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Unveiling the Influence of Financial Education and Fintech Education on Elevating Financial Participation in India

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ABSTRACT
This research explores how financial education and Fintech education contribute to financial involvement in India. Because of the large population and the disparity in income distribution, India has made financial inclusivity a top developmental priority. This paper investigates the relationship between financial technology education, Financial education, and financial involvement with a sample of 180 respondents. It appears that fintech education and financial education have certain effect on financial involvement. The paper also demonstrates that the combination of fintech knowledge and high financial knowledge encourages consumers in their decision-making processes. This paper also discusses the implications for policy makers as well as future quantitative research projects.

Keywords: fintech education, Monetary involvement, finance knowledge, India, quantitative investigation.

INTRODUCTION

In India, a nation characterized by vast economic potential and persistent socioeconomic disparities, achieving widespread financial involvement has become a national imperative.
Traditional barriers to financial involvement, such as physical distance from bank branches and low incomes, are increasingly intertwined with the challenges of the digital age. The rapid proliferation of fintech services, encompassing mobile banking, online payments, and micro-insurance, presents both opportunities and challenges. While DFS (Department of Financial Services) holds the potential to reach underserved populations and reduce transaction costs, its effectiveness is contingent upon a critical factor: Financial education.

Financial education, encompassing the ability, information, and confidence to make informed monetary decisions, is essential for individuals to navigate the complexities of monetary products and services, both traditional and technological (Agarwalla et. al., 2015). If we talk about India's tech transformation, fintech education emerges as a key subset of Financial education. Fintech education equips individuals with the ability to confidently and securely use digital monetary tools, access online financial information, and protect themselves from digital fraud. (Goyal & Kumar, 2020) (Prasad et. al., 2018)

This research look into the complex connection between fintech education, Financial education, and financial involvement to answer certain questions:

- How much do Financial education and fintech education contribute to financial involvement in India?
- How does the combination of Financial education and fintech education influences financial behaviour and decision taking capability among Indian consumers?

By conducting a quantitative investigation, this study will conduct a data-driven deep dive into the question on the role of fintech education and financial education in unlocking the transformative potential of financial involvement in India. The findings of different quantitative investigations, the research contribute to the dialogue surrounding monetary involvement strategies and how equipping individuals with the deep knowledge to navigate the evolving economic landscape could improve the effectiveness of existing financial involvement strategies.

LITERATURE REVIEW

To understand the variegated dimensions of monetary involvement in India, interlocking aspects of Financial education, enabling access to fintech services, and the effects their presence or absence might have on financial behaviours need to be explored. This review provides a summary of knowledge on Financial education in India serving to delineate the context in which low income households function.

Financial education: A Cornerstone of Inclusion:

Promoting Financial education is crucial for financial involvement, as documented in the literature (Agarwalla et al., 2015). The Reserve Bank of India and other financial sector entities have undertaken various efforts to enhance Financial education among different social groups, including workshops, seminars, and online courses. However, the extent to which financial and fintech education contribute to achieve economic involvement in the India remains a much-debated issue.

Studies have shown that financially literate individuals mostly access a wider scale of financial services than those who are not financially literate (Kasiisii et al., 2023). Financial education enables people to understand advanced features of fintech products and, thus, make more accurate decisions about using them. As a result, financially involved individuals are able to properly select the most appropriate set of financial tools and are also able to manage their finances in a effective way.

The Rise of Fintech education:

With the changes happening in India currently under the banner of "digital transformation," Monetary education has emerged as a critical aspect for financial involvement (Buteau et al., 2021). Even though traditional banking services were introduced in the last century, a large segment of the population remains unbanked for various reasons. Several figures show that adoption of fintech services is already reaching millions of people who were previously without access to such services. And yet, making these people achieve some kind of digital financial empowerment demands Financial education that goes beyond more work with numbers, calculators, and simple mobile phones.

The latest research highlights the significance of fintech education enabling people to use fintech services. Being financial technology educated means more than just understanding digital financial offerings; it means being able to use them in a way that's safe from online crooks, and it means being able to find and understand the vital (or vital-for-understanding) financial information that's increasingly found only online.

The know-how, abilities, and attitudes necessary to use fintech services—are what encompass fintech education. And safety counts most when using these services. (Lyons and Kass Hanna, 2021)

The necessity of fintech education for achieving economical involvement has been highlighted by recent research. People who are technically and financially educated are more inclined to use fintech services (Kasiisii et al., 2023). They can overcome the obstacle of physical distance. They don’t let insufficient access to old-school banking infrastructure act as a barrier to using new-school technology equivalents. And when they do use these new-school technology services, they manage to do so without becoming problematically ensnared.

Bridging the Gap: Addressing Disparities:

Despite impressive growth, Financial education and fintech education remain severely unevenly distributed in India. Research (Agarwalla et al., 2015) suggests that women, older people, and marginalized communities have lower knowledge of finance and technology than the population as whole. These findings are not unique to India; similar results have been seen around the world. In fact, as countries seek to increase access to finance—and especially to formal systems of finance—they must also work toward ensuring that previously excluded groups have the education required to make effective use of those newly available tools and systems.

Interplay of Factors: A Complex Relationship:

The association of fintech education, Financial education, and financial involvement is complex. Our study aims to understand their interplay—how they work together and apart to influence financially vulnerable individuals’ decisions, behaviours, and downward spiral into a life of financial hellishness. We believe that the relationship between fintecth education, Financial education, and financial involvement is so intricate that it needs to be understood as a dynamic system with many facets rather than as a series of static factors.(Khan et. al., 2022)

CONCEPTUAL MODEL:

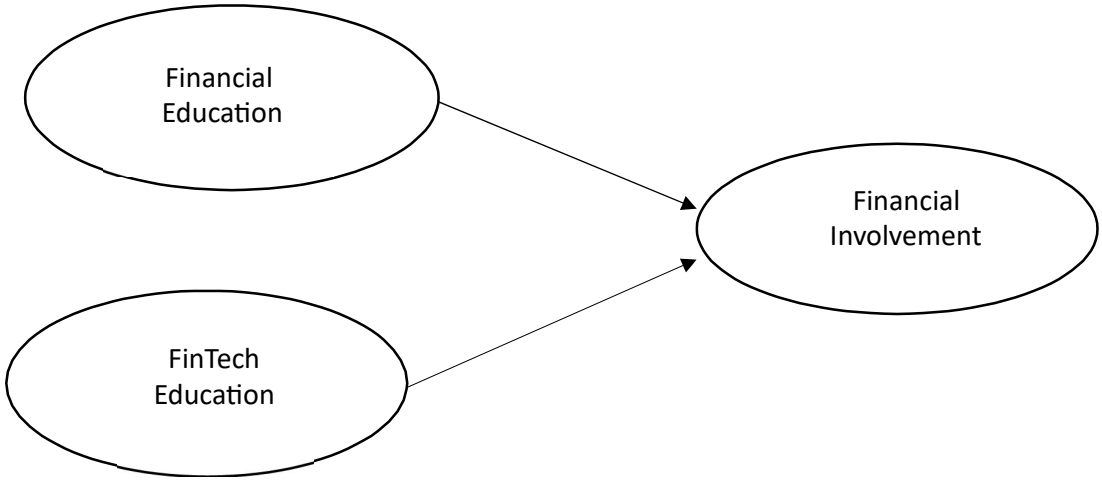

Figure 1 Conceptual Model (Budiyanto et.al., 2021)

OBJECTIVES AND HYPOTHESIS OF THE RESEARCH:

Objectives:

1. To investigate the association between finance education and the involvement of Indians in the financial world.
2. To Investigate how fintech affects involvement in finance. Finally, it considers the connection (if any) between financial literacy and fintech literacy.
3. To investigate how fintech education and finance education correlate.

Hypothesis:

H1: Financial education significantly affects financial involvement
H2: Fintech education significantly affects financial involvement.
H3: Fintech education and finance education correlate each other.

RESEARCH METHODOLOGY:

The study is causal in nature and is designed to investigate the connection between Fintech education, finance education, and finance involvement. It aims to understand the degree to which the populations of several Indian states are financially included, focusing on determinants at the individual and household levels.

Investigation Population: This study's focus is on people in India, and it uses an effective sample of 180 respondents—a mix of men and women with a legitimate cross-section of the country's diversities in regions and states—who work in small and medium enterprises sufficiently long in their jobs for the survey to elicit meaningful information.

Data Collection: To collect data on the factors affecting financial involvement. Descriptive analysis was utilized to identify and describe the independent and dependent variables. Financial involvement was measured using a mapping level based on the arithmetic mean value at five levels, ranging from 1 to 5.

DATA COLLECTION TOOLS

Reliability Test: To assess the consistency of the answers provided by the study's participants, a reliability test was conducted using Cronbach's α on SPSS. A value above 0.70 for Cronbach's Alpha indicates that the survey is reliable.
Multicollinearity Test: To discover relationships among the predictors in a multiple regression model. If the predictors are correlated, it could indicate a multicollinearity problem.
F Test (Model Feasibility): The F-test was run to check the workability of the regression model that had been put together. It compared an F value with a table value using a 5% level of significance.
Coefficient of Determination Test (R2): The R2 tells us how well our model describes the dependent variable. The adjusted R^2 takes this one step further by informing us about how well our model explains the dependent variable after taking into account the number of predictor variables we have.
T-test: To determine the relevance of the independent variables' unique connections to the dependent variable in our linear regression model, we conducted a t-test.

RESULTS AND DISCUSSIONS

Cronbach Alpha Reliability

S. No.	Variables	α	No. of items.
1.	Financial education (FE)	.970	50
2.	Fintech education (FT)	.913	09

3.	Financial involvement (FI)	.895	07

Table 1: Cronbach's α Reliability values

Each variable's internal consistency was assessed using Cronbach's alpha. The Financial education (FE) variable had a high level of reliability, with an alpha coefficient of 0.970. Fintech education (FT) was also reliable, with an alpha coefficient of 0.913; and financial involvement (FI) had an alpha coefficient of 0.895, indicating its reliable nature again.

Cronbach's Alpha values above .90 are considered extremely reliable (Hinton et al., 2004). (Taherdoost, 2016) suggests that coefficients between .70 and .90 denote high reliability and those between .50 and .70 indicate moderate reliability. Our study's reliability coefficients for FE, FT, and FI are well within these acceptable ranges, affirming the consistent nature of our measures.

Multicollinearity Test

Variable	VIF	
Financial education	2.029	No Multicollinearity
Fintech education	2.029	No Multicollinearity

Table 2. Multicollinearity Test Results

This research used the Variance Inflation Factor (VIF) to examine for possible collinearity among two important predictor variables: literacy and fintech education. The VIF value we obtained was 2.029, which is far below the usual cut-off points of 5 or 10 that are often recommended in statistical textbooks (e.g., Hair et al., 2014). Hence, we can say with confidence that there is no problem of multicollinearity among the predictors in our model. Subsequently rejecting H3.

F TEST

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4719.733	2	2359.866	105.947	.000[b]
	Residual	3964.787	178	22.274		
	Total	8684.519	180			

Table 3. F Test Results (Model Feasibility)

F Test results provides us with various kinds of information about the reliability of the regression scores and the significance of the predictors. In the case of the regression model, we obtain a percentage that represents the proportion of the variance we "account for"; the residual model is the error variance, the "slipped-through" stuff that remains in predictability. The explained variance is one half of the sum of squares; the other half is called the residual sum of squares. Despite their origin in ANOVA, these related but distinct concepts are also components of the correlation coefficient.

The analysis results were proven by hypothesis testing. As shown in the very significant F-statistic ($F = 105.947$, $p < .000$) supporting the regression model at the statistical significance. What does that mean in practical terms? This group of independent variables, which we look at in this study—financial education and fintech education—does make a significant difference in the showing of whether the y-intercept and also the direction of the pull together of this dependent variable, financial involvement.

The sum of squares for regression (4719.733) was compared with the sum of squares of the residuals (3964.787) and it is quite clear that most of the unaccounted variability is accounted for by the model. This suggests that the financial and fintech education are able to effectively forecast financial involvement.

Coefficient of Determination Test

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate
1	.737[a]	.543	.538	4.71954

Table 4. Determination Coefficient Table

Findings of the analysis showed that the model, which has financial education (FE) and fintech education (FT) as predictors, provides a good fit for the data. The R-squared value was .543, meaning that over half of variation (54.3%) in financial involvement is explained by these two variables. Adjusted R^2 was .538, which reinforces the model robustness. On whole, these findings suggest that both kinds of literacy—finance and technical—are important for explaining variations in financial involvement outcomes. Our findings also suggest that people who have had more contact with either kind of literacy (or both) are more likely to feel involved with the world of finance!

T-TEST

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

		B	Std. Error	Beta		
1	(Constant)	5.178	1.589		3.259	.001
	FT	.474	.059	.583	8.084	.000
	FE	.031	.011	.198	2.740	.007

Table 5. T-Test Results

Given in the table above is a t-test path analysis. We are provided with five critical values, which are associated with five different independent variables, unstandardized coefficient, standard error, Beta standard, t-value, and significance level. The values of the B column represent the coefficients at which the potential explanatory or predictor variables are calculated. The Standard Error column gives the standard errors associated with the estimated coefficients. As shown in the Beta column, Beta stands for the standardized regression coefficient.
The "t" column indicates the t values associated with each independent variable. The "Sig." column ultimately provides the significance levels. The sig. is the direct outcome of the hypothesis.
Here, t-test reveal fintech education (FT) and financial education (FE) have statistically significant influences on financial involvement. For FT, the t is 8.084, and the sig. level is .000, suggesting a very strong effect. Financial education also has a statistically significant effect; its t is 2.740, with a sig. of .007

H1 and H2 are therefore supported: both types of literary skills significantly influence financial involvement.

Hypothesis No.	Hypothesis	Supported/ Not Supported
1	Financial education significantly affects financial involvement	Supported
2	Fintech education significantly affects financial involvement.	Supported
3	Fintech education and finance education correlate each other	Not Supported

CONCLUSION

This study provides evidence that Financial education and fintech education have a sizable, positive impact on financial involvement. Together, these two forms of literacy can explain over 50 percent of the variation in financial involvement outcomes.
The F-test shows that the regression model is statistically significant overall, while the t-tests establish the individual significance of Financial education and fintech education as predictors.
These findings underscore the importance of developing not just financial capabilities but also fintech capabilities for enhancing inclusive finance—a key driver of economic development and individual well-being.
Because both forms of literacy are important, it is crucial to offer both traditional and online learning opportunities through venues that are preferred by target groups (e.g., mobile platforms).

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