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Exploring the Digital Landscape: Assessing Influential Factors on Financial Literacy in India's Digital Era

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ABSTRACT

The rapid advancement of digital technology has reshaped financial services worldwide, and India is no exception. As digital platforms become increasingly integral to financial transactions, understanding the factors influencing financial literacy in India's digital era is crucial for promoting inclusive financial growth. This study explores the key factors that impact financial literacy in India's rapidly evolving digital landscape. It examines how socio-economic variables such as education, income, and access to digital tools interact with individual financial behaviors. Additionally, the role of digital financial literacy programs, the influence of mobile banking, and the integration of fintech services are analyzed. The research highlights significant barriers to digital financial literacy, including technological literacy gaps, trust in digital platforms, and the digital divide between urban and rural populations. The study also identifies opportunities for policy interventions to enhance digital financial inclusion and empowerment. Ultimately, this research aims to provide insights into how India can build a more financially literate population that can navigate and leverage the opportunities offered by the digital financial ecosystem.

Introduction

The financial landscape has been fundamentally reshaped by the rapid expansion of digitalization, markedly improved the accessibility of financial services [1]. This technological integration has not only made financial systems more convenient for individuals but has also spurred changes in consumer behaviour, leading to a heightened demand for financial services [2]. The proliferation of financial innovations, particularly in digital payments, has become a central development in the financial sector, necessitating swift adaptation from both traditional and new financial entities [3].

In the digital era, Digital Financial Literacy (DFL) holds significant importance, acting as a catalyst for entrepreneurship, financial independence,

and economic growth, particularly in developing countries. Governments and financial institutions in these nations are urged to prioritise enhancing DFL to ensure comprehensive participation in the digital economy. Examining the financial literacy landscape across BRICS economies reveals an average literacy rate of 28% among adults, with notable disparities, ranging from 24% in India to 42% in South Africa. India, among major emerging economies, records the lowest financial literacy rate, attributed to state-level disparities, lack of formal training, and limited awareness.

In the pursuit of enhancing Digital Financial Literacy (DFL), conducting a comparative analysis based on demographic factors holds significant importance for developing countries. Such analysis, encompassing age, gender, marital status, income level, and education, can illuminate variations in DFL levels among distinct demographic groups. For example, women in developing nations often demonstrate lower financial literacy levels, potentially influenced by social and cultural barriers. Implementing targeted initiatives to enhance financial literacy among women can help narrow this gap and foster gender equality. Similarly, examining DFL levels across different age brackets can uncover specific challenges encountered by the elderly, facilitating the development of tailored interventions. Comparative studies rooted in demographic factors play a pivotal role in advancing financial inclusion and mitigating the digital disparity prevalent in developing countries [4].

In the rapidly evolving digital age, financial literacy has transcended traditional boundaries to encompass a comprehensive understanding of digital financial services. The increasing integration of technology in the financial sector necessitates a robust knowledge of digital financial literacy, particularly among the younger generation. College students, as future participants in the global economy, are at a critical juncture where their understanding of digital financial services can have a substantial impact on their financial behavior and decision-making processes.

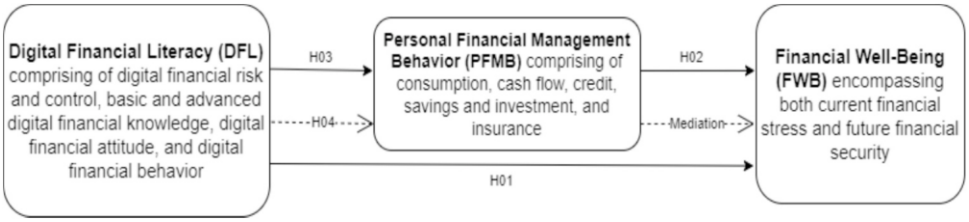

Figure 1: The research model of the study.

As digital technology continues to pervade everyday life, the financial literacy has significant role in the digital realm becomes increasingly evident. With the rise in digital transactions, concerns about security have also escalated, underscoring the need for heightened awareness of financial literacy in digital platforms. The G-20 point outs financial inclusion as a crucial factor for reducing poverty, further elevating the significance of financial literacy in this framework. The COVID-19 pandemic has increased the use of digital platforms, particularly for financial transactions, highlighting the imperative for enhanced financial literacy, especially among the youth.

There is a connection between financial literacy education and the prevalence of financial illiteracy. Studies indicate that financial education has minimal impact on high school students, likely due to their limited exposure to financial matters. In contrast, college students, having faced more financial challenges, may possess greater knowledge of financial literacy. Geddes & Steen (2016) found that students tend to be aware only of financial issues they have personally encountered.

Young individuals are now more than ever engaging with digital financial platforms, making it imperative to improve their knowledge and understanding of digital financial transactions. Financial literacy is a crucial aspect of personal and professional development, particularly for the younger generation who are poised to shape the future [5]. Equipping them with the important financial knowledge empowers them to effectively handle their finances and pursue rewarding career paths. Klapper, L.; Lusardi, A.; van Oudheusden, P. (2014) conducted a review of global financial literacy data, showing that a significant 65% of men and 70% of women lack financial literacy, underscoring the urgent need for improvement in this area.

Table 1: Tests of Normality

	Kolmogorov-Smirnov[a]			*Shapiro-Wilk*		
	Statistic	*Df*	*Sig.*	*Statistic*	*df*	*Sig.*
DFL_score	.082	499	.000	.973	499	.000
a. Lilliefors Significance Correction.						

Geddes and Steen (2016) analyze the present situation of financial education at 322 higher-education institutions. Their findings reveal that while some colleges and universities have incorporated aspects of financial education into their programs, many remain hesitant to integrate this multidisciplinary subject into their curricula. To enhance financial literacy and promote lifelong economic well-being, higher-education institutions should consider developing comprehensive financial education programs.

"Status and Trends in the Education of Racial and Ethnic Groups" provides a comprehensive examination of educational advancements and challenges encountered by students among various racial and ethnic groups in the United States [6]. The study highlights significant progress over time in high school completion and college enrollment rates among various racial and ethnic clusters such as White, Black, Hispanic, Asian, Native Hawaiian or Other Pacific Islander, American Indian/Alaska Native, and Two or more races. Despite these advancements, disparities persist, with varying rates of progress observed among these groups and persistent differences in educational attainment and performance indicators (Musu-Gillette, L., Robinson, J., McFarland, J., Kewal Ramani, A., Zhang, A., & Wilkinson-Flicker, S. 2016).

In the financial world, one thing is certain: change is constant. What existed a century ago has drastically evolved. Ten years ago, withdrawing money required a visit to the bank and filling out a form. Today, with just one click, you can access money anywhere in the world. This transformation, driven by digitalization, has revolutionized our economy by converting information into digital form, simplifying many processes.

What is Digital Financial Literacy?

Digital financial literacy, much like digital literacy and financial literacy, is a multi-faceted concept. While previous literature, such as OECD (2017), has outlined various components of digital financial literacy, a standardized definition remains absent.

Digital financial literacy encompasses the knowledge and skills required to effectively manage one's financial affairs using digital tools and platforms. It involves using technology to access financial services, make informed decisions, and safeguard against financial fraud. This literacy includes understanding how to use online banking platforms, mobile payment systems, and digital wallets [7]. It also involves the use of financial planning software and apps to manage expenses, savings, and investments. Importantly, it covers knowledge of digital security practices such as protecting personal information and preventing identity theft.

The adoption of FWB models developed in other nations remains limited for developing countries since such models fail to account for distinct geographical cultural technological and social elements affecting personal well-being. Research about FWB in developing nations stands at its all-time peak right now. In India financial inclusion and literacy are broad but research on DFL as a concept and its relationship to FWB re- mains insufficient. This study sought to establish a framework for FWB in developing nations, particularly India [8]. India presents a unique and evolving landscape for digital financial inclusion making it imperative to examine how DFL influences financial behavior and well-being, particularly among urban employed populations who are at the frontline of India's digital economy.

Literature review

Arora (2021) [1] highlights India’s position in the Inclusive Internet Index 2021, where the country ranked 49th globally. The report reflects India’s progress and challenges in ensuring accessible and affordable internet connectivity for its population. Arora underscores that although India has made major strides in internet penetration, gaps remain in terms of digital infrastructure, digital literacy, and equitable access particularly across rural and marginalized communities. The article emphasizes that inclusive internet access is a foundation for digital empowerment and plays a critical role in enhancing participation in digital financial systems, e-governance, and online education.

Azeez & Akhtar (2024) [2] examine the concept of digital financial literacy and its determinants through empirical research conducted in rural India. Their study identifies socio-economic factors such as education level, income, and access to

digital devices as significant contributors to digital financial literacy levels. They argue that digital financial literacy is indispensable for effective utilization of digital banking, mobile payments, and other fin tech services. The authors emphasize that rural populations often face greater barriers technological, infrastructural, and cognitive limiting their participation in digital financial ecosystems. Their findings advocate for targeted interventions and policy measures to bridge the literacy gap and promote financial inclusion.

Johnson (2021) [3] presents statistical insights on global internet usage, identifying countries with the largest populations of internet users. The data reveals India as one of the countries with the highest number of internet users, reflecting the rapid expansion of digital connectivity. However, Johnson notes that while the absolute number of users may be high, disparities in digital adoption persist, influenced by socio-economic divides and infrastructural limitations. These statistics are crucial for understanding the scale of digital transformation and for assessing the potential reach of digital financial services in emerging economies like India.

Klapper & Miller (2021) [4] provide a comprehensive review of the relationship between financial inclusion and inclusive growth, drawing from recent empirical evidence. Their analysis demonstrates that expanding access to financial services both traditional and digital contributes significantly to poverty reduction, resilience-building, and overall economic development. They highlight digital financial services as a transformative mechanism enabling low-income households to save, borrow, and manage financial risks more effectively. The review also stresses the importance of financial literacy, regulatory safeguards, and digital infrastructure in ensuring that financial inclusion translates into equitable and sustainable growth.

Ravikumar et al. (2024) [5] focus on measuring and validating digital financial literacy among adults in India, developing a reliable framework to assess literacy levels. Their study offers methodological advances by proposing validated scales that capture knowledge, skills, attitudes, and behaviors related to digital financial services. The authors find considerable variation in literacy levels across demographic groups, indicating disparities in digital readiness.

Their work underscores the need for standardized measurement tools to evaluate policy effectiveness and to design targeted literacy programs aimed at enhancing digital financial inclusion.

Reserve Bank of India (2022) [6] provides an extensive overview of the evolving landscape of digital payments in India**,** highlighting both the challenges and the opportunities presented by rapid digitalization. The report notes notable progress in digital payment infrastructure, including the expansion of UPI, mobile wallets, and other fin tech platforms. At the same time, it identifies barriers such as cyber security risks, low levels of digital awareness, inadequate rural connectivity, and the need for enhanced regulatory frameworks. The RBI emphasizes that increasing digital literacy, strengthening consumer protection, and fostering innovation are essential for building a secure and inclusive digital payments ecosystem that benefits all segments of society.

Adera & Abdisa (2023) [7] explore the relationship between financial inclusion and women's economic empowerment in Ethiopia. Using empirical data, they demonstrate that increased access to formal financial services such as savings accounts, credit, and mobile banking significantly enhances women's ability to participate in economic activities, make independent financial decisions, and improve their household welfare. The authors argue that financial inclusion is not only a tool for economic participation but also a catalyst for gender equality and socio-economic development. Their findings emphasize the need for targeted policies to address gender-based barriers in accessing financial services.

Adil et al. (2023) [8] investigate how trust in financial institutions and financial literacy influence Indian investors' intentions to participate in the stock market during the COVID-19 pandemic. Their study reveals that higher levels of trust in financial institutions and stronger financial literacy significantly increase investors' willingness to engage in stock market activities. The pandemic amplified uncertainty, making trust a crucial factor shaping investor behavior. The authors highlight that financial literacy helps individuals better understand risk, evaluate market information, and make informed investment decisions. They conclude that enhancing both literacy and institutional trust is

essential for deepening capital market participation in developing economies.

Akinwale and Kyari (2022) [9] examine the factors influencing consumers' attitudes and intentions to adopt financial technology (fintech) services in Lagos State, Nigeria. Their findings show that perceived usefulness, ease of use, trust, and social influence significantly shape attitudes toward fin tech adoption. The study highlights that despite increasing availability of fin tech platforms, concerns regarding data privacy, transaction security, and technological reliability continue to influence user behavior. The authors argue that building trust and improving user education are crucial for accelerating fin tech adoption, especially in regions where awareness and digital capabilities remain uneven.

Ali et al. (2024) [10] analyze the determinants of financial behaviour, with a particular focus on whether digital financial literacy (DFL) supports or hinders sound financial practices. Their findings indicate that digital financial literacy positively impacts individuals' ability to manage finances, make prudent spending decisions, and engage with digital financial services responsibly. The study suggests that DFL equips individuals with the skills needed to navigate complex digital financial environments, reducing the likelihood of fraud exposure and poor financial decisions. The authors emphasize the importance of integrating DFL into financial education programs to foster healthier financial behaviours across different demographic groups.

Babar (2023) [11] investigates the role of fin tech in promoting financial inclusion and advancing women's economic empowerment**.** The study highlights that fin tech solutions such as digital payments, mobile banking, and micro-lending platforms offer women greater accessibility, autonomy, and control over financial resources. Babar argues that fin tech can bridge long-standing gender gaps by overcoming barriers related to mobility, documentation, and social restrictions that often limit women's engagement with traditional financial institutions. However, the study also points out challenges such as limited digital literacy, cultural norms, and inadequate regulatory frameworks that could slow adoption. Overall, fin tech is positioned as a transformative tool capable of enhancing economic agency among women,

provided that enabling conditions are strengthened.

Che Hassan et al. (2023) [12] conduct a systematic literature review on investment intention and decision-making**,** synthesizing research trends, theoretical frameworks, and determinants influencing individual investment behavior. Their review reveals that factors such as financial literacy, risk perception, behavioural biases, digital platforms, and socio-economic conditions significantly shape investment decisions. The authors highlight a growing shift toward digital and sustainable investment avenues, influenced by technological advances and changing investor preferences. They also identify gaps in the literature, calling for future studies on digital investment ecosystems, cross-cultural behavioural differences, and the role of fin tech in shaping new investment patterns. Their work provides a strong foundation for understanding evolving investment landscapes.

Chen and Guo (2023) [13] explore the interaction between fin tech development, strategic incentives, human capital investment, and the innovation capacity of micro and small enterprises (MSEs)**.** Their study finds that fin tech not only facilitates financial access for MSEs but also encourages firms to invest in human capital and pursue innovative practices. Fin tech tools reduce financing constraints, improve information transparency, and create competitive pressures that drive firms toward more strategic and productivity-enhancing capabilities. The authors emphasize that the integration of fin tech with human capital development can significantly boost MSEs' innovation performance, making fin tech an important driver of long-term enterprise sustainability.

Hidayati and Destiana (2023) [14] analyze the influence of attitude, subjective norms, perceived behavioral control, and financial literacy on investment intention**,** drawing on the Theory of Planned Behavior. Their findings reveal that attitude and perceived behavioral control are strong predictors of investment intention, indicating that individuals are more likely to invest when they have positive perceptions and feel capable of making investment decisions. Financial literacy is also shown to play a significant role by enhancing individuals' confidence and ability to understand investment options. The study demonstrates how psychological, social, and cognitive factors collectively shape investment

behaviour, offering valuable insights for policies aimed at increasing participation in financial markets.

Tailor (2023) [15] examines the intersection of women's empowerment, digital finance, and green investment**,** focusing on the emerging domain of digital green finance. The chapter highlights how digital financial tools such as online green loans, digital wallets, and blockchain-based platforms create new opportunities for women to participate in environmentally sustainable economic activities. Tailor argues that digital green finance can simultaneously support women's financial inclusion and promote eco-friendly investments, thereby contributing to broader sustainability goals. However, the chapter also notes persistent challenges, including gaps in digital access, gender biases, and the need for targeted digital literacy programs. By linking gender, technology, and sustainability, the study presents a future-oriented perspective on inclusive green finance.

Methodology

Employing a descriptive analysis approach, the research aims to assess how individuals' profiles influence their digital financial literacy. Data collection was conducted among employed men and women in the NCT of India, aged between 18 to 60 years, using judgment cum snowball sampling. The judgment criteria required respondents to be employed in the NCT of India, aged between 18 to 60 years, and active users of digital platforms for financial transactions. Additionally, respondents were encouraged to forward the e-questionnaire to contacts meeting these criteria, ensuring a diverse sample representing various demographic profiles.

The Sample and the Sampling Technique

According to Cochran's 1977 formula, with a confidence level of 95% and a probability of success (p) set at 0.5, corresponding to Z values of 1.96, the calculated sample size for the employed population in the National Capital Territory (NCT) of India is 385 respondents. However, in this study, 410 respondents independently completed the survey, while the researcher digitally filled out 110 questionnaires on behalf of participants using their digital devices. Thus, a total of 520 responses were collected, out of which 499 met the study's criteria and were considered engaged responses [9]. It is noteworthy that all selected respondents possessed at least a senior secondary education qualification, ensuring their capability to fill out the

questionnaire using digital devices such as smartphones, tablets, and laptops.

Table 2: Scoring Across Different Categories

Categories	*DFL Scores*
Males	61.89
Females	56.59
Married	57.27
Unmarried	63.18
Private	60.45
Public	55.49
Salaried	58.64

The research employed a dual approach, combining judgmental sampling and the snowball technique, to gather data from employed individuals aged 18 to 60 who engage in financial transactions through digital platforms. Online questionnaires facilitated data collection, with the researcher serving as an enumerator in instances where respondents needed assistance. This combined approach ensured an efficient and cost-effective collection of data from a diverse sample of employed individuals using digital platforms for financial transactions.

QUANTITATIVE METHODS

Quantitative data will be analyzed using descriptive statistics, such as means, frequencies, and percentages. Additionally, inferential statistics including multiple regression analysis and ANOVA will be utilized to examine differences in digital financial literacy across demographic groups and to explore the factors influencing digital financial literacy among college students.

QUALITATIVE METHODS

Qualitative data will be collected through open-ended survey questions and potentially interviews to gain deeper insights into students' perspectives and experiences related to digital financial literacy and service knowledge [9].

SOURCES OF DATA

The primary data source for this study is a survey questionnaire distributed to the selected students. This survey is designed to capture emerging themes and patterns related to digital financial literacy and services knowledge.

POPULATION AND SAMPLING

The study population consists of Under Graduate (UG) and Post Graduate (PG) college students. A convenient sampling method is employed, resulting in a sample size of 200 individuals. This approach allows for the collection of data from a diverse group of students within the constraints of available resources.

Table 3: Regression Analysis

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	3.141	.189		16.624	.000
Gender	.150	.143	.075	1.050	.295
Age	.002	.175	.001	.013	.990
Education	.213	.195	.097	1.093	.276
Dependent variable: Awareness of digital financial services					

India's digital financial infrastructure, which includes the Aadhaar biometric identity system and the Unified Payments Interface (UPI), has been instrumental in expanding financial inclusion. UPI facilitates both person- to-person (P2P) and person-to-merchant (P2M) payments, accessible via smartphones and USSD-based feature phones, and offers features like balance inquiries (Reserve Bank of India, 2021).

Furthermore, initiatives like the Payments Infrastructure Development Fund aim to expand digital payment infrastructure in smaller towns and rural areas. The Aadhaar-enabled payment system (AePS) has been particularly effective in improving payment coverage in rural regions. Additionally, the establishment of Small Finance Banks and Payments Banks aims to reduce the proportion of the financially excluded population.

Recent examples highlight the growing importance and impact of digital financial literacy in India [10]. The Unified Payments Interface (UPI), an instant real-time payment system developed by the National Payments Corporation of India (NPCI), has revolutionized digital transactions. With over 10 billion transactions recorded in May 2023 alone, UPI has become a cornerstone of India's digital payment ecosystem, enabling seamless and secure money transfers across the country.

ANOVA

Below, the table presents the extent of college students' understanding of digital financial literacy and digital financial services. The output is displayed in the subsequent table.

Table 4: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.882	3	.294	.548	.650
Residual	104.666	195	.537		
Total	105.548	198			

The Reserve Bank of India (RBI) has also taken significant steps to enhance digital financial literacy. In 2021, the RBI launched the Financial Literacy Week, focusing on "Go Digital, Go Secure." This initiative aimed to educate the public on the benefits and risks of digital financial services, emphasizing the importance of secure digital transactions.

Anchored in Financial Literacy Theory, this study asserts that knowledge is a precondition to action. Yet, knowledge alone is insufficient. In order to change DFL into FWB, people need to use certain behaviors. People who strongly believe in their digital abilities are more eager to plan their money and use apps and internet tools accordingly. Also, Behavioral Life-Cycle Hypothesis (BLC) agrees with this pattern: using DFL helps form a future mental account with the help of goal- based savings and automatic savings plans. All of these psychological and behavioral mechanisms lead to a certain order of events that connect what DFL achieves with the improvement of someone's financial life [11].

Result

The results show a DFL level of 59.20% among the employed in the NCT of India, indicating a remarkably low DFL level in the urban NCT. This is particularly worrying considering that 93% of the respondents were graduates and had access to sound digital financial infrastructure and information and communication technology (ICT). Possible explanations for this low DFL level are insufficient financial knowledge, limited awareness of digital financial options, insufficient education in

digital financial matters, or a lack of exposure to digital financial tools.

Remarkably, about 76% of the adult population in India does not have a basic understanding of basic financial concepts [12]. Despite respondents holding at least a graduate degree, the quality of financial education in their curriculum may be insufficient (Lusardi & Mitchell, 2014). Additionally, entrenched traditional financial habits in certain segments of the population may contribute to a reluctance to adopt DFS (Sarma & Pais, 2011).

The study revealed that, in the NCT of India, males compared to females, unmarried individuals compared to married, those employed in the private sector compared to the public sector, highly educated individuals compared to graduates and those with secondary education qualifications, younger individuals compared to senior age groups, and higher-income individuals compared to lower-income groups exhibited higher levels of DFL. However, no statistically significant differences were observed among service- and non-service employed individuals in the NCT of India. These findings align with the conclusions drawn by Melo (2021), indicating that men tend to have higher DFL levels than women, with a slight age-related difference favouring younger individuals in Portugal. The study also supports the positive correlation between DFL and education level, suggesting that individuals with more extensive education tend to be more digitally financially literate.

Table 5: Demographic Information of Participants

Variables	*Categories*	*Frequency*	*Percentage*
Gender	Male	246	49.3
	Female	253	50.7
Marital Status	Married	336	67.3
	Unmarried	163	37.7
Age	18-29	181	36.3
	30-39	196	39.3
	40-49	78	15.6
	50 and above	44	8.8
Education	Secondary education or Equivalent	26	5.2
	Graduation or Equivalent	177	35.5
	Post-Graduation or Higher	287	57.5
Employment Status	Salaried class	355	71.1

Based on the coefficients table provided, the statistical analysis reveals important insights into the relationship between demographic factors and the awareness of digital financial services among college students [12]. For gender and education level, the p-values of 0.075 and 0.097, respectively, are greater than the conventional significance level of 0.05. Therefore, we accept the null hypothesis (H0) for both variables, indicating that there is no significant relationship among gender and education level and the awareness of digital financial services among college students.

In contrast, the p-value for age is 0.001, which is lower than the significance level of 0.05. This finding leads us to reject the null hypothesis (H0) that there is no significant relationship between age and the awareness of digital financial services among college students. This suggests that age is indeed a significant predictor of digital financial services awareness among students. Older or younger students may exhibit varying levels of awareness compared to their peers, highlighting the importance of age as a demographic factor influencing digital financial literacy [13].

These results underscore the nuanced influence of demographic factors on the awareness of digital financial services among college students. While gender and education level do not appear to be significant determinants, age emerges as a critical factor. Future initiatives aimed at enhancing digital financial literacy among students should consider these demographic nuances to effectively tailor educational strategies and interventions.

Need to Study Digital Financial Literacy

Studying digital financial literacy in India is crucial for several reasons:

- Financial Inclusion: Digital financial literacy can help bridge the gap between the unbanked population and formal financial services, promoting inclusive growth. This is particularly important in rural and semi- urban areas where access to traditional banking infrastructure is limited.
- Economic Empowerment: By understanding digital financial tools, individuals can make informed decisions about savings, investments, loans, and insurance. This empowerment can lead to better financial management and improved economic stability for households.
- Reduction in Fraud and Scams: With the rise of digital transactions, the risk of fraud and scams has increased [13]. Educating people on safe digital

practices can reduce their vulnerability to such threats.

- Government Initiatives: The Indian government has launched several initiatives like Digital India and financial inclusion programs (e.g., Jan Dhan Yojana) that rely on digital platforms. Understanding these tools and services can maximize their benefits for the population.
- Economic Growth: A digitally literate population can boost economic growth by increasing the efficiency of financial transactions, reducing transaction costs, and encouraging entrepreneurship and innovation.
- Adapting to Change: The financial landscape is rapidly evolving with advancements in fin tech. Digital financial literacy ensures that individuals and businesses can keep pace with these changes and leverage new opportunities [14].

Crisis Management: During crises like the COVID-19 pandemic, digital financial tools became essential for accessing financial services, conducting transactions, and receiving government aid. Literacy in this area can enhance resilience in future crises.

Table 6: Pairwise Comparisons of Age

Sample 1-Sample 2	*Test Statistic*	*Std. Error*	*Std. Test Statistic*	*Sig.*	*Adj. Sig.[a]*
50-59-40-49	6.340	27.129	.234	.815	1.000
50-59-30-39	58.066	24.003	2.419	.016	.093
50-59-18-29	80.631	24.185	3.334	.001	.005
40-49-30-39	51.726	19.263	2.685	.007	.043
40-49-18-29	74.291	19.489	3.812	.000	.001
30-39-18-29	22.565	14.833	1.521	.128	.769

Measurement model assessment

The research used PLS-SEM in Smart PLS to analyze multidimensional constructs (DFL, PFMB, and FWB) via a hierarchical component framework. Prior to developing higher-order constructs researchers used a split two-stage process in which they first evaluated lower-order elements for internal consistency measures before performing validity validations and then merged lower-order latent score measurements to form second-stage higher-order components [15].

The base reflective measurement model included nine lower-order reflective constructs with 47 measurement indicators (DFL = 22 and both FWB = 7 and PFMB = 9 (consisting of 15 initially but reduced by 6 during EFA and CFA analysis)) established at the start of the process. A reliability and validation assessment of the reflective measurement model took place during the first stage. Both standard loading thresholds were applied in model assessment.

Conclusion

In conclusion, the digital landscape in India has brought both significant opportunities and challenges in fostering financial literacy. As digital financial services continue to grow, understanding the factors that influence financial literacy becomes paramount for ensuring that all segments of the population can effectively engage with the digital economy. The study highlights several key determinants such as socio-economic factors**,** access to technology**,** and digital financial literacy programs that collectively shape the financial capabilities of individuals in India. While the expansion of mobile banking**,** fin tech solutions, and online financial tools offers greater accessibility, the digital divide remains a significant barrier, especially in rural areas. There is also a notable gap in technological literacy, which can hinder the adoption of digital financial services, particularly among marginalized groups. The research emphasizes that targeted interventions, such as improving digital literacy through education programs and increasing awareness of financial products, are critical to bridging these gaps. Furthermore, enhancing trust in digital platforms and ensuring cyber security will be essential for fostering greater engagement with digital finance. Ultimately, for India to fully leverage the potential of its digital financial ecosystem, a multi-pronged approach is needed. Policymakers must focus on creating inclusive and accessible financial education, addressing infrastructure challenges, and promoting financial inclusion in tandem with technological advancements. By doing so, India can empower its population to not only navigate the complexities of the digital economy but also to make informed and sustainable financial decisions that contribute to broader economic growth and individual well-being.

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