

The Impact of Digital Financial Literacy on Economic Empowerment, Financial Stability, and Business Success across Diverse Demographics and MSME Sectors: A Systematic Literature Review

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Abstract — Digital financial literacy is becoming more and more acknowledged as a necessary skill set in today's digital economy. The goal of this systematic literature review is to present a thorough overview of the body of knowledge currently available on digital financial literacy, with an emphasis on its definition, traits, assessment techniques, and implications. Fifty pertinent publications were found after a thorough search of internet databases for this evaluation. The results show that understanding digital financial goods, using digital tools for financial management, and guarding against digital financial hazards are just a few of the competencies that make up digital financial literacy. The report emphasizes the need for more investigation into the connection between digital financial literacy and financial well-being. All things considered, this review contributes to our understanding of digital financial literacy and provides direction for scholars, instructors, and legislators who wish to encourage financial literacy in the digital age.

Keywords: Digital Financial Literacy, Economic Empowerment, Financial Stability, Business Success, MSME Sectors

I. INTRODUCTION

The nexus of technology and money in an increasingly digitalized world has brought both new opportunities and difficulties for personal financial management. The capacity to use digital technologies for efficient money management, or digital financial literacy, has become recognized as a crucial skill set for navigating this challenging environment. The goal of this systematic literature review is to present a thorough synthesis of the body of knowledge regarding digital financial literacy, with an emphasis on its definition, characteristics, methods of measurement, and implications

The emergence of digital financial services, such as mobile payments, digital wallets, and online banking, has completely transformed how individuals handle money. Convenience, speed, and accessibility are provided by these technologies, but in order to utilize them successfully, consumers must possess a minimum level of digital expertise. Beyond traditional financial literacy, digital financial literacy includes the abilities and know-how required to use these digital tools and platforms in a responsible and safe manner.

There is disagreement on the meaning and extent of digital financial literacy, despite its expanding significance.

III. REVIEW OF LITERATURE

To get insight into the current situation, we now offer a thorough analysis of the key research emphasizing the advantages and difficulties of utilizing internet resources to raise financial literacy.

While some scholars take a more comprehensive approach that encompasses comprehending sophisticated financial goods and services that are offered online, others define digital financial literacy more narrowly as the capacity to use digital technologies for routine financial activities. The goal of this review is to make sense of these definitions and pinpoint the essential elements of digital financial literacy.

Another difficulty in measuring digital financial literacy is the considerable variation in approach and validity across the available tools and approaches. While some studies utilize objective tests or simulations, others use self-reported measures like surveys and questionnaires. It's critical to comprehend the benefits and drawbacks of these assessment instruments in order to properly gauge peoples' levels of digital financial literacy.

This review will also investigate how digital financial literacy affects financial outcomes and behaviour. Higher digital financial literacy has been linked to increased financial well-being, avoiding financial hazards, and making wise financial decisions, according to research. In order to increase digital financial literacy and advance financial inclusion, policymakers, educators, and financial institutions can create tailored interventions with the aid of an understanding of these relationships.

This review attempts to provide a thorough understanding of digital financial literacy and its consequences for people, financial institutions, and society at large by collecting and analysing the findings of earlier studies.

II. OBJECTIVES AND METHODOLOGY

The objective of this study is to systematically review, explore, and organize the existing body of academic literature that has either qualitatively or quantitatively investigated how technology advances financial literacy. We have highlighted the usage of technology along with the benefits and challenges faced in enhancing the teaching and learning of financial literacy with the help of a thorough examination of the literature.

The following research questions are framed,

- To findout the objectives of promoting digital financial literacy
- To find out the methodology
- To findout the results of using technologies.

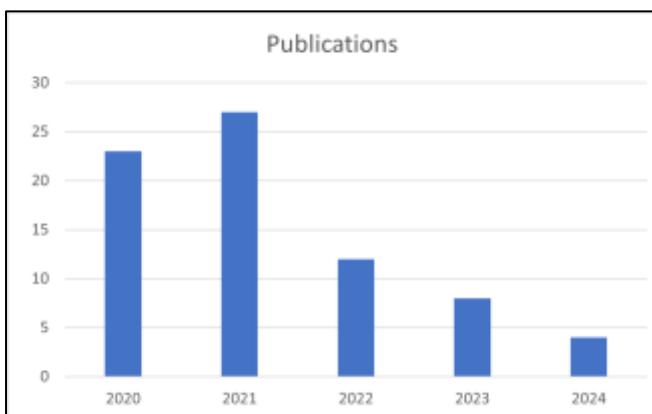
Detailed Survey of Literature

Source	Purpose	Methodology	Findings
Khaerunnisa Nur Fatimah Syahnur , Rahmat Syarif, Arianti (2024)	This study aims to test the impact of digital financial literacy and digital financial inclusion on the empowerment of women entrepreneurs	The study uses a survey method with a sample of female entrepreneurs in South Sulawesi Province	This study confirms that digital financial literacy and inclusion greatly empower women entrepreneurs, especially given the fast-paced digital landscape. It addresses a critical gap in Indonesian literature on digital financial inclusion for women entrepreneurs.
Dr. Santosh Kumar Biswal (2024)	The present study analysed the level of digital financial literacy of salaried persons working in Mayurbhanj district of Odisha. It was also aimed to explore online threat experience, benefits of digital transaction and barriers of digital payments	The data are collected through primary and secondary source.	The research suggests three key actions: government awareness programs to educate people on secure digital transactions, financial institutions implementing multi-stage authentication, and educating customers about transaction risks and rights while developing mechanisms to detect and prevent scams.
Adam Nurkholik(2024)	This study aims to investigate the effect of digital financial literacy on the financial well-being of millennial workers, as expressed by feelings of anxiety or feelings of security about their financial condition, and the mediating effect of digital financial behaviour	Survey method	This study aims to investigate the effect of digital financial literacy on the financial well-being of millennial workers, as expressed by feelings of anxiety or feelings of security about their financial condition, and the mediating effect of digital financial behaviour
La Mema Parandy, Dominica Maria Ratna Tungga Dewa(2024)	The objective of this study is to impact the financial knowledge of micro, small, and medium firms in order to improve their profitability	This study utilizes primary data obtained through interviews and questionnaires delivered to participants. This study is based on causal research	The research suggests that financial behaviour, attitude, and knowledge significantly influence profitability. A positive correlation exists between financial attitude and profitability, indicating higher success potential with a positive attitude. Financial activity also positively impacts profitability, reflecting the link between behavior and success. Moreover, a strong correlation exists between financial knowledge and profitability, highlighting the importance of understanding for success.
Ratih KusumawardhaniA, Nonik Kusuma NingrumB, Risal Rinofah (2023)	This study aims to measure the impact of digital resources and digital adoption on Indonesian SMEs' digital financial literacy. Subsequently, the impact of digital financial literacy on financial performance is also tested. This study employs quantitative approach	A causal study is used to examine the causal relationship between related variables by conducting hypothesis testing	This study finds that while having better digital resources doesn't affect digital financial literacy proficiency in SMEs, those with stronger digital adoption show higher levels of digital financial literacy. As anticipated, digital financial literacy positively and significantly influences financial performance.

<p>Ifah Rofiqoh (2023)</p>	<p>This study provides an empirical contribution to provide evidence of whether creative entrepreneurs who have artistic orientation, financial literacy, and digital literacy affect company performance</p>	<p>This study provides an empirical contribution to provide evidence of whether creative entrepreneurs who have artistic orientation, financial literacy, and digital literacy affect company performance</p>	<p>The findings indicate that artistic orientation correlates positively with both financial and non-financial performance in creative companies. Government and financial institutions should offer more flexible access to financial products for creative MSMEs, as it enhances their financial literacy.</p>
<p>Dr. Nilesh M Marvaniya (2023)</p>	<p>This research study aimed to highlight the need for digital financial literacy in India, given the country's rapid move towards a cashless economy and the increasing prevalence of digital financial service. A review of existing literature on digital financial literacy and financial inclusion in India was conducted, and the results were analysed to identify key trends and challenges.</p>		<p>This study highlights the need for digital financial literacy in India amidst its shift towards a cashless economy and rising digital financial services. A literature review on digital financial literacy and financial inclusion in India was conducted to identify key trends and challenges.</p>
<p>E.A.T Dewmini, J.M.N Wijekumara (2023)</p>	<p>This research seeks to fill the empirical gap, extending and contributing to the body of research by utilizing Sri Lankan management undergraduate students in state universities to investigate the impact of digital financial literacy on financial behaviour.</p>	<p>This study is characterized as a cross-sectional investigation with minimal researcher interference, functioning simultaneously as a field study</p>	<p>This study examines the impact of digital financial literacy on the financial behavior of Sri Lankan management undergraduates in state universities. It is a cross-sectional field study with minimal researcher interference.</p>
<p>Hafiz Sohrab Ali, Muhammad Ishtiaq (2022)</p>	<p>This study aims to investigate the effect of digital financial literacy on the business success of SMEs. The study also examines the role of enterprise risk management practices as a mediator</p>	<p>The nature of the study is explanatory and the survey method is used for primary data collection</p>	<p>This study examines the impact of digital financial literacy on the financial behaviour of Sri Lankan management undergraduates in state universities. It is a cross-sectional field study with minimal researcher interference.</p>
<p>Mr. S. Partha Sarathi, Dr. Nalla Bala Kalyan (2022)</p>	<p>The primary objective is to evaluate the level of knowledge on different digital platforms and the frequency of digital financial literacy. The study also aims to evaluate the impact of personal characteristics on digital financial literacy</p>	<p>Descriptive survey</p>	<p>The government and other financial institutions have to create awareness and develop easily accessible tools for digital financial transactions which will also meet one of the aim governments by achieving high digital money transfers and less usage of physical currency.</p>
<p>Kusuma RATNAWATI, Mochamad SOELTON (2022)</p>	<p>The purpose of this study was to find out how the role of digital financial literacy on firm performance of SMEs in East Java.</p>	<p>This research is quantitative research with an explanatory approach</p>	<p>The study found that digital financial literacy positively impacts firm performance. Balancing financial and digital literacy allows better use of digital finance products, easing financial transactions and access to capital, ultimately enhancing firm performance.</p>

<p>T Ravikumar, B Suresha (2022)</p>	<p>This study aims to identify, measure, and validate the determinants of Digital financial literacy (DFL) among the adult Digital financial services (DFS) users in the Indian context. Eventually, the determinants of DFL, as the outcome of this study, will enable the digital financial service providers to understand their customers better</p>	<p>This descriptive research aims to identify, measure, and validate the determinants of digital financial literacy of DFS users. The correlational investigation is adopted, and primary data is collected using the survey method from the adults who use digital financial services</p>	<p>It is found that the DFL of the adults varies based on education, and no other personal characteristics of the adults account for the variance in DFL.</p>
<p>Niken Safitri Kne Social Science (2022)</p>	<p>This study aimed to understand the level of knowledge of SME owners with regard to digital finance and how this knowledge relates to their financial well-being</p>	<p>The approach taken in the study uses a design study purposeful exploratory for understanding various dimensions of Well-being Finance and literacy continued digital finance with an approach conclusive where method this aim for parse and clarify statement formulated predictive.</p>	<p>The study underscores the urgency of digital financial literacy, as shown by Indonesia's low Financial Fitness Index score of 37.72 out of 100. The financial safety area is particularly weak, indicating poor ability to meet family financial needs.</p>
<p>Ferina Nurlaily, Priandhita Sukowidyanti Asmoro (2022)</p>	<p>This study aims to analyse the impact of digital financial literacy on personal financial health during the widespread Covid-19 in Indonesia</p>	<p>Quantitative research aimed to explain the influence of digital financial literacy on an individual's financial health. A simple regression analysis was used to test the hypothesis. This is survey-based research that uses questionnaire instruments to collect data</p>	<p>The study shows that digital financial literacy significantly improves personal financial health during the COVID-19 pandemic. Greater digital finance knowledge leads to better financial well-being, highlighting its importance in times of crisis.</p>
<p>Parul Kumar, Rekha Pillai(2022)</p>	<p>This paper examines the mediating effects of digital financial literacy, financial autonomy, financial capability, and impulsivity on financial decision making and perceived financial well-being.</p>	<p>A mixture of simple random and snowball-sampling techniques was used.</p>	<p>This study highlights how different financial behaviors and psychological factors impact financial decision-making and personal financial well-being, essential for success, peace of mind, economic growth, and wealth maximization.</p>
<p>Abdul Azeez N.P, S. M. Jawed Akhtar(2022)</p>	<p>To identify the relationship between digital financial literacy and demographic factors in rural areas of India</p>	<p>A multi-stage sampling technique has been used for choosing the respondents for the study</p>	<p>Demographic factors such as gender, education, occupation, income, landholding, and home ownership significantly impact digital financial literacy. These factors should be considered when developing financial training programs.</p>
<p>Annur Fitri Hayati, Rita Syofyan (2021)</p>	<p>To conduct research on the analysis of student digital financial literacy, this is to obtain information related to students' understanding of digital financial literacy, financial products and</p>	<p>This research is descriptive research, using survey method</p>	<p>The study concludes that Padang State University students have a digital financial literacy rate of 67.85%, which is considered adequate. The university should enhance its curriculum to improve students'</p>

	understanding of using existing digital services		digital financial literacy, preparing them to compete in the era of the industrial revolution 4.0
Ratna Hartanto (2021)	This research aims to study and improve the consumer protection relate to digital financial literacy of Indonesian consumers and digital supervision by government on financial service providers.	This research is normative legal research. Legal materials used in this research are primary legal materials and secondary legal materials. The technique of collecting legal materials is carried out through literature studies. The approaches used in this research are statutory approach and conceptual approach.	This normative legal research aims to improve consumer protection and government supervision related to digital financial literacy in Indonesia. It uses primary and secondary legal materials collected through literature studies, employing statutory and conceptual approaches.
N. P. Abdul Azeez and S. M. Jawed Akhta (2021)	This study determines how various independent variables, namely age, gender, income, religion, social groups, family size, marital status, educational level, occupation, etc., significantly influence the respondents' digital financial literacy	The analysis is based on the primary data with five hundred samples collected from the rural areas of Aligarh district.	In rural Aligarh, education, income, occupation, gender, landholding, and ration card type significantly influence digital financial literacy. Thus, policymakers should focus on raising income levels and improving employment opportunities for rural residents.
Riya Raju George(2020)	This study examines the rate of digital financial literacy and how it acts as a necessary primary step towards a much enhanced financial literacy and financial inclusion. This study also examines various demographic variables and their effects on financial and digital financial literacy and factors that affect or hinder the use of digital financial products	A sample of respondents using convenience sampling technique were collected for the purpose of this study. That is random sampling technique was used for the study	The findings suggest that external forces such as demonetisation in fact affect digital financial literacy and government and fintech companies need to take measured steps to induce the people into using digital facilities and explain the added advantage of ensuring user friendly technology and provision of rewards.



Year-wise Publications

We give the year-wise distributions of publications, source type, and year-wise citations on the current topic of our research in order to clearly emphasize the studies. There were 27 publications in the year 2021 followed by 23 in 2020, 12 in 2023, 8 in 2023 and 4 in 2024.

Name of the Journal	Number of papers taken
Journal of Management matters	2
Advances in Economics, Business and Management Research	2
Journal of Research in Business and Management	2
Journal of Emerging Technologies and Innovative research	2
South Asian Journal of Social Studies and Economics	2
International Journal of Social Economics	2
Internation Journal of Multidisciplinary Research	2
International Journal of Economic Research	1
International Journal of Advances in Engineering and Management	1

Budapest International Research and Critics Institute Journal	1
Journal of Financial Claim	2
International Journal of Consumer Studies	1
Journal of Knowledge Economy	1
Pacific-Basin Finance Journal	1
Borsa Istanbul Review	1
Journal of Financial services marketing	1
Citizenship, Social and Economics Education	1
Journal of Behavioural and Experimental Finance	2
Journal of Pension Economic and Finance	1
Iconic Research and Engineering Journals	2
GSC Advanced Research and Reviews	1
Sage Journals	2
International Journal of Innovation, Creativity and change	1
International Journal of Entrepreneurship and Business development	1
Journal of Financial Counselling and planning	1
Journal of Risk and Financial Management	1
Journal of Consumer affairs	1
Journal of Behavioural and Experimental economics	1
The Journal of Fintech	1
Journal of Asian Economics	1
International Journal of Education and Pedagogy	1
International Journal of Economics and Finance Studies	1
International Journal of Advances in social science and Humanities	1
Journal of Islamic Economics and Finance studies	1
International Journal of Consumer studies	1
International Journal of Economics and Finance Issues	1
Journal of Family and Economic issues	1
Family and Consumer Sciences	1
Journal of Business and Management	1
Journal of Economic Behaviour and Organisation	1
International Review of Economic Education	1

IV. DISCUSSION:

The systematic review of the literature reveals significant insights into the multifaceted impact of digital financial literacy on various demographic groups and economic sectors. Firstly, the empowerment of women entrepreneurs

through digital financial literacy and inclusion is paramount, as evidenced by Khaerunnisa Nur Fatimah Syahnur et.al. (2024), highlighting the need for targeted training programs that cater specifically to women in business. Additionally, the findings by Dr.Santosh Kumar Biswal (2024) underscore the necessity of robust security measures and public education on secure digital transactions, emphasizing a collective effort by government and financial institutions to mitigate online threats. The positive correlation between digital financial literacy and the financial well-being of millennials, as explored by Adam Nurkholik (2024), suggests that integrating digital financial education into the workplace and educational curricula can significantly alleviate financial anxiety among young adults. Furthermore, the research by La Mema Parandy and Dominica Maria Ratna Tungga Dewa (2024) demonstrates that enhancing financial knowledge and attitudes can substantially boost the profitability of micro, small, and medium enterprises (MSMEs), indicating a vital area for intervention.

For SMEs, the study by Ratih Kusumawardhani et.al. (2023) highlights the critical role of digital adoption in enhancing digital financial literacy, which in turn improves financial performance, suggesting that support mechanisms for digital technology adoption are crucial for SME growth. In the creative industry, Ifah Rofiqoh's (2023) findings on the importance of financial and digital literacy for performance outcomes call for more flexible financial products tailored to creative entrepreneurs. Dr. Nilesh M Marvaniya's (2023) research on India's shift towards a cashless economy stresses the urgent need for comprehensive digital financial literacy programs to ensure widespread adaptation and use of digital financial services. E.A.T Dewmini and J.M.N Wijekumara's (2023) work on Sri Lankan undergraduates indicates that early education in digital financial literacy can positively shape financial behaviours, suggesting that academic institutions should play a proactive role in financial education. Additionally, Hafiz Sohrab Ali and Muhammad Ishtiaq's (2022) exploration of digital financial literacy's effect on SME success and risk management emphasizes the importance of integrating digital financial training with risk management practices. Finally, the study by Mr. S. Partha Sarathi and Dr. Nalla Bala Kalyan (2022) highlights the need for greater public awareness and accessible digital financial tools, urging governments and financial institutions to develop user-friendly platforms and comprehensive education programs. These discussion points collectively underscore the critical need for enhanced digital financial literacy across different sectors to foster economic growth and financial stability.

V. CONCLUSION:

The comprehensive analysis of the literature on digital financial literacy shows that it has significant and varied effects on a range of sectors and populations. Studies repeatedly show that financial well-being, economic empowerment, and company success all depend heavily on digital financial literacy. Improving digital financial inclusion and literacy for women business owners can have a big impact on their empowerment and long-term viability of

their enterprises. This emphasizes the requirement for specialized training materials and programs. In a similar vein, coordinated efforts by governments and financial institutions are required to combat online risks and educate users. These initiatives highlight the significance of safe digital transactions and public education on financial security.

A thorough examination of the literature on digital financial literacy reveals a wide range of noteworthy and diverse impacts on various groups and sectors. Numerous studies have demonstrated the critical role that digital financial literacy plays in promoting economic empowerment, financial well-being, and business success. Enhancing women entrepreneurs' access to digital finance and their level of literacy in this area can have a significant effect on their empowerment and the long-term sustainability of their businesses. This highlights the need for specific training resources and curricula. Similarly, to tackle online hazards and educate users, governments and financial institutions need to work together in concert. These programs emphasize the value of secure online transactions and financial literacy among the general public.

Performance in the creative industry depends on the convergence of digital and financial literacy, necessitating adaptable financial solutions catered to the demands of creative entrepreneurs. India's move toward a cashless economy highlights how urgently comprehensive programs in digital financial literacy are needed to guarantee that digital financial services are widely adopted and used. Digital financial literacy has a positive impact on university students' financial behaviour, which highlights the value of early financial education. Combining efficient risk management techniques with digital financial literacy enhances the performance of SMEs even more.

Ultimately, raising public awareness and making digital financial instruments more accessible are vital, and governments and financial institutions must respond by creating user-friendly platforms and extensive education campaigns. All of these results highlight how important digital financial literacy is for promoting financial stability, economic growth, and personal wellbeing in a variety of industries and populations. Using targeted education, policy initiatives, and support systems to solve the identified gaps will be essential to maximizing the benefits of digital financial literacy.

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