

EXPLORING THE ROLE OF FINANCIAL LITERACY IN ENHANCING FINANCIAL INCLUSION ACROSS DEMOGRAPHIC GROUPS

Dr. Nandkumar Baburao Bodhgire*

*Associate Professor in Economics,
School of Social Sciences,
SRTM University, Nanded, INDIA
Email id: n99bodhgire@gmail.com

DOI: 10.5958/2278-4853.2025.00005.3

ABSTRACT

This study explores the interplay between financial literacy and financial inclusion, examining how individuals across diverse demographic groups access and effectively use financial services. By understanding the scope and impact of financial literacy on economic decision-making, the study highlights the empowering role of financial knowledge in enhancing financial inclusion, which is essential for personal and community economic resilience. The research assesses levels of financial literacy regarding investment shares, insurance awareness, and borrowing behaviours while considering variables such as age, gender, and community group.

Primary data were gathered through structured interviews with 260 respondents selected via stratified random sampling. This study's findings have significant implications for financial policy and practice. They highlight the need for targeted financial education programs, especially for underrepresented groups, to bridge knowledge gaps and promote effective engagement with financial services. These insights underscore that integrating financial literacy initiatives with accessible financial services can foster sustainable economic growth and reduce financial vulnerability, benefiting both individuals and communities.

KEYWORDS: Financial Literacy, Financial Inclusion, Yemen, Community Groups.

JEL Classification Code: G21, O16, D14, I25, R20

REFERENCES

- 1) Agarwalla, S.K. *et al.* (2015) 'Financial Literacy among Working Young in Urban India', *World Development*, 67, pp. 101–109. Available at: <https://doi.org/10.1016/j.worlddev.2014.10.004>.
- 2) Ahmed, S. and Faouzi, L. (2023) 'The Contribution of Financial Education In Promoting Financial Inclusion to Achieving Economic Growth-Analytical Study', *Journal of Economic Analysis and Forecasting*, (1), pp. 78–93.
- 3) Bodhgire, N. and Hassan, R.A.A. (2022) 'The performance of digital payments in yemen', *Asian Journal of Multidimensional Research*, 11(2), pp. 123–132. Available at: <https://doi.org/10.5958/2278-4853.2022.00017.9>.

-
- 4) Dat, K., Azam M, F.S. and Khalidah, S. (2020) 'Financial Literacy: As A Tool For Enhancing Financial Inclusion Among Rural Population In Sri Lanka', *INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGY RESEARCH*, 9. Available at: www.ijstr.org.
 - 5) Didenko, I., Petrenko, K. and Pudlo, T. (2023) 'The role of financial literacy in ensuring financial inclusion of the population', *Financial Markets, Institutions and Risks*, 7(2), pp. 72–79. Available at: [https://doi.org/10.21272/fmir.7\(2\).72-79.2023](https://doi.org/10.21272/fmir.7(2).72-79.2023).
 - 6) *FINANCIAL LITERACY MANUAL* (2020).
 - 7) Gale, W.G. *Et Al.* (2011) 'Financial Literacy: What Works? How Could It Be More Effective?', *Financial Security Project*, 1(1), pp. 1–28. Available at: <http://cfl.bc.edu>.
 - 8) Garu, S. and Dash, S. (2023) 'Role of Financial Literacy in Driving Financial Inclusion and Economic Growth of Women in Odisha', *Parikalpana: KIIT Journal of Management*, 19(2), p. 194. Available at: <https://doi.org/10.23862/kiit-parikalpana/2023/v19/i2/223470>.
 - 9) Ha, D. and Nguyen, K. (2024) 'Unlocking financial access in a developing country amidst COVID-19: the impacts of financial literacy and fintech', *Journal of the Asia Pacific Economy* [Preprint]. Available at: <https://doi.org/10.1080/13547860.2024.2386825>.
 - 10) Hamdan, H. and Mohammed, Z.A. (2021) 'DETERMINANTS OF FINANCIAL LITERACY AMONG MICRO ENTREPRENEURS IN SANA'A, YEMEN', *Proceeding of the 8th International Conference on Management and Muamalah 2021*, pp. 32–45.
 - 11) Huston, S.J. (2010) 'Measuring Financial Literacy', *Journal of Consumer Affairs*, 44(2), pp. 296–316. Available at: <https://doi.org/10.1111/j.1745-6606.2010.01170.x>.
 - 12) Kulshrestha, S. (2023) 'The role of financial technology in enhancing financial literacy and inclusion among low-income households in India', *International Journal of Research in Marketing Management and Sales*, 5(1), pp. 25–30. Available at: <https://doi.org/10.33545/26633329.2023.v5.i1a.118>.
 - 13) Ashoka, M. (2021) 'Financial literacy as the Key to Financial inclusion', *International Journal of Business Ethics in Developing Economies*, 10(2), pp. 01–06. Available at: <http://publishingindia.com/ijbede/>.
 - 14) Lusardi, A. and Mitchell, O.S. (2012) 'Financial Literacy Around the World: An Overview', *SSRN Electronic Journal* [Preprint]. Available at: <https://doi.org/10.2139/ssrn.1810551>.
 - 15) Mmari, P. (2023) *International Journal of Economics, Commerce and Management United Kingdom THE ROLE OF FINANCIAL LITERACY IN ENHANCING FINANCIAL INCLUSION IN TANZANIA*. Available at: <https://ijecm.co.uk/>.
 - 16) Nuringtyas, M.R. and Kartini, K. (2023) 'The Influence of Financial Literacy and Financial Technology on Student Financial Behavior in Yogyakarta', *International Journal of Social Service and Research*, 3(4), pp. 919–925. Available at: <https://doi.org/10.46799/ijssr.v3i4.326>.
 - 17) Pandey, A., Kiran, R. and Sharma, R.K. (2022) 'Investigating the Impact of Financial Inclusion Drivers, Financial Literacy and Financial Initiatives in Fostering Sustainable
-

Growth in North India', *Sustainability (Switzerland)*, 14(17). Available at: <https://doi.org/10.3390/su141711061>.

- 18) PraveenaF (no date) 'Enhancing Financial Inclusion through Financial Literacy in India Post with special reference to Kanyakumari district', *International Journal of Early Childhood Special Education (INT-JECSE)*, 14, p. 2022. Available at: <https://doi.org/10.48047/intjecse/V14I8.402>.
- 19) Rachel Kuruvilla, R. and N Harikumar, P. (2020) 'A study on the financial awareness among women entrepreneurs in Kottayam district', *Journal of Management Research and Analysis*, 5(3), pp. 331–335. Available at: <https://doi.org/10.18231/2394-2770.2018.0052>.
- 20) Rahadjeng, E.R. *et al.* (2023) 'Analysis of Financial Technology, Financial Literacy, Financial Attitudes, on Mediated Business Performance Financial Inclusion and Self-Efficiency in Small Medium Industry (SMI) in Malang City, Indonesia', *International Journal of Professional Business Review*, 8(8), p. e03041. Available at: <https://doi.org/10.26668/businessreview/2023.v8i8.3041>.
- 21) Raza, A. *et al.* (2023) 'Sustaining Performance of Wheat–Rice Farms in Pakistan: The Effects of Financial Literacy and Financial Inclusion', *Sustainability (Switzerland)*, 15(9). Available at: <https://doi.org/10.3390/su15097045>.
- 22) Reddy, K., Wallace, D. and Wellalage, N.H. (2024) 'The impact of financial literacy on financial inclusion', *Australian Journal of Management* [Preprint]. Available at: <https://doi.org/10.1177/03128962241270809>.
- 23) Rusliati, E. *et al.* (2024) 'Investigating the effect of financial literacy on financial inclusion: Mediating role of financial technology', *Journal of Infrastructure, Policy and Development*, 8(7). Available at: <https://doi.org/10.24294/jipd.v8i7.5193>.
- 24) Sethi, A., Singh, D.A. and Scholar, R. (2024) *Digital Financial Literacy In India: A Review And Need Analysis*, *International Journal of Creative Research Thoughts*. Available at: www.ijcrt.org.
- 25) Sulaiman Ebrahima, M.M. *et al.* (2024) 'Exploring Financial Awareness among Undergraduate Students at Hodeida University in Yemen', *The Eastasouth Management and Business*, 3(01), pp. 41–51. Available at: <https://doi.org/10.58812/esmb.v3i01>.