger total effect ($\beta = .367$) than entrepreneurial engagement per se ($\beta = .330$) highlighted that what mattered most was not merely being self-employed or running a business, but rather having genuine control over income sources, whether through entrepreneurship, portfolio income, or stable employment with advancement opportunities. This distinction carried important implications for interventions, suggesting that programs should prioritize cultivating sustainable, controllable income streams rather than promoting entrepreneurship universally regardless of individual circumstances or market conditions. The excellent model fit statistics provided confidence that these findings reflected genuine underlying relationships rather than model misspecification or overfitting, strengthening the validity of conclusions drawn regarding the centrality of control mechanisms in pathways to financial freedom among Uganda's youth.

Conclusion

This study examined the relationship between financial control and financial freedom among Uganda's youth, identifying specific control mechanisms that significantly influenced young people's capacity to achieve financial independence. The findings conclusively demonstrated that financial literacy played a foundational role in enhancing financial control among Uganda's youth, with significant positive correlations ($r = .523$, $p < .01$) and direct predictive effects ($\beta = .198$, $p < .001$) on financial freedom, thereby addressing the first specific objective. Young Ugandans who possessed higher levels of financial knowledge exhibited greater perceived control over their financial circumstances and achieved better financial outcomes, validating the hypothesis that financial literacy levels significantly influenced financial control and subsequent financial freedom. Regarding the second objective, the study established that access to financial services significantly moderated the relationship between perceived financial control and financial freedom, with youth having access to formal financial services demonstrating substantially stronger associations between control and freedom ($\beta = .641$) compared to those without access ($\beta = .398$). This moderation effect confirmed that financial inclusion amplified the benefits of perceived control, supporting the hypothesis that access to formal financial services significantly moderated the control-freedom relationship. The third objective revealed that entrepreneurial engagement and control over income generation had significant positive effects on financial freedom, operating both directly ($\beta = .156$ and $\beta = .183$ respectively) and indirectly through enhanced perceived financial control

(indirect effects $\beta = .174$ and $\beta = .184$), with income generation control exerting a total effect of $\beta = .367$ on financial freedom.

The comprehensive analysis through hierarchical regression and structural equation modeling confirmed that perceived financial control emerged as the most potent predictor of financial freedom ($\beta = .387$, $p < .001$), serving as both a direct influence and a mediating mechanism through which financial literacy, access to services, and entrepreneurial engagement exerted their effects. The study's theoretical framework was empirically validated, with the final models explaining 58.7% to 61.2% of variance in financial freedom, demonstrating that control mechanisms collectively accounted for substantial variation in youth financial outcomes beyond demographic characteristics alone. The findings revealed interconnected pathways whereby financial literacy enhanced youth capacity to understand and navigate financial systems, access to financial services provided the structural infrastructure necessary to operationalize control, and entrepreneurial engagement offered practical avenues for exercising income generation autonomy, all of which converged to strengthen perceived control and ultimately facilitate progress toward financial freedom. These results underscored that achieving financial freedom among Uganda's youth was not merely a function of individual effort or available opportunities in isolation, but rather depended critically on the interplay between knowledge, access, agency, and income control mechanisms, with interventions requiring integrated approaches that simultaneously addressed multiple dimensions of financial empowerment to effectively break cycles of financial dependence and insecurity.

Recommendations

Implement Integrated Financial Literacy and Empowerment Programs: Government agencies, educational institutions, and non-governmental organizations should design and deliver comprehensive financial literacy programs that go beyond theoretical knowledge transmission to actively cultivate practical financial management skills and psychological agency among youth. These programs should incorporate experiential learning components including budgeting exercises, savings challenges, investment simulations, and entrepreneurship training that build both competence and confidence, while explicitly addressing attitudes, beliefs, and perceived control over financial outcomes. Priority should be given to reaching marginalized populations including rural youth, females, and those with lower educational attainment who demonstrated greater financial vulnerability in this study, with curriculum adaptations ensuring cultural relevance and accessibility across diverse contexts.

Expand Youth-Centered Financial Inclusion Infrastructure: Financial service providers and regulatory authorities should collaborate to develop and scale accessible, affordable, and youth-appropriate financial products and services that reduce barriers to formal financial system participation. This expansion should prioritize mobile money platforms, digital banking solutions, and microfinance products specifically designed for young people's needs and income patterns, including low-balance savings accounts, small-scale credit facilities with flexible repayment terms, and insurance products that protect against income shocks. Additionally, financial institutions should establish youth advisory councils and conduct regular consultations to ensure products genuinely address the access constraints identified in this research, while government should provide regulatory frameworks and incentives that encourage financial inclusion innovations targeting underserved youth populations.

Create Supportive Ecosystems for Youth Entrepreneurship and Income Diversification: Policy makers should establish comprehensive support systems that enable youth to exercise meaningful control over income generation

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through entrepreneurship, skills development, and livelihood diversification opportunities. This ecosystem should include accessible startup capital through youth-focused grant programs and low-interest loan schemes, business development services providing mentorship and technical assistance, market linkage initiatives connecting youth entrepreneurs to customers and value chains, and legal reforms reducing bureaucratic barriers to business registration and operation. Importantly, interventions should emphasize sustainable income control rather than entrepreneurship promotion alone, supporting multiple pathways including formal employment with advancement potential, portfolio income generation, and hybrid livelihood strategies that allow youth to build financial security through diversified, controllable income streams aligned with their individual circumstances and capabilities.

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