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DIGITAL FINANCIAL LITERACY AND ECONOMIC EMPOWERMENT: A SOCIO-CULTURAL INVESTIGATION OF YOUTH ENGAGEMENT WITH FINTECH

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ABSTRACT

This study examines the relationship between digital financial literacy, FinTech usage, socio-cultural factors, and economic empowerment among youth in the context of rapidly evolving digital financial ecosystems. With the increasing adoption of digital financial services such as mobile payments, online banking, and investment platforms, understanding the role of financial literacy and social influences has become critical for ensuring meaningful financial inclusion. The study adopts a quantitative, cross-sectional research design based on primary data collected from 350 respondents aged 18–30 years using a structured questionnaire. Key variables, including digital financial literacy, FinTech usage, economic empowerment, and socio-cultural factors, were measured using Likert-scale items and analyzed using descriptive statistics, reliability analysis, correlation, and regression techniques. The findings reveal that youth demonstrate moderate to high levels of digital financial literacy and actively engage with FinTech platforms. A strong positive relationship was observed between digital financial literacy and FinTech usage, while FinTech usage significantly contributes to economic empowerment by enhancing financial independence and decision-making capabilities. Additionally, socio-cultural factors such as family and peer influence were found to play a significant role in shaping financial behavior and technology adoption. The study highlights the importance of integrating financial education, technological accessibility, and socio-cultural awareness to promote sustainable economic empowerment among youth and contributes to the broader discourse on digital financial inclusion and development.

Keywords: Digital Financial Literacy; FinTech Adoption; Economic Empowerment; Socio-Cultural Factors; Youth Financial Inclusion

1. INTRODUCTION

Due to the rapid evolution of digital skills, the global financial environment has changed considerably, and the so-called financial technologies (FinTech) have appeared and become widespread. Mobile banking, Unified Payments Interface (UPI), digital wallets, and online investment platforms have been added as part of the new financial system and become part of digital financial services. The innovations have increased the accessibility, efficiency, and convenience in financial transactions especially in the younger populations who are more technologically proficient. As young people are active on digital platforms, they are also becoming users of FinTech services to pay, save, invest their money, thus changing the usual habits in finance (Lee and Shin, 2018; Gai et al., 2018). Simultaneously, the growth of digital financial ecosystems has highlighted the increased significance of digital financial literacy, or the knowledge, skills and confidence to successfully utilize digital financial tools (Morgan et al., 2019).

Even though the FinTech services are widely adopted, there is still a big digital financial literacy gap regarding young people. Numerous people are using digital financial tools and products actively without sufficient awareness of the financial concepts, risk mitigation, and security measures, which brings up the issues of informed decision-making and financial vulnerability. Moreover, current studies have also concentrated mostly on the technological and economic phases of FinTech adoption, leaving the impact of socio-cultural factors on adoption including family relations, peer group, culture, and gender roles. These aspects are very important in determining the financial attitudes and behaviours in digital financial ecosystems (Zetsche et al., 2017; Frost, 2020).

Online financial literacy has converted an essential skill in the modern economy, as it empowers one to make smart financial choices, deal with risks, as well as engage in formal financial systems. Research has indicated that financially literate people are more inclined to use the digital financial services and better regulate their finances (Klapper et al., 2015; Ozili, 2018). Likewise, the adoption of the FinTech has been studied extensively based on the frameworks of perceived usefulness and ease of use as important factors in adoption, especially in mobile payment systems and digital banking services (Kim et al., 2015; Jünger and Mietzner, 2020). The growing popularity of online financial services underscores the importance of financial services in increasing financial inclusion and enhancing access to financial

services (Demirgüç-Kunt et al., 2018; Philippon, 2016).

Digital financial engagement leads to an important outcome that is economic empowerment which is characterised as the power to make studied financial choices and acquire financial independence. Digital financial services are also identified as useful solutions to increased economic empowerment through better access to financial sources and more efficient financial management (Sahay et al., 2020; Banna et al., 2021). Simultaneously, the financial behaviour is not only determined by the level of knowledge and access to technology only but is also embedded in the context of larger socio-economic and institutional factors. The digitalization of financial systems process has brought up new opportunities and regulatory and structural challenges, especially in how to balance innovation and financial stability (Vives, 2019; Aria and Cuccurullo, 2017).

It is on this ground that this paper will obtain to examine the interactions between digital financial literacy, FinTech usage, socio-cultural and youth economic empowerment. Even though the research on these constructs has been done individually, little empirical data has been done on the integration of the constructs in a general framework. This gap in the study is addressed by the part of financial knowledge in adoption of technology, the role of use of FinTech in economic empowerment and the role of socio-cultural factors in mediation of these interrelations. The study is a contribution to the overall discussion of the subject of the financial inclusion that gives a comprehensive view of the dynamics of the field and the need to incorporate the technological, educational, and the socio-cultural strategy in their efforts to achieve sustainable economic growth.

2. RESEARCH METHODOLOGY

2.1 Research Design

The study design would be quantitative and a cross-sectional study design which will assist in investigating the connection between digital financial literacy and FinTech acceptance and socio-cultural and economically empowered youths. The quantitative approach offers the opportunity to quantify and examine variables within a system and the cross-sectional the opportunity to obtain the information at a particular point in time to interpret the existing tendencies and behaviour.

2.2 Data Source

The research will rely on the initial data to be assumed through the method of structured

questionnaire to 350 respondents. The questionnaire has been filled in a way that will assist in the collection of information at the different levels such as demographics profiles, digital financial literacy, FinTech-use patterns, socio-cultural and economic empowerment perception. Instrument is organised; this upholds consistency, dependability and quantitative clearly.

2.3 Sampling

The study sample will be youth aged between 18-30 since this is the age that is actively involved in digital technologies and investments. A non-probability approach was utilised in collecting responses through convenience sampling since it was the only possible and viable method. There were efforts to make the sample more representative by taking care of the issue of diversity in terms of gender, educational level, employment status and residential background.

2.4 Measurement of Variables

The variables in this study were operationalized using multiple-item scale on a five-point Likert scale, where the ratings of the level of argument on a five-point Likert scale of Strongly Disagree (1) to Strongly Agree (5). Digital Financial Literacy was evaluated using questions that are contained under knowledge, skills and confidence in the use of digital financial services. Frequency and perception-based items were used to measure FinTech Usage which referred to the usage and utilisation of the digital financial platforms. Financial independence, the capacity to make decisions and a certain degree of confidence in financial management were used as the indicators of Economic Empowerment. The Socio-Cultural Factors have been measured with the help of the items that described the influence of family, peers, cultural norms, and social learning on the financial behaviour.

2.5 Data Analysis Techniques

The results obtained were analysed using the required statistical tools to provide answers to the research questions. Descriptive statistics were used in summarising the demographic characteristics and the broad trends in the responses. It was done by performing reliability analysis, i.e., Cronbach's Alpha, to establish core consistency of the measurement scales. The correlation analysis has been applied to investigate the link between the significant variables. Additionally, the correlations between digital financial literacy, the use of FinTech, socio-cultural variables, and economic

empowerment as the postulated relationships were analysed through regression analysis. As much as it is possible, complicated methodologies such as Structural Equation Modelling (SEM) can be used to inspect the conceptual framework and analyse the elaborate relationships between variables.

2.6 Ethical Considerations

There were managerial ethics that were observed during the research process. The drive to participate in the survey was voluntary; the respondents were made aware of the intent of the study. They were also informed about the intention of the data set, and it was determined beforehand that the respondents would remain anonymous and confidential. There was no personal identifiable information gathered, and the data was not utilised in any other way but to fulfil academic and research purposes.

3. RESULTS

3.1 Demographic Profile of Respondents

The responses of 350 participants aged 18-30 years were analysed in the study. The sample size is representative in providing the distribution age group in three categories namely, 18-21, 22-25 and 26-30 years, as shown in Table 1.

Table 1. Demographic Profile of Respondents (n=350)

Variable	Category	Frequency	Percentage (%)
Age	18-21	140	40.0
	22-25	120	34.3
	26-30	90	25.7
Gender	Male	168	48.0
	Female	168	48.0
	Other	14	4.0
Education	High School	70	20.0
	Undergraduate	175	50.0
	Postgraduate	105	30.0
Residence	Urban	160	45.7
	Semi-urban	110	31.4
	Rural	80	22.9

Figure 1 also shows the visual representation of the age distribution indicating that a higher percentage of respondents is of the younger age group. There was a relatively even gender distribution, which guaranteed inclusivity and diversity in the sample. Most of the respondents were undergraduate or postgraduates, which implies that they are well-educated as a sample population. They were employed or not, with some being students, employed, and self-employed. Income levels recorded a slow rise in age group with younger respondents reporting lower income levels whereas the old age participants were inclined to be in the higher income bracket. As well, in the sample, the

participants were also represented in urban, semi-urban, and rural regions, which gives the study a more general socio-economic view.

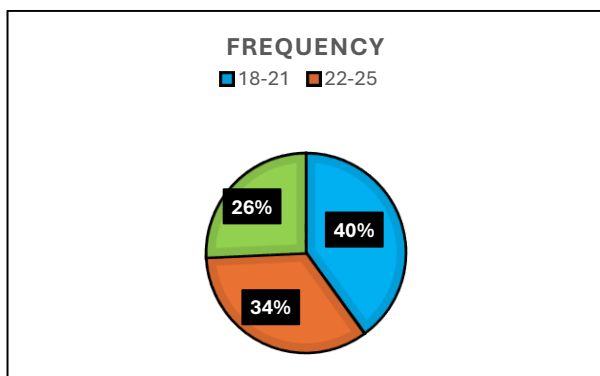


Figure 1. Age Distribution of Respondents

3.2 Descriptive Statistics

The central tendencies of the key variables were analysed using the descriptive statistics, which were summarised in Table 2. The findings show that the respondents had moderate digital financial literacy and were highly aware of the digital payment system, online security practise, and financial decision-making processes.

Table 2. Descriptive Statistics of Key Variables

Variable	Mean	Std. Deviation
Digital Financial Literacy	3.85	0.72
FinTech Usage	4.02	0.68
Economic Empowerment	3.91	0.75
Socio-Cultural Factors	3.60	0.80

The prevalence of FinTech amongst the respondents was reported to be quite common and extensive especially in the application of mobile payment systems and online banking. This trend can also be demonstrated in Figure 2, which indicates that most of the respondents use FinTech services daily or weekly. FinTech platforms were usually seen as easy to use, effective, and convenient by the respondents, which leads to their popularity.

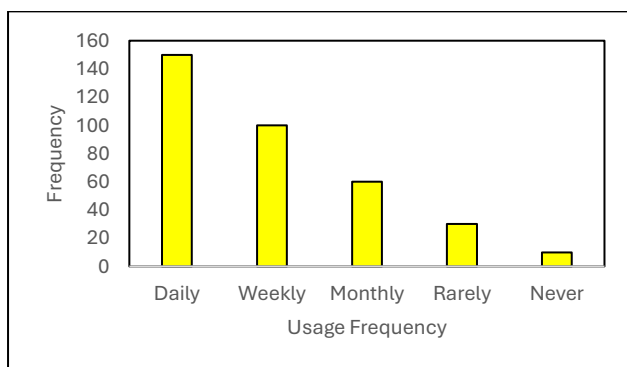


Figure 2. FinTech Usage Frequency

The economic empowerment indicators showed positive results, as the respondents also reported that they were more financially independent, had better financial decision-making, and were more confident about their personal financial management situation. The socio-cultural factors exhibited a medium degree of influence especially in ascertaining family guidance, peer influence as well as exposure to financial knowledge by the social environments.

3.3 Reliability Analysis

The reliability analysis was done with Cronbach's Alpha to measure the internal regularity of the scales of the measurements involved in the study. The findings which are summarised in Table 2 showed that all the constructs reflected acceptable to high reliability. Digital financial literacy, the use of FinTech, economic empowerment, and socio-cultural variables were all greater than the suggested threshold value of 0.70, which has confirmed that the measurement items were internally consistent and can be used in additional statistical analysis.

3.4 Correlation Analysis

Correlation analysis was to be used to investigate the connection between the variables of interest as shown in Table 3. The findings showed that the relationship between digital financial literacy and the use of FinTech was positive and statistically significant, making it possible to advise that people with higher financial knowledge tend to use digital financial services.

Table 3. Correlation Matrix

Variables	DFL	FTU	EE	SCF
Digital Financial Literacy (DFL)	1			
FinTech Usage (FTU)	0.62	1		
Economic Empowerment (EE)	0.58	0.70	1	
Socio-Cultural Factors (SCF)	0.45	0.50	0.52	1

Moreover, the application of FinTech was also assessed to be positively correlated with the economic empowerment, which means that the more people use digital financial resources, the more they become financially independent and competent to make decisions. The socio-cultural factors, in turn, were also positively correlated with the use of FinTech and economic empowerment, which indicates the role of social context, cultural beliefs, and networks of people in financial behaviour.

3.5 Regression Analysis

The regression analysis was done to test the predictive relationships linking the variables. The results also suggest that digital financial literacy is a

strong predictor of FinTech usage that shows that the more individuals possess financial knowledge, the more they are likely to use digital financial technologies.

Furthermore, the utilisation of FinTech was also identified as a powerful predictor of economic empowerment, indicating that those who actively use FinTech sites enjoy the benefits of improved financial control and confidence. Digital financial

literacy was also identified to have a direct positive effect on economic empowerment, which implies that financial knowledge does not have an indirect effect on better financial outcomes.

The visual representation of the conceptual links between these variables is a visual illustration of Figure 3 that plots the interconnected processes between digital financial literacy, use of FinTech, socio-cultural aspects, and economic empowerment.

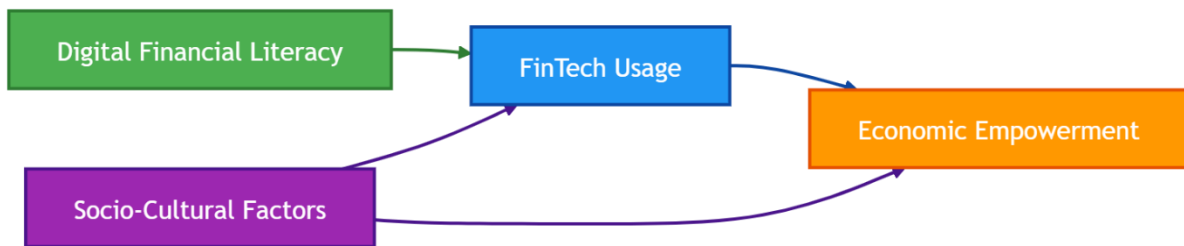


Figure 3. Conceptual Relationship Between Variables

The findings indicate that digital financial literacy is one of the driving factors influencing the use of FinTech by young people, which consequently plays a critical role in the empowerment of the economy. The results further highlight the importance of socio-cultural in influencing financial behaviours and use of technology. Generally, the research highlights the relationship between knowledge, technology and social context in determining the outcome of financial empowerment.

4. DISCUSSION

The results of the given research give valuable information regarding the connexion between digital financial literacy, the use of FinTech's, socio-cultural variables and economic empowerment among young people. The results reveal that there is strong interrelated tendency of these factors, which proves the topicality of digital financial inclusion in contemporary socio-economic situation.

The demographic analysis revealed that the sample population was a combination of mostly well-educated youth with the age demographic equally represented as the gender. This is indicative of the increased adoption of digital financial ecosystems by younger peoples, with younger people typically being more flexible to technological advancements and more eager to use digital financial services (Gomber *et al.*, 2017; Goldstein *et al.*, 2019).

The descriptive results identify that the respondents have the moderate to high degree of digital financial literacy and are active users of FinTech platforms. This facilitates the available studies indicating that financial literacy is an essential factor in ensuring that people can successfully use digital financial services

and engage in the formal financial system (Lusardi and Mitchell, 2017; OECD, 2018). Also, the popularity of FinTech tools goes hand in hand with the previous research highlighting the effectiveness, access, and convenience of the online financial services in enhancing financial engagement (Pazarbasioglu *et al.*, 2020).

The reliability test confirms that the constructs applied on the research are internally consistent thus enhancing validity of the research findings. Regularly measuring financial literacy and use of FinTech's is crucial towards capturing both behavioural and cognitive aspects as noted in the international financial literacy evaluations (INFE, 2020).

The correlation analysis shows that it has a significant positive correlation between digital financial literacy and the use of FinTech. This implies that financially more informed consumers tend to adopt and use digital financial technologies. The same results have been observed in prior research, in which financial literacy becomes an essential facilitator of financial inclusion and technology use (Morgan and Long, 2019, Tripathi and Jariwala, 2025).

Additionally, the high correlation between the use of FinTech's and economic empowerment means that using digital financial instruments can make people financially independent, better decision-makers, and improve the state of the economy. This aligns with empirical findings that digital financial services, including mobile money, have the potential to increase income stability and largely alleviate poverty (Suri & Jack, 2016).

Regression analysis supports these conclusions as well, demonstrating that FinTech use is a major predictor of economic empowerment and that digital financial literacy is a significant predictor of FinTech use. Additionally, it was discovered that economic empowerment was directly impacted by digital financial literacy, making it an enabling and empowering aspect. The results are consistent with the earlier studies that focused on the relationships between financial literacy and FinTech usage and financial inclusion and their contribution to the enhancement of the welfare of individuals (Sharma et al., 2025; Bongomin et al., 2017).

A valuable contribution made by this study is the emphasis made on the socio-cultural factors. The results suggest that family influence, peer networks and cultural norms play an important role in influencing the adoption of FinTech and financial behaviour. This helps to argue that the financial decisions are not isolated, but they are entrenched in a wider social and cultural contexts. These behaviours are also formed under regulatory and institutional frameworks, which were highlighted in FinTech and regulatory environment research (Arner et al., 2017).

Overall, the results of the current research align with the literature but extend the previous studies by incorporating the socio-cultural aspects into the study of digital financial literacy and the use of FinTech. The paper brings out the fact that access to digital technologies does not only contribute to economic empowerment of the youth but that access to financial knowledge, social influences, and behavioural factors are also required.

In conclusion, the discussion points out that digital financial literacy, available and user-friendly solutions of FinTech, and socio-cultural barriers should be enhanced to become economically empowered. The results can be integrated into the overall discussion of financial inclusion, and they can also be useful policy focused and educators as well as financial services providers who aim at promoting sustainable economic growth and development.

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5. CONCLUSION

The current research paper has analysed how digital financial literacy interrelates with FinTech use, socio-cultural variables, and economic empowerment among young people, and offers a predominant picture regarding how these factors can intertwine and affect the financial behaviour in the digital era. The results demonstrate that digital financial literacy has a central part to play in the increased adoption and successful usage of FinTech services, which subsequently leads to economic empowerment. Younger individuals with more financial literacy and digital skills are in a better position to use financial technologies to manage their finances, make better decisions, and enjoy more financial freedom. Also, the paper emphasises that FinTech platforms have become a part of daily financial life, demonstrated by convenience, access, and efficiency that are facilitating financial inclusion on a larger scale. Notably, the socio-cultural factors proved to be a critical dimension of influence since it has been shown that individual knowledge or access to technology is not the only way to determine the financial behaviours but also the family, peer networks, and cultural norms. Such results highlight the necessity of the comprehensive approach that would combine financial education, technological access, and socio-cultural awareness to enhance sustainable financial empowerment. The research fits into the body of work as it addresses gaps in the literature between digital financial literacy and FinTech adoption and the socio-cultural factors in a comprehensive approach. Practically, it can be concluded that policymakers, teachers, and financial service providers must pay more attention to the creation of inclusive financial education programmes and convenient digital platforms that address the needs of young people. In general, the development of digital financial literacy and facilitating socio-cultural conditions may become an essential factor in the long-term financial empowerment of the economy and inclusive growth.

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