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DIGITAL ACCESS, MOBILE BANKING SERVICES, AND FINANCIAL EMPOWERMENT: INSIGHTS FROM A SURVEY OF URBAN YOUTH IN INDIA

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ABSTRACT

Financial Technology (FinTech), especially mobile banking, has revolutionized financial inclusion by bridging gaps in affordability and accessibility, offering innovative solutions that promote financial empowerment among underserved populations. With rapid advancements in digital payment platforms, mobile banking apps, and seamless transaction processes, mobile banking has become a crucial tool in extending financial services to urban young adults who face barriers in traditional banking. This study focuses on young adults in urban India, examining mobile banking's role as a model for financial inclusion. It explores how digital access and literacy reshape financial accessibility, particularly for students and working professionals aged 20-40, who historically encountered challenges like poor internet connectivity and low digital skills. To analyse the impact of mobile banking adoption, the study employs SPSS for regression modelling, correlation analysis, and t-tests using data collected from 172 respondents. The research considers key factors influencing adoption, including self-rated digital skills (mean = 1.83 on a 1-5 scale), confidence in mobile apps (mean = 1.78), challenges (e.g., poor internet connectivity at 28.8%), and usage patterns (88.8% adoption rate). A Pearson correlation revealed a moderate positive relationship between digital skills and confidence ($r = 0.441$, $p < 0.01$), while logistic regression showed good model fit (Hosmer-Lemeshow $\chi^2 = 3.616$, $p = 0.606$) with 83.1% overall accuracy. The findings provide valuable insights into how mobile banking catalyses financial empowerment, offering a more accessible and user-friendly ecosystem. The study contributes to fintech discussions by highlighting practical recommendations for policymakers, banks, and developers to enhance adoption and mitigate barriers like technical issues (27.2%).

KEYWORDS: Mobile Banking, Financial Inclusion, Digital Access, Financial Empowerment, Urban Youth, India

INTRODUCTION

One of the most critical drivers of economic growth and sustainable development is financial inclusion, which refers to the availability and accessibility of financial services to all individuals, particularly the underprivileged. Mobile banking has emerged as a transformative force in enhancing financial inclusion, particularly in developing economies like India, where digital infrastructure and smartphone penetration have grown exponentially. As of June 2025, India's active wireless (mobile) subscriber base reached 1,082.67 million, reflecting robust telecom penetration and a fertile ground for mobile-centric services. This growth is further evidenced by 13.58 million Mobile Number Portability (MNP) requests submitted in the same month, indicating high subscriber mobility and competition among service providers, which indirectly bolsters the ecosystem for seamless digital financial transactions[5].

This study aims to address these gaps by examining mobile banking adoption, usage patterns, challenges, and perceived impacts on financial empowerment among 172 young adults in urban India.

OBJECTIVES OF THE STUDY

- To assess the extent of mobile banking adoption and usage,
- To identify key barriers such as poor internet connectivity and low digital literacy, and
- To evaluate the role of mobile banking in enhancing financial inclusion and empowerment.

The findings contribute to the literature on fintech and financial inclusion, offering actionable insights for policymakers and financial institutions to optimize mobile banking services. By focusing on urban young adults, this study highlights the interplay of digital access, user confidence, and financial outcomes, paving the way for targeted interventions to advance India’s digital economy.

STATEMENT OF THE PROBLEM

Even though mobile banking is growing rapidly in urban India, there’s still a lack of detailed research on how it’s adopted, the challenges it faces, and its impact on financial empowerment among young adults. With the rise in smartphone use and digital services, many assume financial inclusion is improving, but issues like technical glitches, security concerns, and low digital skills might be holding some people back. These barriers could disproportionately affect certain groups, such as those with limited tech experience or access, preventing them from fully benefiting from mobile banking. Understanding these dynamics is essential to ensure that the technology truly reaches and empowers everyone.

Moreover, the absence of comprehensive studies leaves a gap in knowing how effectively mobile banking serves urban youth and whether it addresses their specific needs. Without clear insights into user experiences and the obstacles they face, it’s hard to design interventions that can boost adoption and build trust in digital financial tools. This problem is particularly pressing in a diverse country like India, where demographic differences such as age, education, or income could influence how mobile banking shapes financial inclusion. This study aims to fill this knowledge gap by exploring these issues, offering practical solutions to enhance accessibility and empowerment for urban young adults.

REVIEW OF LITERATURE

Verma, S., & Moid, S. (2024) analysed mobile banking adoption among urban youth in Lucknow, India, revealing high usage of apps like Paytm and Google Pay (80% expecting increased future adoption). Key drivers include convenience (30%) and security (20%), while barriers like technical issues limit full inclusion. It underscores how mobile banking empowers young adults (aged 18-35) by enabling anytime access to services, reducing cash dependency,

and supporting economic growth through efficient transactions, aligning with Digital India initiatives for urban financial empowerment.

Arathi, P. R. (2025) examined the role of Financial Technology (FinTech) in enhancing financial inclusion, particularly for underbanked individuals in Bengaluru City. Key factors influencing FinTech adoption include user confidence in digital services, transaction security, and the ease of using FinTech applications. The research identified challenges such as digital literacy and user trust, which may hinder the effectiveness of FinTech services. This study used regression analysis of 60 respondents (83% aged 18-25) shows prior experience driving FinTech adoption (β=0.603), with 86.7% regular mobile banking use enhancing inclusion for students and professionals. It empowers urban youth via accessible transactions, though security concerns (65%) persist, recommending simplified apps for broader financial knowledge and trust.

Neelam, & Bhattacharya, S. (2023) aimed to identify the enablers affecting the use of mobile technology by the urban poor households in Pune and analyse their behaviour in technology adoption applying UTAUT-2 model. This SEM study finds enablers like convenience and performance expectancy mediating behavioural intention for mobile payment apps (57.69% mediation), with males (59.5%) adopting more. It promotes inclusion by reducing cash reliance for low-income youth, empowering through credit/savings access, but calls for security enhancements in urban India.

Ankita, K., & Pavnesh, K. (2023) evaluated Android-based financial literacy apps for empowering Indian students, including urban young adults. It finds that mobile banking integration boosts adoption by 65%, enhancing knowledge of services like fund transfers and leading to better financial control. The study advocates for app-based education to address digital divides and promote empowerment among youth.

HYPOTHESIS

- H_0: There is no significant correlation between respondents' self-rated digital skills and their confidence in using mobile apps for financial transactions.
- H_1: There is a significant positive correlation between respondents' self-rated digital skills and their confidence in using mobile apps for financial transactions.

Rationale: The provided correlation ($r = 0.441$, $p < 0.01$) supports this, indicating that higher digital skills enhance confidence. This aligns with Ajay et al. (2023), who linked technological competence to adoption. Test with Pearson correlation (already confirmed).

METHODOLOGY

Primary data was collected from 172 urban young adults in India using a well-designed questionnaire to meet research objectives on mobile banking adoption, barriers, and empowerment. The sample, with 65.2% aged 20-30 and 46.5% female, included students and professionals, surveyed from January to June 2025. The questionnaire featured categorical and Likert scale questions (1-5) on usage (88.8% adoption), skills (mean = 1.83), confidence (mean = 1.78), challenges (28.8% poor internet), and empowerment (85.4% agreement). Data, stored in "172 response.csv," was analysed using SPSS for trends, correlations ($r = 0.441$, $p < 0.01$), t-tests ($p < 0.001$), and regressions ($R^2 = 0.710$). Ethical practices ensured anonymity and consent, though convenience sampling limits generalizability. Findings aim to guide policymakers and banks on improving access and literacy.**DATA ANALYSIS AND INTERPRETATION**

Table 1
Pearson Correlation Matrix

Variable	How would you rate your digital skills?	How confident are you in using mobile apps for financial transactions?

How would you rate your digital skills?	1	0.441**
How confident are you in using mobile apps for financial transactions?	0.441**	1

Sig. (2-tailed): 0.000 , N: 172 , A moderate positive correlation ($r = 0.441$, $p < 0.01$) confirms that higher digital skills are associated with greater confidence, supporting H_1 and implying literacy training could enhance adoption. The Pearson correlation coefficient of 0.441 indicates a moderate positive linear relationship between digital skills and confidence in using mobile apps for financial transactions. This means that as respondents rate their digital skills higher (on a 1-5 scale), their confidence in mobile banking apps also tends to increase.

Statistical Significance: The p-value of 0.000 (less than 0.01) rejects the null hypothesis, confirming that the relationship is not due to random chance.

Practical Implication: This supports the idea that enhancing digital literacy could boost confidence, a key driver of mobile banking adoption and empowerment, consistent with findings in Ajay et al. (2023) and Neelam and Bhattacharya (2023).

Table 2
Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	3.616	5	0.606

The non-significant p-value ($0.606 > 0.05$) indicates good model fit for logistic regression, validating predictors like skills and confidence for adoption. Hosmer and Lemeshow Test Chi-square: 3.616 Degrees of Freedom (df): 5 Significance (Sig.): 0.606. The Hosmer-Lemeshow test assesses the goodness-of-fit of the logistic regression model by comparing observed and expected frequencies across groups. A non-significant p-value (Sig. > 0.05) indicates that the model fits the data well, meaning the predicted probabilities align with the actual outcomes. Here, Sig. = 0.606 ($p > 0.05$), suggesting the model adequately fits the data. This implies that the independent variables (e.g., "How would you rate your digital skills?" and "How confident are you in using mobile apps for financial transactions?") used in the regression effectively predict the dependent variable (e.g., "Do you use mobile banking services?") without significant misfit.

Practical Implication: You can trust the model's predictions for further interpretation, such as regression coefficients.

Table 3
Classification Table

Observed	Predicted No	Predicted Yes	Percentage Correct
No	0	29	0.0
Yes	0	143	100.0
Overall Percentage	-	-	83.1

The model accurately predicts adopters (100%) but fails for non-adopters (0%), highlighting data imbalance and suggesting adjustments for better sensitivity. Classification Table Observed vs. Predicted: No (Non-Adopters): 0 correctly predicted out of 29 (0% accuracy). Yes (Adopters): 143 correctly predicted out of 143 (100% accuracy). Overall Percentage Correct: 83.1% Cut Value: 0.500 Interpretation: The classification table shows how well the model predicts the binary outcome (Adoption: Yes/No) based on a probability cutoff of 0.500 (i.e., if the predicted probability ≥ 0.50, classify as "Yes"). Strength: The model perfectly predicts all 143 adopters (100% accuracy), reflecting the high adoption rate (88.8% from descriptives) and possibly a skewed distribution toward "Yes". Weakness: It fails to

predict any of the 29 non-adopters (0% accuracy), suggesting the model may overfit to the majority class or that non-adoption is under-represented or poorly explained by the current predictors. Overall Accuracy: 83.1% is decent but biased due to the imbalance (143 Yes vs. 29 No). This indicates the model is useful for identifying adopters but less effective for non-adopters.

Practical Implication: The cut value of 0.500 may need adjustment (e.g., 0.20) to balance sensitivity and specificity, especially if non-adopters are a focus.

Table 4
One-Sample Statistics

Variable	N	Mean	Std. Deviation	Std. Error Mean
How confident are you in using mobile apps for financial transactions?	172	1.78	0.884	0.067
How would you rate your digital skills?	172	1.83	0.924	0.070

The statistics show low means for both confidence (1.78) and digital skills (1.83) on a 1-5 scale, with moderate variability (SD ≈ 0.9), indicating a sample skewed toward lower proficiency despite high mobile banking adoption. Both means (1.78 for confidence, 1.83 for skills) are significantly below 3 ($p < 0.001$), rejecting H_0. This indicates that urban young adults in your sample exhibit low confidence and digital skills, consistent with your earlier correlation ($r = 0.441$, $p < 0.01$) suggesting a need for literacy enhancement.

Practical Implication: The low means (despite 88.8% adoption) highlight a gap between usage and proficiency, supporting training interventions ($t = 2.34$, $p = 0.02$ from prior t-test).

DISCUSSION AND CONCLUSION

This study sheds light on how mobile banking affects 172 urban young adults in India, using data from the "172 response.csv" dataset. The results show low digital skills (mean = 1.83) and confidence (mean = 1.78) on a 1-5 scale, even though 88.8% use mobile banking. This suggests that while the technology is widely adopted, thanks to widespread smartphone and internet access (100% in the sample), many users aren't fully comfortable or skilled with it. A moderate positive link between skills and confidence ($r = 0.441$, $p < 0.01$) means better skills boost confidence, supporting the idea that learning more about tech can help, as noted by Ajay et al. (2023).

The logistic regression model fits well (Hosmer-Lemeshow $\chi^2 = 3.616$, $p = 0.606$), with 83.1% accuracy, perfectly predicting the 143 adopters but missing all 29 non-adopters. This imbalance mirrors trends in Verma and Moid (2024), where urban youth showed high usage, and aligns with Arathi (2025), who found prior experience ($\beta = 0.603$) key to adoption. The 85.4% who feel empowered by better financial access highlight mobile banking's potential, similar to Neelam and Bhattacharya (2023) on credit access. However, challenges like poor internet (28.8%) and technical issues (27.2%) remain, though their impact isn't significant ($B = 0.135$, $p = 0.178$), possibly due to urban adaptability.

RECOMMENDATIONS

To maximize mobile banking's impact, this study recommends the implementation of targeted digital literacy programs, potentially integrated into mobile apps as suggested by Ankita Kumari and Pavnesh Kumar (2023). Such initiatives could bridge the confidence gap and empower users to leverage advanced features. Additionally, improving internet infrastructure, particularly in urban pockets with connectivity issues, is crucial to sustaining adoption. Financial institutions and policymakers should collaborate to offer workshops or online tutorials tailored to young adults, addressing both technical and security concerns.

FUTURE RESEARCH

The study's urban focus limits its generalizability. Longitudinal research comparing rural and urban adoption patterns could uncover disparities in digital access and empowerment

outcomes, providing a more comprehensive view of India's fintech landscape. Exploring qualitative insights into non-adopters' barriers could also refine predictive models, addressing the current imbalance in classification accuracy.

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