Financial Stress of Small and Medium Scale Entrepreneurs: A Review

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Financial stress became contemporary issue in the globe, directly and indirectly affects the individual’s behavior and disorders their physical and mental health. The main objective of this study is to critically evaluate the literature on financial stress and to build a financial stress mitigating framework. The study identified different aspects and different measures of financial stress, level of financial stress of small and medium entrepreneurs, consequences of financial stress and methods of mitigating financial stress. The study finds out that the financial stress caused for depression, anxiety, poor academic performance, unscheduled absences from work and also negatively effect on health, self-esteem, marriage satisfaction, parenting role and family functioning. The financial stressed individuals have a tendency to write cheques with insufficient funds in the bank, regret marketing purchases, make minimum payments, more like to pay interest, less likely to save regularly. To overcome the financial stress, necessary to develop problem solving and financial management skills, develop effective handling of economic hardship, introduce more flexible repayment plans for the loans; improve positive financial behaviors and budgets. The financial stress is less with those who are employed, older, having a lower debt load percentage, and perceives better health and a better family relationship.

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