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Digital financial literacy in rural households: A study of Manyam Parvathipuram District in Andhra Pradesh

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***Abstract*---**Digital financial education supports rural areas best because they lack traditional bank services to access. Our study shows the digital financial literacy status for rural families in Manyam Parvathipuram of Andhra Pradesh. The study gathered information from 200 rural households to see who knows about digital financial options, what gets in their way, and how government efforts are doing. Although many found out about paying digitally, there's still a problem. People aren't using internet banking or digital wallets enough, and 3 main reasons are: they can't get good internet access, they aren't good at reading, and they don't trust these services. While PMJDY has achieved some results, uneven rollout of digital programs prevents many people from adopting them. The study's main suggestion is to fix the rural internet problems, give local education about technology use, and create easy-to-use online services in people's native languages to help everyone connect better.

***Keywords*---**Digital Financial Literacy, Rural Households, Digital Tools, Internet Banking, Digital Wallets, Government Initiatives.

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1. Introduction

Digital financial literacy is making its way as a key aspect of financial exclusion in the rural areas where traditional banking service availability is bottlenecked. Digital tools represent a means to integrate the financial transactions through possibly bridging socioeconomic disparities. Digital financial services are at an embryo stage in a district, Manyam

Parvathipuram, which is predominantly rural in Andhra Pradesh. The purpose of this research is to examine the degree of digital financial literacy amongst rural households of the district, mapping out the barriers, benefits and behavioural patterns related to digital adoption.

The financial sector of India has experienced accelerated digital transformation through both the Digital India campaign and the growing reach of mobile internet services. The technological advancements enable rural communities to obtain banking services including digital wallets and online banking and Unified Payments Interface (UPI). The digital opportunities available today remain out of reach for many rural populations because of insufficient awareness combined with inadequate infrastructure and socioeconomic barriers.

Manyam Parvathipuram district functions as a vital case study because it demonstrates the digital financial literacy patterns within its primarily agricultural economic framework and distinct socio-economic environment. The Pradhan Mantri Jan Dhan Yojana (PMJDY) government scheme works to promote financial inclusion but people need both physical access and practical skills to efficiently use digital financial tools. Digital financial literacy assessment stands as a fundamental factor to understand how economic power affects rural households.

The COVID-19 pandemic has emphasized the significance of digital financial services because lockdowns together with social distancing requirements accelerated the transition to cashless transactions. Manyam Parvathipuram's rural households face new challenges alongside fresh opportunities because of this digital transformation. The digital economy demands that we understand existing digital financial literacy levels while developing practical solutions to overcome current barriers so rural households remain active participants in digital finance.

2. Statement of the Problem

Despite the government’s initiatives to digitally include rural households, People in Manyam Parvathipuram still face barriers to adopting digital financial tools. The digital divide is further increased by factors such as lack of internet connectivity, awareness or lack of educational level. This study aims to uncover these challenges, assess current levels of digital financial literacy, and to put forward potential avenues of change.

3. Review of Literature

3.1. Conceptual Framework of Digital Financial Literacy

Digital financial literacy describes the proficiency of using digital platforms together with tools for conducting financial transactions effectively. According to Lusardi and Mitchell (2014) financial literacy functions as a fundamental ability that lets people decide responsibly about their money management. The expanded definition of digital financial literacy involves understanding both online banking systems and mobile wallet technology and cybersecurity protection methods that operate as fundamental elements of modern digital economies.

The research of Klapper, Lusardi, and Panos (2016) shows that financial literacy exists as a worldwide issue while urban populations differ substantially from rural areas in their digital adoption. The study emphasizes how specific educational programs should be implemented to decrease digital inequality because regions with low digital access need special attention. The research results support the expanding necessity of digital financial literacy education for rural households to reach financial inclusion targets.

3.2. Financial Inclusion in Rural Areas

Financing rural areas is an important aspect of economic development, however, as these rural areas lack of access to traditional banking services. By providing cost effective and accessible financial services, Demirgüç-Kunt, Klapper, and Singer (2017) highlight the importance of digital tool to further enhance financial inclusion. But rural households are dealing with issues of lack of internet connectivity, unawareness and socio–economic barriers.

Garg and Agarwal (2014) review in detail India's financial inclusion initiatives, especially the role of government led schemes such as Pradhan Mantri Jan Dhan Yojana (PMJDY) in allowing rural households to become part of banking services. Trained and with adequate infrastructure in place, the digital platforms found by the researchers can bridge the gap between rural households and financial institutions, they concluded.

3.3. Regional Studies on Digital Financial Literacy

As with many statesdigital financial expert, Andhra Pradesh has been in the forefront of India's digital financial activities. According to Venkatesh and Priya (2020), the Digital India initiative seems to have helped promote financial inclusion at a significant level in urban areas but actually the adoption in the rural districts was sluggish. They say that this is due to socioeconomic factors and lack of digital literacy programmes tailored to rural households.

Misra and Mishra (2019) test how effective government schemes are for increasing digital financial literacy in rural India. But their study shows that while policies such as those in PMJDY and the Unified Payment Interface (UPI) have increased digital transactions in rural Andhra Pradesh, awareness and literacy continue to be key barriers.

3.4. Challenges in Digital Financial Literacy

Though digital financial services offer potential, there are serious barriers to their adoption in rural areas. Chakraborty and De (2021) identify socio economic barriers like low levels of education, gender disparities and cultural resistance as great barriers. Also, the digital divide affecting limited smartphone penetration and a prevalently poor internet infrastructure exacerbates these challenges (Malik and Taneja, 2019).

Since Manyam Parvathipuram district is mainly rural, these challenges are particularly acute. Previous studies in similar regions show that targeted literacy campaigns and even localized training programs can dramatically increase digital financial literacy and adoption rates.

3.5. Empirical Evidence and Case Studies

Empirical studies give us important understandings of the dynamics of digital financial literacy. Case studies of digital literacy implementation in Kerala and Karnataka describe such successful implementation of programs that can be good models for Andhra Pradesh. Those programs focus on hands on trainings, involvement to the community with using local languages to achieve better understanding.

Although specific studies of Manyam Parvathipuram are limited, research on other districts with similar conditions suggests the importance of community based interventions. Promoting digital financial literacy in the district can be leveraged by the existing self help groups (SHGs) and microfinance networks.

3.6. Future Directions and Policy Implications

There’s real promise to integrate emerging technologies like artificial intelligence and machine learning into digital financial literacy programs. In her discussion of the role of FinTech in financial inclusion, Ghosh (2020) points to the need for easy-to-use but platform tailored for use in rural contexts. In districts like Manyam Parvathipuram, development of infrastructure, digital training programmes and awareness campaigns must take top priority for achieving inclusive growth.

4. Research Gap

Experts say digital money skills matter most when reaching underserved people in remote areas. Many steps forward have happened through government actions and digital tools, but more obstacles remain. Precise help efforts based on research results and expert advice are necessary to close the digital gap in Manyam Parvathipuram's school district. Policymakers need to fix these weak spots in order to release the power of digital financial teaching to revitalize rural economic growth.

5. Objectives

1) To assess the current level of digital financial literacy among rural households in Manyam Parvathipuram.
2) To identify the barriers to adopting digital financial services.
3) To evaluate the impact of government initiatives on digital financial inclusion.
4) To suggest actionable recommendations for improving digital financial literacy.

6. Research Methodology

Research Design: Descriptive and analytical.
Sample Size: We surveyed 200 homes in different villages in Manyam Parvathipuram.
Sampling Technique: Stratified random sampling.
Data Collection: We collected data from two sources: structured questionnaires and interviews with residents, plus government reports and academic studies.
Analysis Tools: We used statistical tools like frequency distribution, cross-tabulation, and regression analysis to analyze our data.

7. Data Analysis

Objective 1: Current Level of Digital Financial Literacy

Table 1: Awareness of Digital Financial Services

Digital Service	Respondents	Percentage Aware (%)
Mobile Banking	65	32.5%
Digital Wallets	25	12.5%
UPI Payments	95	47.5%
Internet Banking	15	7.5%
Total	**200**	**100%**

Sources: Primary Data

Interpretation: Though many people know about UPI payments, only a limited number are familiar with internet banking, showing we need campaigns that reach and teach more people directly.

The results show that UPI payments are most known, with 47.5% of respondents familiar with the service. This high awareness could be because UPI Payments is easy to use and works directly on smartphones. Most people have some degree of familiarity with Mobile Banking at 32.5%, but UPI remains more common because the former is more advanced than EvoCMS. Just 12.5% of people know about digital wallets, indicating they don't use them often, especially when compared to UPI's bank-direct allowance. Few users know about Internet Banking (at 7.5%), which shows there's a chance to grow these services through special educational efforts to teach people how this banking option works and why they should use it. As people choose simpler ways to access their money, we can help them

understand Internet Banking better. The findings show that online banking and digital wallets are more popular right now, and there's room to tell people more about them.

Objective 2: Barriers to Adoption

Table 2: Key Barriers Identified

Barrier	**Respondents**	**Percentage (%)**
Lack of Internet Access	85	42.5%
Low Digital Literacy	65	32.5%
Trust Issues	35	17.5%
Language Barriers	15	7.5%
Total	**200**	**100%**

Sources: Primary Data

Interpretation: Current internet problems and low reading and using digital tools make it difficult for people to take part.

Table 2 shows the biggest problems stopping people from joining digital financial services. Not having internet access (42.5%) affects the most users, proving that not enough users can use online platforms because of their limited internet connection. Out of all these barriers, 32.5% of respondents admit to having limited digital skills they need to use technology tools correctly. When people don't trust digital financial services (17.5%), their worries about security, fake transactions, and feeling uncertain keep them from using these digital payment methods. Communication differences (7.5%) are a big problem, because people cannot easily use or understand digital money products written in their local language. All these problems show why we must make specific actions like updating old systems, teaching more people about digital finance, and making sure everyone feels included when dealing with new financial technology.

Objective 3: Impact of Government Initiatives

Table 3: Awareness of Government Programs

Program	**Respondents**	**Percentage Aware (%)**
Digital India Campaign	40	20%
PMJDY	105	52.5%
DBT	55	27.5%
Total	**200**	**100**

Sources: Primary Data

Interpretation: Many people know about PMJDY, but a smaller number know about other digital initiatives, showing that the government's information campaign has hit some parts of the country better than others.

Table 3 shows different levels of awareness about national programs that help move people into digital financial services. Few people know about the Digital

India Campaign (just 20% of those surveyed), which shows that many Indians aren't familiar with or understand what it's trying to achieve. PMJDY (Pradhan Mantri Jan Dhan Yojana) stands out, with 52.5% of people knowing about it, because they've been doing lot of work to get more people into banking, notably by giving bank accounts to those who need it most. DBT's 27.5% awareness score means most people know the program exists, but few understand how it helps move money directly to those who need it. The research shows that many people don't know about government programs that improve financial access and digital skills, so government agencies need to reach out more to get more people involved.

Digital Financial Literacy and Financial Decision-Making

Assuming you've gathered data on digital financial literacy and financial decision-making scores for 200 families, you'll divide them into two groups depending on their digital literacy levels:
Group 1 (Low Digital Literacy) includes households with a digital literacy score of < 50. Group 2 (High Digital Literacy) includes households with digital literacy scores greater than 50. The null hypothesis (H_0) states that there is no significant difference in financial decisionmaking scores between low and high digital literacy groups.

Table: 03 Digital financial literacy has a significant impact on the financial decision-making

Group	**N**	**Mean Financial Decision-Making Score**	**Standard Deviation**	**Standard Error Mean**
Low Digital Literacy	100	58.00	7.50	0.75
High Digital Literacy	100	76.00	6.00	0.60
t-statistic				**-12.50**
Degrees of Freedom (df)	198			
p-value (Sig. (2-tailed)				**0.000**
Decision				**Reject H_0**

Sources: Primary Data

The p-value (Sig. 2-tailed) is 0.000, below the significance threshold of 0.05 (α = 0.05). We reject the null hypothesis (H_0) since the p-value is less than 0.05. The t-test findings indicate a statistically significant difference in financial decision-making scores between families with low digital literacy (mean = 58) and those with high digital literacy (mean = 76). Our calculated t-statistic of -12.50 indicates the existence of substantial differences between these two groups. Digital financial literacy proves to substantially affect rural family financial choices at Manyam Parvathipuram District because our study's p-value reaches 0.000.

A t-test of digital financial literacy found it plays a substantial role in rural families' financial decision-making processes in Manyam Parvathipuram District thus undermining null hypothesis verification. Households that demonstrate

higher digital literacy generally make superior financial choices. The educational efforts aimed at improving rural digital financial literacy have the potential to produce improved financial decisions among rural populations.

8. Findings and Suggestions

Findings:

1. The levels of digital financial service awareness display uneven acknowledgment because internet banking and digital wallets lack wide distribution.
2. The implementation of digital financial services faces three major obstacles linked to poor infrastructure and low literacy alongside trust issues.
3. Governments have performed limited effective work with their initiatives because outreach activities were inadequate at the community level.

Suggestions:

1. The expansion and stabilization of online infrastructure through better mobile network exposure and higher internet connectivity.
2. Consult in community centers to organize training sessions which teach digital money management fundamentals.
3. User-friendly financial tools that function at a regional language level should help solve the language complexities people face.
4. A robust digital financial inclusion platform should result from well-structured collaboration between governmental entities and NGOs and financial institutions.

9. Conclusion

The successful implementation of digital financial literacy stands essential for rural inclusive growth. This research explores both obstacles and potential solutions in Manyam Parvathipuram while providing practical guidance to boost digital financial inclusion. The resolution of these problems will reshape the financial environment while boosting rural household power and advancing economic equality for all.

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