
FINTECH ADOPTION AND ITS ROLE IN ENHANCING FINANCIAL LITERACY AND BEHAVIOUR AMONG YOUTH

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ABSTRACT

Financial Technology (Fintech) has rapidly transformed the financial services landscape by providing innovative, technology-driven solutions that make financial transactions and investment opportunities more accessible to the public. In recent years, the growing use of smartphones, digital platforms, and internet-based financial applications has encouraged young individuals to engage more actively in financial activities such as saving, investing, and managing personal finances. Fintech platforms such as mobile banking applications, online trading platforms, digital wallets, and robo-advisory services have simplified complex financial processes and created new opportunities for youth to participate in financial markets.

The present study examines the adoption of fintech services among young individuals and explores its role in improving financial literacy and shaping investment behaviour. Financial literacy is an essential component for making informed financial decisions, and fintech platforms often provide tools, resources, and educational content that help users better understand financial products and investment strategies. As a result, young investors are becoming more aware of financial planning, risk management, and diversification of investments.

Keywords: *Fintech, Fintech Adoption, Financial Literacy, Investment Behaviour, Youth Investors, Digital Finance, Financial Technology, Investment Awareness.*

INTRODUCTION

A person's overall financial health and future stability are influenced by every financial decision they make. Financial operations appeared intricate, complex, and occasionally frightening. Because of this, a lot of people relied on banks, financial institutions, and expert consultants and make investment decisions. The majority of services in the old financial system were done by hand and needed human presence. To make a deposit or withdrawal, transfer money, open an account, or get advice, people had to go to a bank branch. These procedures were time-consuming and frequently involved lengthy queues, a lot of paperwork, and delays. FinTech has increased the inclusivity of financial institutions by reducing obstacles such as physical distance, lack of access, and regulatory complexity.

Concept of Financial Technology (FinTech)

FinTech, or financial technology, is the combination of finance and technology. The name originates from "financial," which means money and financial activities, and "technology," which means using digital tools and systems to do things better. In short, FinTech is meant to offer financial services through digital platforms.

Now, people may use cell phones, laptops, and web apps to do things like save money, invest money, borrow money, lend money, move money, and keep track of their own finances. There are several services and apps that fall under the umbrella of FinTech, i.e., people managing their accounts online, payment systems that let people send money right away, digital wallets for cashless transactions, and online investment platforms for putting money into financial markets. Personal finance applications also help people keep track of their spending, savings, and financial goals.

Evolution of FinTech

In the early days, people had to do everything by hand. People had to go to a bank in person for all of their financial needs. This entailed filling out documents, standing in long lines, and talking to bank workers. Consequently, financial services were often slow, inconvenient, and time-consuming. The system also only worked during certain banking hours, which made it hard for customers.

Automated Teller Machines (ATMs) were a big change for the financial services industry. Customers may take out money and do basic banking chores at ATMs without having to go to a bank counter. This new idea made people less dependent on bank employees.

The development and widespread usage of smartphones marked the most innovative time in FinTech. Smartphones revolutionized the way financial services work by making them portable and easy to get

to. People could do financial transactions whenever and wherever they wanted. People could now use one device to send money, check their accounts, invest in financial products, and keep track of their money.

Growth of FinTech in India

At first, Indians were reluctant to embrace this shift, but things changed quickly over the last ten years, and the rise in digital payments is one of the primary causes of Fintech's expansion in India. It was accessible, simple to use, and above all time-efficient. It makes it possible to do bank-related tasks immediately, such as money transfers or, in that case, loan applications. Even local shops, street vendors, and small retailers now take UPI payments.

Because of this, people of various kinds can use it. India's entire digital payment infrastructure has expanded dramatically as well. In 2024, 99.7% indicated that nearly online, according to RBI reports. This further demonstrates India's transition to a cashless economy. The volume of transactions only continued to rise, indicating a sharp increase in a brief amount of time.

FinTech Adoption Among Youth

Adopting new technology for financial tasks means agreeing to use it. The younger group grown up with computers and phones, which makes them better at using apps, the internet, and smart-phones. Convenience is a big reason why so many young people use FinTech. FinTech apps make it easy for people financial chores without going to banks or other financial institutions. The fact that FinTech is easy for young people to use is another important reason for its growth. Most young people have smartphones connected to the internet. The amount of access has made more young people want financial things like saving, investing, and managing their money.

Influencing Factors Adoption for Investment

The way people choose to invest their money is called their investment behavior. It includes how they feel, what they like, and what they do when it comes to spending. FinTech has made a big difference in how young people spend their money in the past few years. Young people used to be less interested in investing than they are now. In the eyes of many, investing meant having a lot of money and skilled help. This view has changed, though, since FinTech platforms came along. FinTech has made investing easier, faster, and more available, which has pushed young people to start investing earlier. This has made them involved in financial tasks. Young investors keep an eye on their funds and make choices based on market trends and the knowledge they have access to. FinTech has also made young buyers more sure of themselves. As they learn more and gain experience, they feel better about making spending choices. This change in how people spend their money.

RESEARCH OBJECTIVES:

- The study seeks to attain-To evaluate the extent of acceptance and utilization of Fintech platforms by youth for investment purposes.
- To investigate the investing behavior and risk perception of youth utilizing Fintech platforms.
- To assess the influence of Fintech on financial literacy, confidence, and investor empowerment among young.

RESEARCH HYPOTHESIS:

H₀	There is no significant adoption and usage of Fintech platforms among youth for investment purposes
H₁	There is a significant adoption and usage of Fintech platforms among youth for investment purposes
H₀	Fintech usage does not have significant impact on financial literacy, investment confidence and investor empowerment among youth
H₁	Fintech usage does have an significant impact on financial literacy, investment confidence and investor empowerment among youth

LIMITATIONS

- The study only looked at buyers between the ages of 18 and 35, so the results may not be true for people of other ages.
- The study is based on answers that people gave themselves, which could be biased or wrong.
- Trends in fintech change quickly, so results may become out-of-date over time.

REVIEW OF LITERATURE

(Sironi, 2016) examined the role of robo-advisors in financial decision-making. Robo-advisors are digital services that use algorithms to deliver automated investment advice. The study showed that robo-advisors make investing easier by giving personalized advice on where to put your money. They also make investing services cheaper by reducing the need for human financial counselors. The study showed that robo-advisors help investors make smart decisions by looking at financial data and suggesting good investment choices. This has made more investors interested, especially young ones. The author came to the conclusion that robo-advisors are very important for giving investors more power by making it easier for them to get investment services.

(Schueffel, 2017) looked into how FinTech will change the future of financial services. The research said that FinTech has changed financial systems by making services easier to get to, faster, and more user-friendly. The researcher discovered that FinTech has provided individuals with direct access to financial markets. Investors can now manage their own money, keep track of their investments, and make investments. The study also showed that FinTech has made it easier for young people to get involved in and use financial services.

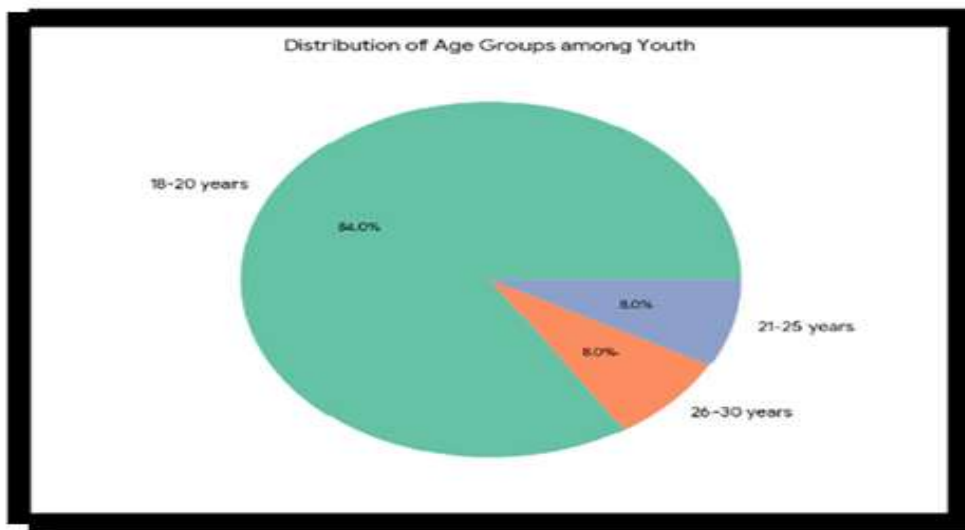
Shin (2018) examined the influence of Financial Technology on investment decision-making. The research said that FinTech has transformed the way people invest by making it easier for them to get to financial markets. The researchers found that FinTech platforms give investors real-time data, tools for analyzing investments, and financial insights that help them make smart decisions. The survey also showed that FinTech is quite helpful for young investors because they are more comfortable using digital platforms.

RESEARCH METHODOLOGY:

1. It can be measured, such as how often they invest, what kinds of investment platforms they like best, and how well they understand money.
2. The study uses a descriptive and exploratory research approach. The descriptive research design delineates the behavior, usage patterns, and financial literacy of young individuals about FinTech platforms.
3. A standardized questionnaire was administered to young individuals, yielding 100 responses for analysis and conclusions. This sample size is big enough to give us a good idea. people who answered were students, working adults and young professionals.
4. The participants in this study were aged 18 to 35, indicating a demographic of young individuals more inclined to utilize digital financial platforms. The people who answered were: - College students - People who work - People who work for themselves. They are particularly comfortable with smartphones, mobile apps, and other digital technologies.
5. It was circulated on social media, email, and WhatsApp. This strategy made guaranteed that everyone had the same chance to take part in the study. It also made it easy and quick to gather data.
6. The survey was done in Mumbai, and the answers were from people who lived there. Mumbai is a key financial and technology center in India, people are using FinTech there. Young people in Mumbai use UPI payments, online investment platforms, and digital wallets.

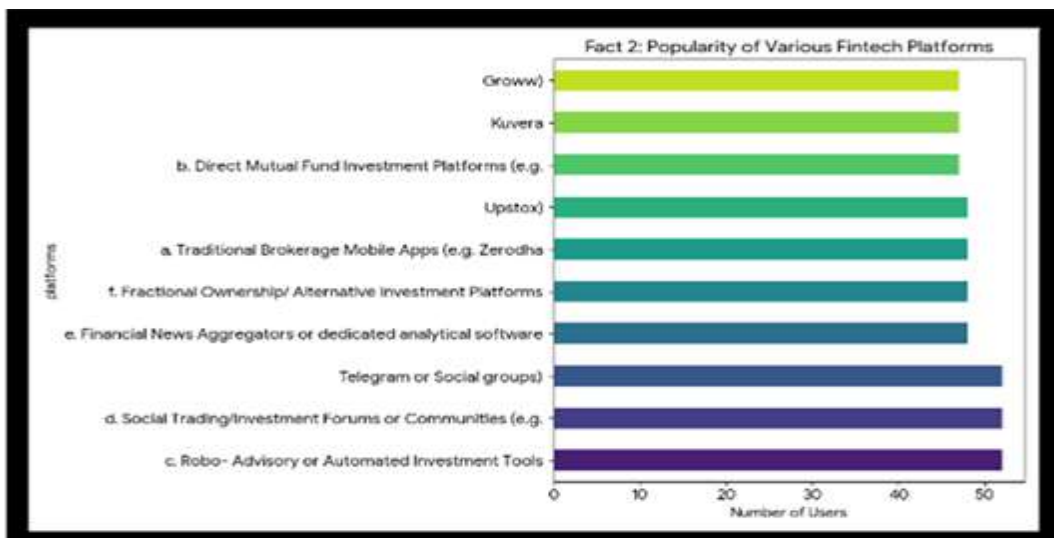
DATA ANALYSIS

Youth Dominance in Digital Investing



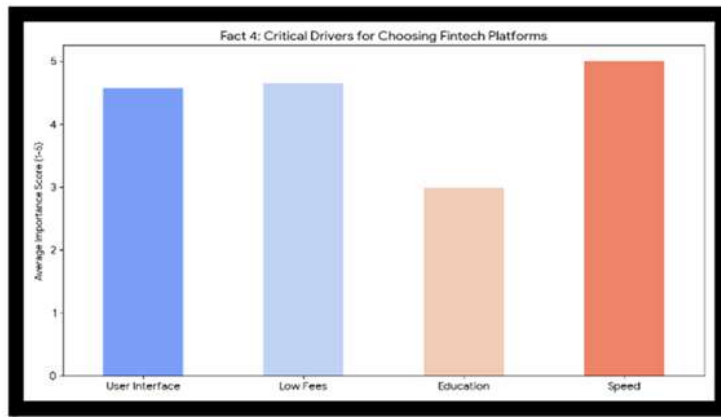
Fact 1: The study shows that investors aging 18–20, digital investment platforms are doing a good job of reaching the "Gen Z" market. Because youth are using Fintech apps, it seems that they are the main way for new investors to get started. The research is easy to use and understand, which fits well with the digital-native lifestyle of today's young.

Preference for Diverse Fintech Ecosystems



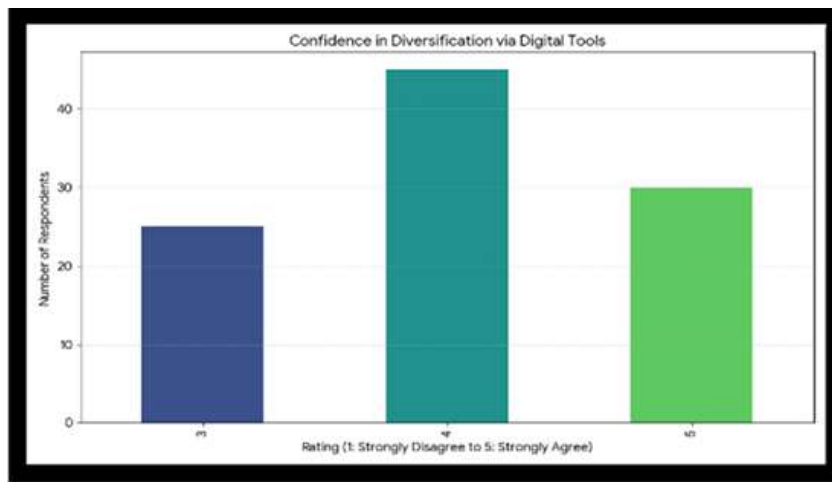
Fact 2 : A look at the platforms used shows a wide spectrum of usage, with Traditional Brokerage Apps (like Zerodha and Upstox) and Direct Mutual Fund platforms (like Groww) being the most popular. It's interesting that people are using Trading forums and Fractional Ownership services. They aren't only searching for simple transaction tools; they're also looking for integrated ecosystems that provide them community insights, analytical depth, and access to non-traditional assets. This shows a holistic approach to empowering investors.

Cost as Primary Drivers



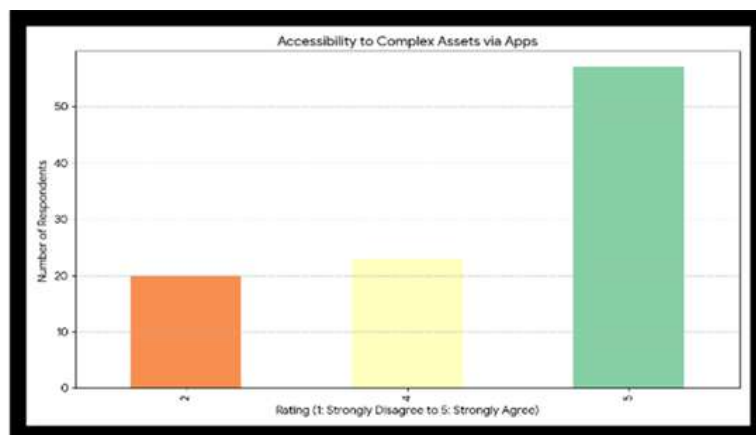
Fact 3: When young people choose a platform, the most important things to them are and how low the fees are. The study of the mobile app is just as important as the cost of trading. This information shows that Fintech companies on making their products easy to use and cost- effective keep young users. This pays an affect their choices and overall happiness with the investment process

Empowerment through Portfolio Diversification



Fact 4: Fintech platforms give young people automated tools that make it easier to diversify their portfolios, which gives them more power. Users get a visual breakdown of their asset allocation and get advice for how to diversify. The "smart" features built into Fintech apps provide people the confidence to establish a balanced portfolio. These features turn complicated financial theory into useful digital tools.

Democratization of Complex Asset Classes



Fact 5: Digital platforms have made it easier to use complicated financial tools like derivatives, crypto- assets, and fractional ownership. These asset classes without the easy-to-use interface of their

Fintech apps. This making high-entry-barrier assets available to everyone is a key part of empowering investors. It gives young people the same investing options that were only available to institutions or people with a lot of money.

FINDINGS

- Usage is remarkably frequent, with a majority of youth logging apps daily. FinTech has transformed investing from a chore into a lifestyle habit, characterized by constant monitoring and high digital engagement.
- Youth do not rely on a single service. While Traditional Brokerage Apps and Direct Mutual Fund platforms lead, there is a significant adoption of Social Trading and Robo-advisors, showing a preference for "all-in-one" digital financial ecosystems.
- FinTech apps are so easy to use, young people are trading more often. It's easy to press a button, which makes people want to trade more actively.

CONCLUSION

The study finds that FinTech makes transactions. The study achieved its goals by demonstrating that the usage of digital platforms is motivated by a need for independence, affordability, and superior user experiences.

Things to remember is that these apps are changing the way people learn. FinTech has made it possible to connect complicated financial theory with real-world applications. These platforms have made young investors more financially literate and confident by giving them real-time data, easy-to-use diversification tools, and easy-to-use interfaces. Many of these investors were scared of the stocks market before.

But the empowerment comes with a change in how people act. The research identified a distinct trend towards increased trading frequency and a heightened risk appetite, driven by the fast feedback mechanisms characteristic of digital platforms. This has made it easier for more people to get their hands on high-entry assets like futures and bitcoin, but it has also made people "Digital Dependent." The youth are so used to using digital tools that they don't trust old or manual ways of investing as much as they used to.

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