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Synergistic Augmentation: Fintech, AI, and India's Financial Acumen

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Abstract

In India's burgeoning fintech sector, a confluence of innovation and expansion is evident, underscored by the world's second-largest Internet user base and the dynamic ecosystem of over 3,085 fintech firms.This positions India as a rapidly ascending fintech economy poised to become the third-largest global economy.Read more at:[https://bfsi.economictimes.indiatimes.com/news/fintech/economic-survey-2024-india-third-largest-fintech-economy-a-cornerstone-to-help-achieve-financial-inclusion/111925639].In our exploration of the fintech sector in India and the level of financial literacy among its citizens, we assessed a report from the NCFE of India, which is based on a 2019 survey on financial literacy. We also examine the top fintech firms that currently lead the Indian market. Our study relied on secondary data from various sources, which indicates that enhanced engagement from governmental bodies and the educational framework hold the potential to significantly elevate citizens' financial literacy. Such improvements are crucial for safeguarding individuals against financial exploitation that stems from inadequate knowledge. Furthermore, AI integration of artificial intelligence presents a promising avenue for democratizing financial understanding and potentially diminishing reliance on informal financial guidance. The report of the National Center for Financial Education (NCFE) of India based on a 2019 survey provides valuable insights into the current state of financial literacy among Indian citizens. This assessment, combined with an examination of leading fintech firms in the Indian market, paints the picture of a rapidly evolving financial technology ecosystem. The research findings underscore the critical need for increased involvement of both the government and educational systems to enhance financial literacy across the population. Such improvements could serve as a protective measure against financial exploitation due to lack of knowledge.

KEYWORDS

-Fintech

- Financial literacy

-Artificial intelligence

- National Center for Financial Education (NCFE)

- Financial inclusion

- Financial exploitation

INTRODUCTION

Financial literacy in the 21st century has been recognized as a very important survival skill, being a part of an individual's economic well-being, as well as national financial stability. It is a system of knowledge and skills that enables one to make prudent and sensible decisions with their financial assets. In a rapidly digitizing and economically thriving country like India, the importance of financial literacy has reached unprecedented levels. Despite great economic growth and the extensive use of digital financial services, an extremely negligible segment of the Indian population is deprived of even basic financial literacy, and they are at risk of falling into debt traps, frauds, and unsound financial practices.

The National Centre for Financial Education (NCFE) survey in 2019 revealed that financial literacy in India is extremely low, as only 27% of the population is found to be financially literate. This lack is especially prevalent among women, rural dwellers, and lower economic segments, who exhibit a systemic deficit in access to financial literacy. Great are the stakes because financially illiterate citizens save less, invest better, and look ahead less—that is, they act in a manner critical to economic mobility and resilience. Since most transactions occur online, digital literacy is equally essential. It enables users to navigate platforms securely, assess the credibility of service providers, and protect against cyber threats (Yue et al., 2022).Digital financial literacy combines financial literacy and digital literacy, equipping users with the skills to apply financial knowledge confidently in digital contexts (Morgan et al., 2020)

In the last couple of years, however, three powerful drivers have emerged as potential catalysts to increase financial literacy in India: fintech, policy, and AI. The Indian fintech industry has burst into expansion, with over 3,000 operational startups having found addresses now, offering new solutions ranging from digital payments to managing personal finance. They democratized financial services and introduced formal financial systems to millions of individuals. Simultaneously, initiatives such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), Reserve Bank of India's (RBI) financial literacy weeks, and education campaigns by the Securities and Exchange Board of India (SEBI) have helped propel financial inclusion and awareness.

In addition, AI has become a game-changing money tool. Web-based learning systems that are tailored to AI-driven chatbots that provide round-the-clock financial advice, technology provides low-cost, data-driven solutions that can also change between different learning modes and functionalities. With its ability to cross language, geography, and access divides, it is especially valuable in multicultural nations such as India.

This study aims to identify the coming together of the above three agents of change—government initiative, AI, and fintech—in a quest to judge their suitability and efficiency to rectify the issue of India's financial illiteracy. Via an assessment of given facts, review of present literature, and assessment of practical implementations, this paper is attempted to make tangible suggestions available for policymakers, instructors, fintech developers, and other committed agents working on bringing financial literacy in India into practice.

1.1 Financial Education in India: Introduction to Institutional Framework and Mechanisms:

- India, as a fast-growing economy, aims to establish a more stable financial system by addressing the challenges of limited or no access to financial services for a large portion of the population with low financial literacy.
- Lack of financial education hinders the eradication of economic poverty, limits livelihood opportunities, impedes asset building, and restricts income-generating activities and the range of choices for the population.
- Financial inclusion is considered crucial for inclusive growth and sustainable development in the country.
- Financial education is defined as the process of enhancing individuals' understanding of financial products and concepts. It involves providing information, instruction, and advice to develop the necessary skills and confidence to recognize financial risks and opportunities, make informed decisions, seek help when needed, and take proactive steps to improve financial well-being and protection.
- According to an S&P survey, over 75% of Indian adults lack adequate understanding of basic financial concepts, with financial illiteracy being even more prevalent among women (over 80%).
- This lack of financial literacy leads to poor financial decisions, negatively impacting both individuals and potential users of financial products and services.
- Therefore, prioritizing financial education is essential to make financial inclusion more meaningful and empower citizens to achieve economic well-being.

1.1.1 National Centre for Financial Education (NCFE):

- NCFE is a Section 8 (Not for Profit) Company promoted by the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI), and Pension Fund Regulatory and Development Authority (PFRDA).
- Its vision is to create a financially aware and empowered India.
- NCFE promotes financial education across India for all population segments, aligning with the National Strategy for Financial Education of the Financial Stability and Development Council (FSDC).
- The organization conducts extensive financial education campaigns to help people manage money effectively, achieve financial well-being, access suitable financial products and services through regulated entities, and ensure fair and transparent consumer protection and grievance redressal mechanisms.

1.1.3 The Reserve Bank of India (RBI):

- The Reserve Bank of India (RBI) is India's central bank, responsible for issuing and supplying the Indian rupee.
- The RBI regulates commercial banks and non-banking finance companies in India and acts as the leader of the banking system and the money market.
- The RBI formulates and implements India's monetary policy and supervises and controls banks and non-banking finance companies in the country.

1.1.4 Securities & Exchange Board of India (SEBI):

- The Securities and Exchange Board of India (SEBI) is the regulator of the securities market in India, owned by the Government of India.
- SEBI's primary functions are to protect the interests of investors in securities, promote the development of the securities market, and regulate it, along with related matters.

1.1.5 Insurance Regulatory and Development Authority of India (IRDAI):

- The Insurance Regulatory and Development Authority of India (IRDAI) is a regulatory body responsible for regulating and promoting the insurance and re-insurance industries in India.
- The IRDAI's goal is to encourage and ensure the systematic growth of the insurance industry.

1.1.6 Pension Fund Regulatory and Development Authority (PFRDA):

- The Pension Fund Regulatory and Development Authority (PFRDA) is a regulatory body that promotes old-age income security by establishing, developing, and regulating pension funds and protecting the interests of subscribers to pension fund schemes.

1.2 Foundational Concepts:

- The OECD has been at the forefront of financial literacy and inclusion measurement since 2009.

- As one of the three priorities of the OECD/INFE, work has been done to develop a common method for measuring financial literacy and inclusion.

- A standardized questionnaire and supporting toolkit were created and made available online to establish a baseline measure of financial literacy and inclusion among adults and track changes over time.

- This standardized toolkit is designed to gather information on respondents' financial knowledge, behavior, and attitude, as well as their financial inclusion status.

1.2.1 Financial Literacy:

- Measuring financial literacy involves assessing a combination of awareness, knowledge, skills, attitude, and behavior necessary for making sound financial decisions and achieving individual financial well-being.

1.2.1.1 Financial Knowledge:

- Financial knowledge is a crucial component of financial literacy.

- It is necessary for activities such as staying informed about the economy and financial landscape, comparing financial products and services, and making appropriate and well-informed financial decisions.

- Basic knowledge of financial concepts and the ability to apply numeracy skills in a financial context enable consumers to manage their financial affairs independently and respond to news and events that may affect their financial well-being.

1.2.1.2 Financial Behavior:

- Financial behavior refers to consumers' actions and conduct that influence their financial well-being in both the short and long term.

- Behaviors like delaying bill payments, choosing financial products without comparison, or using credit to compensate for income shortfalls can negatively impact individuals' financial situations and well-being.

- Conversely, habits such as thinking before making purchases, paying bills on time, budgeting, and saving are examples of positive financial behaviors that contribute to financial control.

1.2.1.3 Financial Attitude:

- Financial attitude is defined as the outlook or mental disposition of consumers that influences their decisions about whether or not to act in a particular way, even if they have the necessary knowledge and ability.

- It involves individuals' tendency to prioritize personal satisfaction or lifestyle preferences over other considerations.

1.2.2 Financial Inclusion:

- Financial inclusion is the process of promoting affordable, timely, and adequate access to a wide range of regulated financial products and services and increasing their usage by all segments of society. This is achieved through tailored existing and innovative approaches, including financial awareness and education, to foster financial well-being and economic and social inclusion (Atkinson and Messy, 2013).

- Financial inclusion, combined with a strong consumer protection framework, is essential for empowering individuals and ensuring the stability of the financial system.

- Measuring financial inclusion involves measures for both the supply side of access and consumer-oriented indicators.

- The following dimensions are considered individually within the recommended framework, although they are often interconnected:

1.2.2.1 Product Awareness:

- This assesses whether consumers are aware of the financial products available nationally in banking and non-banking services for savings, payments, credits, insurances, or investments.

1.2.2.2 Product Holding:

- This is measured using four indicators: holding a) some form of saving or retirement product, b) a payment product (current account or mobile money, excluding credit cards), c) some form of insurance, and d) some credit product or mortgage.

- Investment product holding is also considered, depending on the country's context.

1.2.2.3 Product Operating:

- This refers to consumers' usage and practice of financial products and services to realize the benefits of holding them.

- Regular transactions and monitoring of products are important for consumers to make informed choices and actions to fully benefit from financial inclusion

1.3 OBJECTIVE OF THE STUDY:

- To explore the fintech sector in India, highlighting its growth and potential.
- To assess the level of financial literacy among Indian citizens.
- To examine the role of governmental bodies and the educational framework in enhancing financial literacy.
- To investigate the potential of AI integration in democratizing financial understanding.
- To analyze the current state of financial literacy using the NCFE 2019 survey.
- To examine the leading fintech firms in the Indian market.
- To underscore the importance of improved financial literacy in protecting individuals from financial exploitation

LITERATURE REVIEW

Despite the growth of fintech in India, a significant financial literacy gap persists, hindering economic well-being and national financial stability. Government initiatives since 2025 aim to address this, recognizing financial literacy as a crucial 21st-century skill. NCFE data from 2019 reveals a low 27% financial literacy rate, particularly affecting women, rural populations, and lower economic segments, impacting savings, investments, and long-term planning.

Fintech's expansion, government policies (e.g., PMJDY, RBI/SEBI campaigns), and the rise of AI-powered financial education tools offer potential solutions. Fintech democratizes access, policies raise awareness, and AI provides personalized, scalable learning. This study investigates the combined effectiveness of government initiatives, AI, and fintech in tackling India's financial illiteracy. By analyzing data and literature, it aims to provide actionable recommendations for policymakers, educators, and fintech developers. Financial literacy encompasses the knowledge of financial concepts such as saving, borrowing, investing, and budgeting. It enables individuals to make informed choices and achieve financial well-being (Azeez & Akhtar, 2021; Azeez & Banu, 2021). Research indicates that financial literacy significantly influences intentions to adopt digital financial services, including mobile money, by enhancing financial decision-making (Grohmann, 2018; Ha et al., 2023). Financial literacy also helps reduce costs associated with managing risky assets, such as stock investments (Andreou & Anyfantaki, 2021; Corsini & Spataro, 2017; Long et al., 2023; Yang et al., 2023). Meanwhile, digital literacy, the ability to effectively use digital tools and platforms, has become indispensable in the digital age. It fosters inclusivity and financial resilience, making it vital for underserved communities. However, challenges such as limited access to digital services and technological barriers persist, particularly in rural areas (Baumüller & Kah, 2019; Kass-Hanna et al., 2022). To address these gaps, the concept of digital financial literacy was introduced, an integration of financial literacy and digital literacy, which reflects an individual's capacity to navigate online financial services effectively (Prasad et al., 2018). Digital financial literacy comprises knowledge of digital financial products, comprehension of risks, familiarity with risk mitigation, and awareness of consumer rights (Morgan & Trinh, 2019). Studies show that higher digital financial literacy levels correlate with improved financial decisionmaking and increased participation in P2P lending. For instance, Liew et al. (2020) assessed digital financial literacy in rural communities, revealing moderate proficiency in understanding digital products but significant gaps in other areas, such as risk mitigation and consumer rights awareness. This indicates that marginalized populations have yet to fully benefit from fintech advancements.

METHODOLOGY

Methodology

This study is descriptive in nature and secondary data sourced from the publications of various private and government organizations viz. from authentic sources – websites of Finance Ministry, Electronic copy available at: finance ministry , ncfe , newspaper sites - economic times , 2025 statistical data- statista , etc.. The methodology employed in the original survey is detailed below:

Original Survey Methodology

The original survey was conducted across all States and Union Territories (UTs) in India, targeting respondents aged 18 to 80 years. For analytical convenience, the States/UTs were categorized into six zones: North, Central, East, North-East, West, and South.

Sampling Design

A multi-stage sampling method was employed to select a representative sample of 75,000 adult respondents, stratified by rural/urban residence and gender. The sampling stages were as follows:

1. **Selection of Districts:** 20% of districts from each of the 88 NSS regions were selected using systematic random sampling with equal probability. This resulted in a total of 144 districts being selected from the 651 districts in India (based on the 2011 Census frame).

2. **Selection of CD Blocks:** Within each selected district, 20% of the total number of CD Blocks were considered. These CD Blocks were randomly selected using Probability Proportional to Size (PPS) sampling, where the number of households in the CD Blocks determined the probability of selection.
3. **Selection of Villages/Wards:** The number of villages/wards to be selected was determined by applying the rural-urban proportion of households at the district level to the total number of villages and wards in each selected CD Block. Subsequently, 20% of the villages/wards were randomly selected from both rural and urban areas using PPS sampling, with the number of households in each village/ward determining the probability of selection.
4. **Selection of Households:** The district-level allocation of respondents was divided according to the rural:urban ratio of households. The resulting number of rural and urban households to be sampled was then divided by the number of villages/wards to determine the average number of households to be sampled per village/ward. Households were selected using a systematic sampling approach, with a sampling interval calculated based on the total number of households in the village/ward.
5. **Selection of Respondent within Household:** In each selected household, one permanent resident aged 18-80 years was interviewed. The decision to interview a male or female respondent was made in consultation with the family head.

Data Collection

A questionnaire, designed based on the OECD/INFE framework, was used to collect data. State-level coordinators, deployed and trained by DRS (the data collection agency), trained supervisors and investigators. This training covered methodological aspects, questionnaire details, field protocols, and strategies for handling non-cooperation and misinformation. Investigators also practiced administering the questionnaire and using CAPI (Computer-Assisted Personal Interviewing) devices.

Scoring

Responses were scored as either negative (0) or positive (1), with some positive responses receiving graded scores. For certain indicators, such as 'Financial Behaviour,' scaled responses on a 5-point scale were used. Individual scores were aggregated and compared to qualifying scores for Financial Literacy (FL) and Financial Inclusion (FI). [https://ncfe.org.in/nflis/]

Results and Discussion

Results and Discussion

The NCFE-FLIS 2019 survey provides a detailed overview of the demographic and socio-economic characteristics of the respondents, offering valuable insights into the landscape of financial literacy in India.

2.1 Geographical Distribution of Respondents:

- The survey demonstrates an uneven distribution of respondents across different regions, with a higher representation from rural areas in most zones.
- Specifically, the East Zone shows the highest percentage of rural respondents (79%), while the West Zone has the lowest (39%).
- Overall, the national distribution is skewed towards rural areas, with 64% of respondents being from rural areas and 36% from urban areas.

Discussion: This disparity highlights the importance of tailoring financial literacy programs to address the specific needs and challenges of rural populations, who may have limited access to financial services and information.

2.2 Gender Distribution of Respondents:

- The survey reveals a significant gender imbalance, with a low representation of female respondents.
- Nationally, only 25% of the respondents are female, compared to 75% male.
- The East Region has the highest female representation (32%), while the Central Region has the lowest (19%).

Discussion: This pronounced gender gap underscores the urgent need for targeted interventions to enhance financial literacy among women, who are often marginalized in financial decision-making processes.

2.3 Age Distribution of Respondents:

- The 30-39 age group is the most represented (39%) across the zones.

Discussion: This suggests that financial literacy programs can be effectively targeted toward this significant demographic.

2.4 Distribution of Respondents by Social Categories:

- The survey captures the distribution of respondents across various social categories.
- Nationally, the Other Backward Class (OBC) category represents 34% of respondents, followed closely by the General category (33%), Scheduled Castes (SC) at 24%, and Scheduled Tribes (ST) at 5%.
- Regional variations exist, with the General Category being most represented in the South and West Zones, while the OBC category is predominant in the North, East, and Central Zones.

Discussion: Understanding the social category distribution is crucial for designing inclusive financial literacy initiatives that cater to the specific needs and socio-cultural contexts of different groups.

2.5 Distribution of Respondents by Household Structure:

- The survey indicates that the majority of respondents come from nuclear families (55%) and joint families (22%).
- Nuclear families are most prevalent in the South Zone (66%), while joint families are more common in the North-East Zone (40%).

Discussion: Recognizing the influence of household structure on financial decision-making can help in tailoring financial literacy messages to resonate with different family dynamics.

2.6 Distribution of Respondents by Education Level:

- A significant portion of respondents (52%) has an education level below high school.
- Only 36% have a high school level of education or above, and 18% hold a graduate or postgraduate degree.
- The East Zone has the highest proportion of respondents with no formal education (22%), while the South Zone has the highest percentage of respondents with postgraduate education (9%).

Discussion: The high percentage of respondents with lower levels of education underscores the need for basic financial literacy programs that use simple language and practical examples to ensure comprehension and engagement.

2.7 Distribution of Respondents by Working Status:

- A large majority of respondents are working (69%), either self-employed or in paid employment.
- 20% are non-working (primarily homemakers), 9% are students, and 3% are retired or otherwise non-working.

Discussion: This highlights the importance of targeting financial literacy efforts towards the working population to enhance their financial management skills and promote financial inclusion.

In conclusion, the NCFE-FLIS 2019 survey provides a comprehensive demographic and socio-economic profile of the respondents, which is essential for understanding the current state of financial literacy in India. The findings reveal disparities across geographical regions, gender, social categories, household structures, education levels, and working status. These insights can inform the development of targeted and effective financial literacy programs to address the specific needs of different population segments and promote greater financial inclusion across the country.

Sources and related content [https://ncfe.org.in/nflis/]

TABLE-1

ZONE	STATE/UT	# RURAL SAMPLED UNITS	# URBAN SAMPLED UNITS	# TOTAL SAMPLED UNITS
NORTH-EAST	ARUNACHAL PRADESH	60	20	80
	ASSAM	1600	320	1920
	MIZORAM	40	20	60
	MANIPUR	80	80	160
	MEGHALAYA	80	80	160
	NAGALAND	60	60	120
	TRIPURA	200	60	260
	SUB-TOTAL	**2120**	**640**	**2760**
EAST	ANDAMAN & NICOBAR IS	20	20	40
	BIHAR	5200	500	5700
	JHARKHAND	1160	740	1900
	ODISHA	2160	740	2900
	SIKKIM	20	20	40
	WEST BENGAL	4700	1440	6140
	SUB-TOTAL	**13260**	**3460**	**16720**
CENTRAL	CHHATTISGARH	1400	305	1705
	MADHYA PRADESH	2500	2035	4535
	UTTAR PRADESH	7520	2520	10040
	UTTARAKHAND	380	240	620
	SUB-TOTAL	**11800**	**5100**	**16900**
NORTH	CHANDIGARH	20	60	80
	HARYANA	740	720	1460
	HIMACHAL PRADESH	340	120	460
	J&K	302	338	640
	DELHI	60	980	1040

SOURCE : https://ncfe.org.in/

NCFE-FLIS 2019

TABLE-1

ZONE	STATE/UT	# RURAL SAMPLED UNITS	# URBAN SAMPLED UNITS	# TOTAL SAMPLED UNITS
	PUNJAB	960	700	1660
	RAJASTHAN	2300	1520	3820
	SUB-TOTAL	**4722**	**4438**	**9160**
WEST	GOA	40	63	103
	GUJARAT	1420	2261	3681
	MAHARASHTRA	2900	4440	7340
	DADRA & NAGAR HAVELI	20	16	36
	DAMAN & DIU	20	20	40
	SUB-TOTAL	**4400**	**6800**	**11200**
SOUTH	ANDHRA PRADESH & TELANGANA	4420	1920	6340
	KARNATAKA	3020	1000	4020
	KERALA & LAKSHADWEEP	1140	1231	2371
	PUDUCHERRY	40	55	95
	TAMIL NADU	2978	2596	5574
	SUB-TOTAL	**11600**	**6800**	**18400**
	GRAND TOTAL	**47905**	**27235**	**75140**

SOURCE : https://ncfe.org.in/

Output

5.2 Score Table – Financial Literacy

DISTRIBUTION OF RESPONDENTS QUALIFYING BY SCORES FOR COMPONENTS OF FINANCIAL LITERACY	% of Respondents Qualifying for			
	Financial Attitude	Financial Behaviour	Financial Knowledge	Financial Literacy
	>=3 points	>= 6 points	>= 6 points	>= 15 points
	5 points	9 points	8 points	22 points
Central	88%	51%	41%	21%
East	92%	52%	31%	20%
North	91%	53%	56%	32%
NorthEast	84%	47%	56%	33%
South	88%	52%	64%	30%
West	85%	61%	52%	37%
All-India	89%	53%	49%	27%
LOCATION-WISE				
Rural	89%	51%	45%	24%
Urban	88%	57%	55%	33%
GENDER-WISE				
Male	88%	56%	50%	29%
Female	90%	43%	45%	21%
AGE-WISE				
18-29yr	87%	53%	55%	30%
30-49yr	88%	53%	47%	27%
50-69yr	92%	53%	43%	25%
70-79yr	93%	52%	37%	23%
EDUCATION-WISE				
Post Graduate	82%	58%	72%	31%
University Level	86%	57%	80%	43%
Upper secondary school or high school	85%	55%	41%	25%

SOURCE : https://ncfe.org.in/

DISTRIBUTION OF RESPONDENTS QUALIFYING BY SCORES FOR COMPONENTS OF FINANCIAL LITERACY	% of Respondents Qualifying for			
	Financial Attitude	Financial Behaviour	Financial Knowledge	Financial Literacy
	>=3 points	>= 6 points	>= 6 points	>= 15 points
	5 points	9 points	8 points	22 points
Lower secondary school or middle school (where relevant)	88%	52%	33%	19%
Primary school	91%	45%	35%	16%
No formal education	94%	46%	28%	13%
INCOME-WISE				
Less than INR 10000	90%	58%	44%	28%
INR 10001-50000	88%	53%	50%	26%
INR 50001-200000	88%	62%	52%	32%
INR 200001-500000	86%	68%	60%	41%
INR 500001-1000000	89%	84%	64%	50%
INR 1000000 and above	80%	73%	53%	40%
No Income	88%	36%	46%	19%
OCCUPATION-WISE				
Self Employed (Agriculture)	90%	64%	49%	31%
Agricultural Labourer	87%	47%	41%	13%
Self Employed (Non-Agriculture) & Casual Labour	88%	59%	52%	31%
Salaried (Private)	89%	63%	55%	37%
Salaried (Govt.)	88%	73%	60%	45%
Student	86%	38%	61%	26%
Housewife/ Homemaker	90%	36%	36%	16%
Retired Person	89%	64%	48%	36%
Any other (Specify)	89%	35%	43%	17%
SOCIAL CATEGORY-WISE				
General	88%	54%	55%	29%

SOURCE : https://ncfe.org.in/

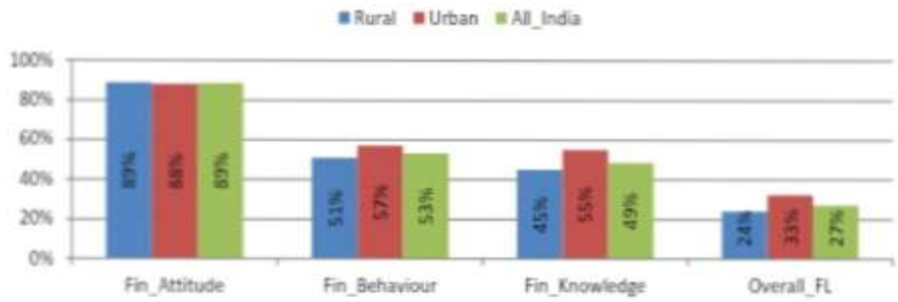
DISTRIBUTION OF RESPONDENTS QUALIFYING BY SCORES FOR COMPONENTS OF FINANCIAL LITERACY	% of Respondents Qualifying for			
	Financial Attitude	Financial Behaviour	Financial Knowledge	Financial Literacy
	>=3 points	>= 6 points	>= 6 points	>= 15 points
	5 points	9 points	8 points	22 points
Other Backward Class (OBC)	89%	53%	46%	26%
Schedule Caste(SC)	88%	51%	43%	25%
Schedule Tribe(ST)	87%	54%	48%	27%

- 24% Rural and 33% urban respondents are found Financially Literate
- 21% female and 29% male respondents are financially literate
- The 18-29 year old respondents are the most financially literate in the age category
- Higher the education level and income higher is the prevalence of financial literacy among the respondents
- In the occupation category, the Government employees have the highest prevalence of financial literacy

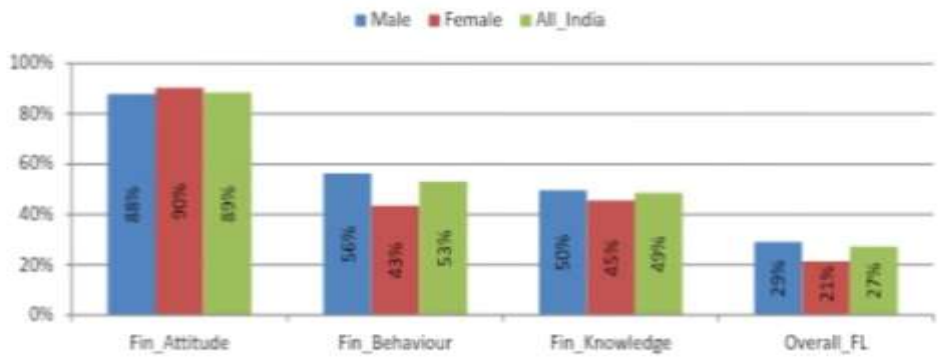
SOURCE : https://ncfe.org.in/

5.3 Socio-Economic Distribution of Financial Literacy (FL)

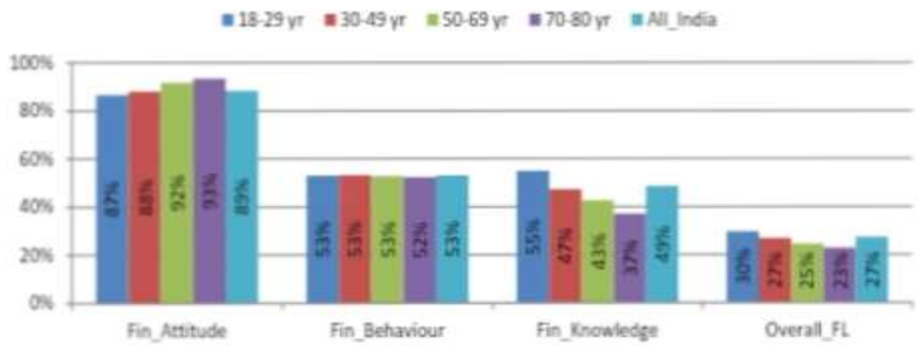
5.3.1 Location Mix of FL



5.3.2 Gender Mix of FL



5.3.3 FL by Age-Groups



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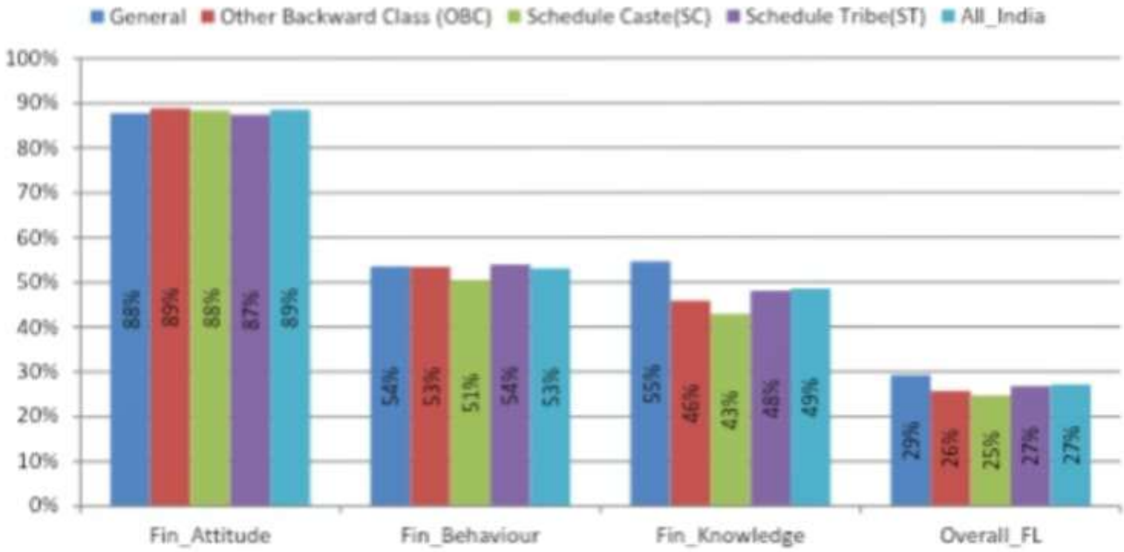
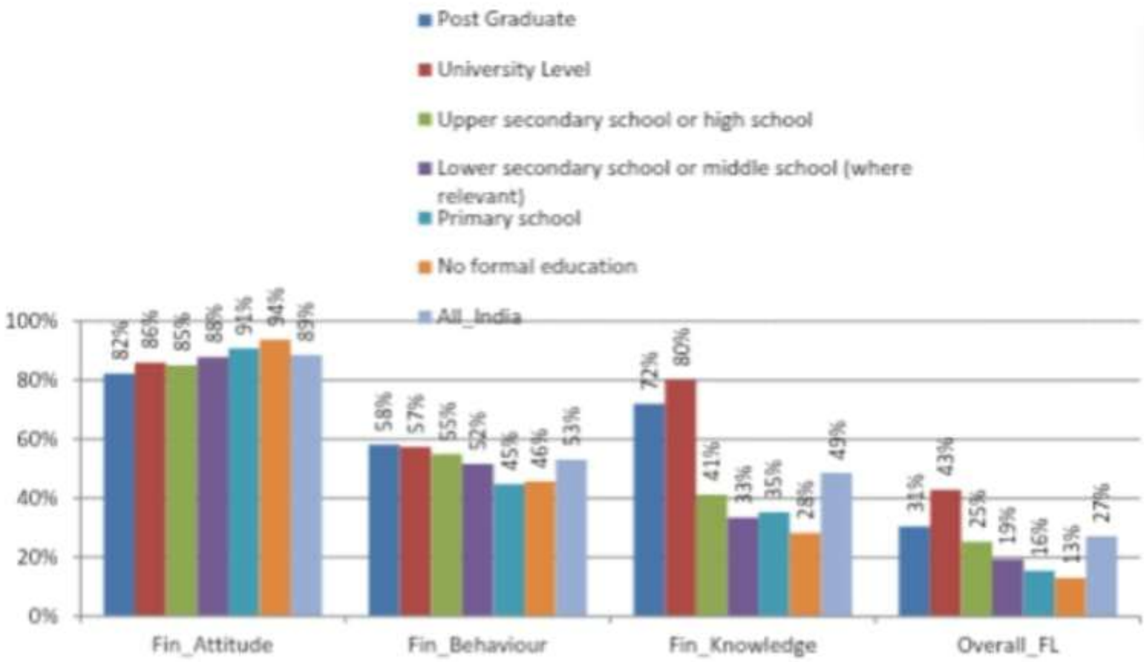
SOURCE : https://ncfe.org.in/

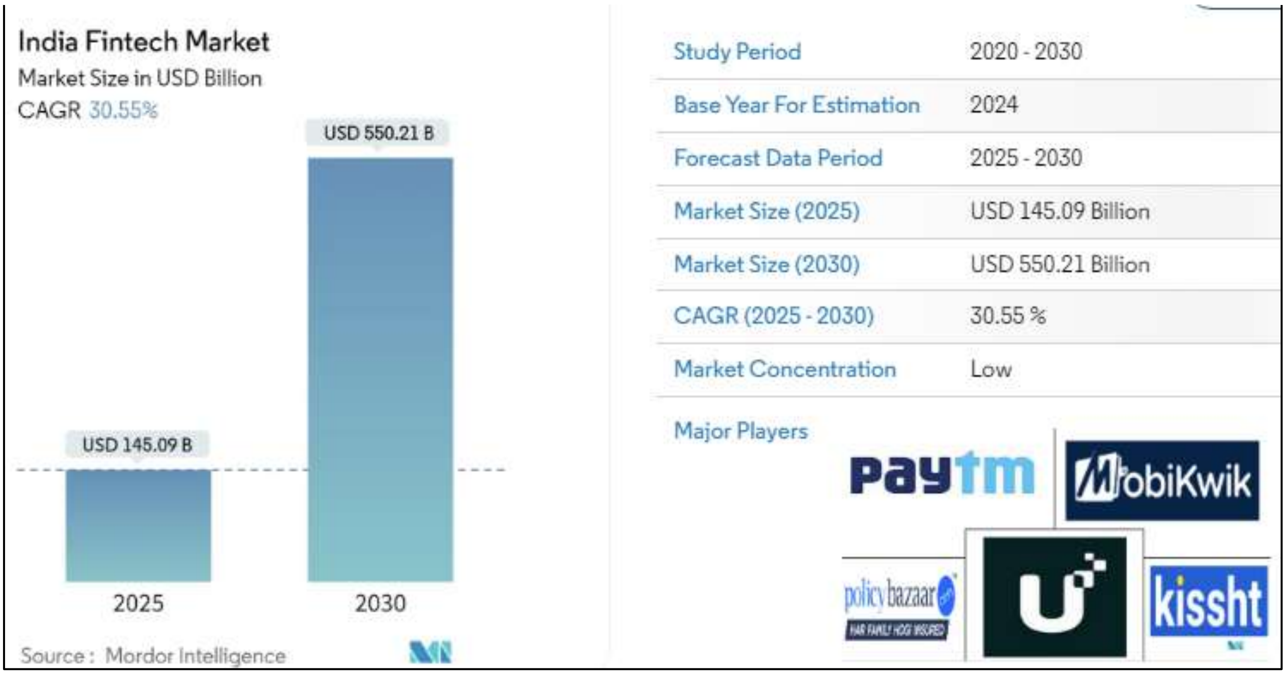
5.3.4 FL by Social Categories



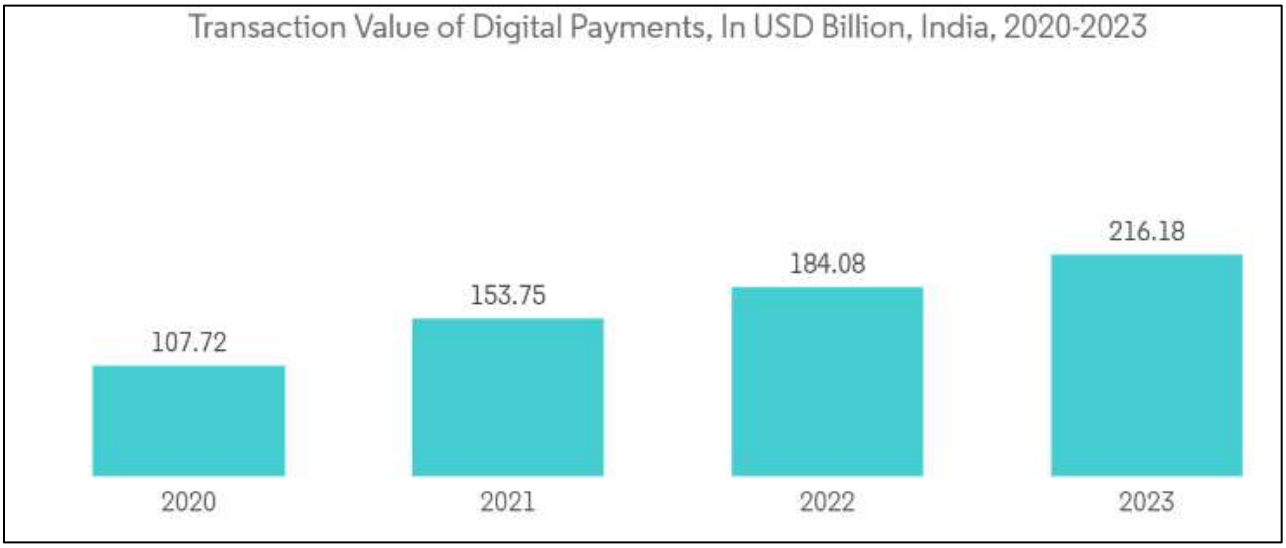
5.3.5 FL by Education Level



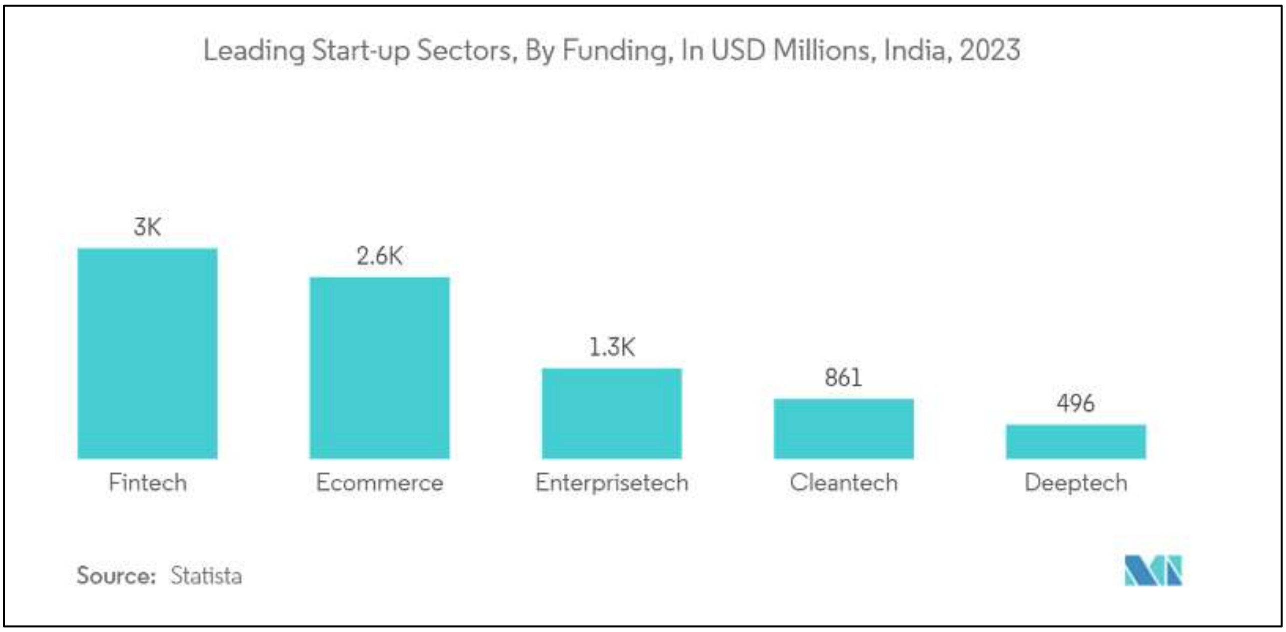
SOURCE : https://ncfe.org.in/



Source: https://www.mordorintelligence.com/



Source: https://www.statista.com/



Source: https://www.statista.com/

CONCLUSION

The economic literacy condition of India is transforming at a very fast pace with the dynamic growth of fintech, the energetic policy initiatives of the government, and the use of advanced technologies such as artificial intelligence. While the economy and digital revolution are gaining momentum, still a significant portion of India's population remains financially illiterate and therefore unable to make smart money choices and at the same time also susceptible to exploitation. This essay has examined how AI education tools, policy interventions, and fintech innovations can be central drivers to bridge this knowledge gap.

Fintech platforms have democratized access to banking, credit, insurance, and investment products, particularly for the unbanked and underbanked segments of the population. Government programs such as Pradhan Mantri Jan Dhan Yojana, the RBI’s Financial Literacy Week, and SEBI’s investor education efforts have created a strong policy foundation for fostering awareness and inclusion. Meanwhile, AI offers an unprecedented opportunity to deliver customized, engaging, and scalable financial education across diverse linguistic and socio-economic groups in India.

Yet the way ahead must be social and sustainable. There must be efforts by policymakers so that school curricula have a course in financial literacy, there must be uncomplicated and equitable mechanisms in place in fintech companies, there must be efforts by AI creators so that everyone is included and data is guarded. Additionally, regional and gender gaps in knowledge about money must be bridged by targeted interventions.

By means of the convergence of technology, government, and education, India can build a financially empowered citizenry capable of taking knowledgeable decisions. Not only is this required individual empowerment and protection against financial deceptions but also a ten-year-long economic stability with inclusive growth. The convergence of these three powerful forces of fintech, government, and AI positions India on the world map to becoming a global financial literacy and digital financial inclusion leader.

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