

Study Of Digital Financial Literacy Among Adults Of Dehradun

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Abstract

This study investigates the digital financial literacy of adults in Dehradun, focusing on their demographic profiles, usage patterns of digital payment platforms, and the relationship between demographic variables and financial literacy levels. Using a structured questionnaire, data were collected from a sample size of 150 respondents. The analysis was conducted using SPSS 20, applying Pearson correlation and Chi-square tests to explore significant relationships. Results indicate that education significantly influences secure transaction practices and digital literacy, with higher education levels correlating with better digital behaviors. Gender differences were minimal in usage patterns but notable in security perceptions, with females reporting a greater sense of safety. The findings highlight the importance of education in enhancing digital financial literacy and underscore the need for region-specific, targeted interventions to promote safe and inclusive financial practices.

Keywords: Digital financial literacy, SPSS 20, demographic analysis, education, digital payment platforms, secure online practices, financial inclusion, Dehradun, region-specific study.

INTRODUCTION

Digital financial literacy has become essential in the digital age, since more and more financial transactions are being done online. People need to be able to successfully traverse this changing environment as technology continues to change the financial services industry. Understanding online banking systems, choosing wisely among digital payment options, identifying and reducing online security threats, and utilizing digital tools for financial planning and management are just a few of the skills that make up digital financial literacy. Inadequate knowledge of digital finance can result in missed chances for economic empowerment, fraud susceptibility, and financial exclusion.¹ One of the most significant trends in the rapidly evolving Indian financial sector is the rise of fintech platforms, which are revolutionizing the way people obtain financial services. Financial Literacy in this modern tendency have a huge impact in the mind set of people, there are various factors which have impacted the measures of financial literacy. According to (Angela Hung, 2009) in his research article stated that "Americans' financial security is a major worry in light of the current economic climate, particularly for individuals who lack the resources and expertise to weather downturns in the financial markets and capitalize on upswings. Nonetheless, there is still much disagreement over the function of financial literacy, the scope of the issue it actually represents, and the most effective solution.

DFL, or digital financial literacy, is anticipated to grow in importance growing importance aspect of education for the Digital Age. Key initiatives under the Digital India program include the Pradhan Mantri Jan Dhan Yojana (PMJDY), which has successfully opened over 450 million bank accounts as of 2024, boosting financial inclusion and digital literacy. Another significant effort is the Bharat Interface for Money (BHIM) app, a government-launched mobile payment platform that facilitates secure cashless transactions and supports multiple Indian languages, billions of transactions processed annually. (Sethi et al., 2024), People will have to take greater responsibility for their own financial planning as the "gig" economy grows. G20 nations must work together to create uniform definitions of digital financial literacy, create and implement instruments to measure it, and create plans and initiatives to advance digital financial education. They should also create targeted programs for vulnerable populations, such as women, the elderly, those with lower levels of education, and owners of small and medium-sized businesses (SMEs) and startups. Principle 6 on "Boost Awareness and Digital and Financial Literacy" is

one of the High-level Principles for Digital Financial Inclusion that the G20 leaders adopted in 2016, placing a greater emphasis on digital monetary knowledge (GPFI 2016).

- ¹ The gig economy is a free market system where businesses hire independent contractors for concise project and provisional work is popular. Often, internet-based platforms are used to implement these systems. (<https://whatis.techtarget.com/definition/gig-economy>)

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REVIEW OF LITERATURE

Financial literacy and the digital platform are the two components that make up digital financial literacy (DFL); financial literacy is necessary to use digital finances easily (Tony & Desai, 2020). Understanding different digital platforms and how often one utilizes them is known as digital financial literacy (Prasad et al., 2018). Knowledge of digital financial products and services, experience with digital financial products and services, awareness of digital financial risk, and the ability to control and manage digital financial activities are the four dimensions that make up digital financial literacy (P. Morgan & Trinh, 2019; Prasad et al., 2018). Examining how digital financial technology influences saving and spending patterns requires a thorough understanding of digital financial literacy (DFL). Overspending can be avoided if customers are aware of DFL; moreover, DFL (Shinu, 12 (3) 2022,)

DFL is a comprehensive concept that includes five dimensions and eight subdimensions of digital and financial literacy, according to Lyons and Kass-Hanna (2021a). Our study's more constrained definition of DFL encompasses financial knowledge as well as the four components of digital literacy: digital knowledge, awareness of digital financial services, practical know-how of digital financial services operations, and self-protection from digital frauds. These dimensions are directly related to the abilities and skills needed to use digital financial services appropriately. (Choung, Chatterjee, & Pak, 2023)

A study titled "Digital Financial Literacy Among Adults in India: Measurement and Validation" (T Ravikumar, 2022) According to their findings, the following factors are important determinants of digital financial literacy (DFL) among adults in India: Digital literacy, financial literacy, understanding of digital financial platforms (DFS), recognition of risks in digital finance, strategies for mitigating digital financial risks, awareness of consumer rights, alignment of products with customer needs, assessment of product standards, influence of gender-specific societal norms, practical utilization of skills and expertise, autonomy in applying knowledge and competencies, and informed decision-making. They also point out that DFS customers who lack sufficient DFL may encounter a number of difficulties, including the inability to finish transactions, monetary loss, and privacy violations.

Therefore, the study concludes that DFL is a necessary requirement for the efficient utilization of DFS (Ravikumar et al., 2024). Additionally, N.P. Abdul Azeez and S.M. Jawed Akhtar studied "Digital Financial Literacy and Its Determinants: Empirical Evidence from Rural India." This research focuses on socio-economic demographic factors as parameters of digital financial literacy, employing ordinary least squares and multiple regression models. Their research shows that respondents' digital financial literacy is greatly influenced by a number of independent factors, such as age, gender, income, religion, social groupings, family size, marital status, educational attainment, and professional occupation. The study's foundation is primary data gathered from 500 samples in the Aligarh district's rural districts. . The study's foundation is primary data gathered from 500 samples in the Aligarh district's rural districts. (Akhtar, 08 June 2021)

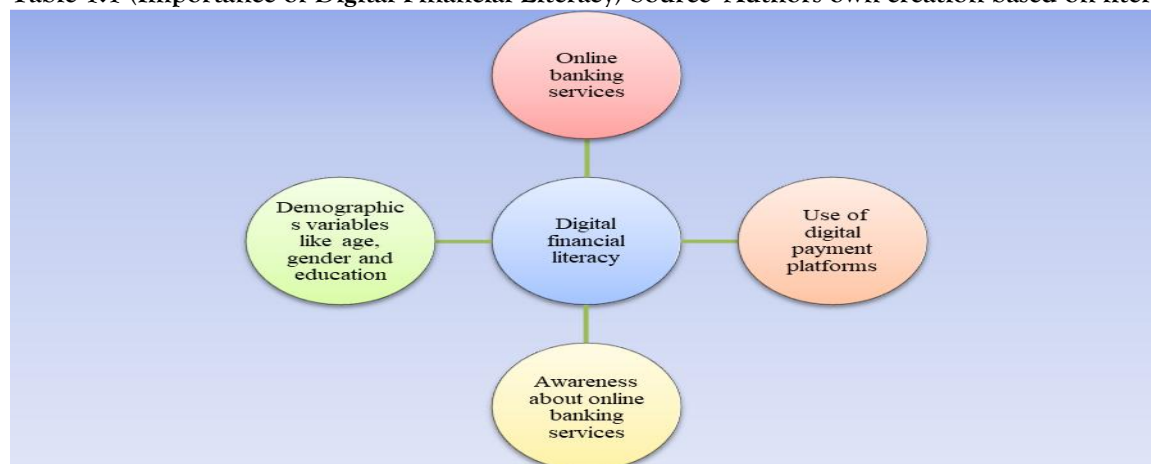
On the basis of Review of Literature the gap and the importance of financial literacy has been created as the studies reflect that only 27% of the Indian population is financially literate, henceforth financial literacy has played and is playing a very crucial role."

**In the Modern digital world, digital financial literacy is essential.
for several reasons:**

1. **Access to Financial Services:** As more financial transactions move online, digital literacy becomes essential for accessing basic financial services like banking, loans, and investments. Without digital literacy, individuals may struggle to navigate these platforms effectively.
2. **Security Awareness:** Digital financial literacy helps individuals understand how to protect their financial information and assets online. This includes recognizing phishing attempts, creating strong passwords, and understanding security features offered by financial institutions.

3. **Financial Management:** Digital tools offer various ways to manage finances, from budgeting apps to investment platforms. Understanding how to use these tools effectively can enable people to make wise financial decisions, track their spending, and plan for the future.
4. **Economic Inclusion:** Digital financial literacy plays a vital role in promoting economic inclusion by making financial services accessible to underserved populations. It allows participants in the digital economy who might not have access to traditional banking services.
5. **Empowerment and Independence:** Being digitally literate in financial issues might enable people to take charge of their financial destiny. They can research financial products, compare options, and make decisions independently, without relying solely on financial advisors or institutions.

Table 1.1 (Importance of Digital Financial Literacy) Source- Authors own creation based on literature



Research Objective

1. To understand the Demographic profile of adults in Dehradun.
2. To explore the Degree of Digital financial literacy among adults in Dehradun.
3. To explore the relationship between Demographic factors (e.g., age, gender, education, employment status) and digital financial literacy levels.

Hypothesis

1. There is a significant relationship between the degree of Digital financial literacy and demographic factors such as age, gender, education, and employment status.
2. Adults with higher education levels are more likely to exhibit better digital financial literacy.

METHODOLOGY

The research utilizes a mixed-methods approach, focusing on self-reported digital financial literacy among Dehradun adults. A structured questionnaire captured demographic profiles, usage patterns of online banking and digital payment platforms, and perceptions of security. Quantitative data were analysed using Pearson correlation and Chi-square tests to identify relationships between demographics, digital tool utilization, and safety perceptions. Key findings highlight significant correlations between education and secure transaction practices, as well as gender and security perceptions. These insights underscore the influence of demographic factors on digital literacy and behavior, informing targeted strategies for enhancing financial inclusion and digital security awareness. A sample size of 150 respondents from Dehradun region have been used, Judgemental sampling technique has been used for consideration of the respondents.

Table 1.2 (Demographic profile of respondents)

Category		Percent	Count
Age	18-30 Years	22.7	34
	31-40 Years	23.3	35
	41-50 Years	26.7	40
	51-60 Years	27.3	41
Gender	Male	28.7	43
	Female	71.3	107
	High school	3.94	3

Highest education qualification	Intermediate	13.15	10
	Graduation	32.89	25
	Post-graduation	42.10	32
	doctorate	10.52	8
	others	1.31	1
Employment status	Employed	36.84	28
	Self-employed	9.21	7
	Unemployed	10.52	8
	Student	40.78	31
	Retired	2.63	2
	Total	100	76

Objective 1: Demographic Profile of Adults in Dehradun

Dehradun Adult Demographic Profile

The information offers a thorough demographic analysis of Dehradun's adult population:

Age Distribution: The majority of responders (27.3%) are between the ages of 51 and 60, with people in the 41–50 age range ranking second. (26.7%). About 23% of people are in the younger age categories (18–30 and 31–40, respectively).

Gender: Compared to men (28.7%), women comprise a substantially higher percentage of the sample (71.3%).

Education: Most people have a higher level of education; 42.10% hold postgraduate degrees, and 32.89% are graduates. A smaller group consists of people who have only completed high school or intermediate school.

Employment Status: The largest segment comprises students (40.78%), followed by employed individuals (36.84%). Self-employed, unemployed, and retired participants represent smaller shares

Objective2

Explore the level of digital financial literacy among adults in Dehradun		5) Do you use Online banking services	6) How often do you use online banking services?	7) Have you used digital payment platforms like Paytm, Google Pay, or PhonePe?
Do you use Online banking services	Pearson Correlation	1	.465**	.435**
	Sig. (2-tailed)		.000	.000
	N	150	150	150
How often do you use online banking services?	Pearson Correlation	.465**	1	.246**

Objective 2: Level of Digital Financial Literacy

The analysis reveals insights into the usage and perception of digital financial tools:

- **Usage of Online Banking and Digital Platforms:**

- High adoption rates for digital payment platforms (e.g., Paytm, Google Pay) across all age groups, with minimal variance by gender.
- Pearson correlation for the use of online banking services is moderate and statistically significant ($r = 0.465$, $p < 0.001$).

- **Frequency and Security Concerns:**

Security perceptions vary by gender, with more females reporting feeling "very secure" than males. Chi-square tests indicate a significant relationship between gender and security perception ($p = 0.004$).

- Preferred safe methods include using private, secure internet connections (majority consensus)

Crosstab		
Count		
	Have you used digital payment platforms like Paytm, Google Pay, or PhonePe?	Total

		yes	no	
Age	18-30	33	1	34
	31-40	35	0	35
	41-50	39	1	40
	51-60	41	0	41

Objective 3

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.109 ^a	3	.550
Likelihood Ratio	2.868	3	.412
Linear-by-Linear Association	.558	1	.455
N of Valid Cases	150		
a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .45.			

		Which method do you think is the safest for performing online transactions?			Total
		using a private, secure internet connection	using someone else computer	using any available internet connection	
Age	18-30	34	0	0	34
	31-40	34	1	0	35
	41-50	37	0	3	40
	51-60	40	0	1	41
Total		145	1	4	150
Chi-Square Tests					
		Value	df	Asymp. Sig. (2-sided)	
Pearson Chi-Square		8.753 ^a	6	.188	
Likelihood Ratio		9.052	6	.171	
Linear-by-Linear Association		1.082	1	.298	
N of Valid Cases		150			
a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .23.					

Objective 3: Relationship Between Demographics and Digital Financial Literacy

- Age and utilization of Digital Payments: There are no appreciable differences in the high utilization of digital platforms across all age groups (Chi-square $p = 0.550$). Usage Patterns and Gender: Chi-square $p = 0.367$ indicates that gender has no discernible impact on the use of digital payment services.
- Education and Literacy Levels: Perceptions of security (Chi-square $p < 0.001$) and chosen safe techniques (Chi-square $p = 0.014$) are significantly influenced by education.
- Higher educated respondents are more comfortable using digital payment systems and are more likely to use safer transaction procedures.

Hypothesis Testing

- **Relationship between Demographics and Digital Literacy:** The hypothesis was partially supported by the significant connections found for gender-security perception and education-safe transaction preferences.
- **Impact of Education on Digital Literacy:** Higher education is associated with better digital literacy and safer online behaviors, strongly supporting the second hypothesis.

CONCLUSION

The study provides significant insights into the digital financial literacy of adults in Dehradun, highlighting key demographic influences. The findings reveal that education plays a pivotal role, with higher educational qualifications correlating strongly with better digital literacy and safer online practices. While gender and age showed minimal impact on usage patterns, females reported greater security in using digital tools. High adoption rates of digital payment platforms were consistent across all age groups, reflecting widespread acceptance of digital financial services. The study confirms that education is a critical factor in enhancing digital literacy, supporting targeted interventions to promote financial inclusion and secure digital practices.

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