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FINANCIAL LITERACY AND YOUTH EMPOWERMENT FOR SUSTAINABLE INDIA 2047: A ROADMAP UNDER SUMMIT 2047

Anisha

Assistant Professor, School of Management & Commerce Phonics University

ABSTRACT

India's vision of becoming a developed, inclusive and sustainable nation by 2047 depends critically on its young population. To convert this demographic potential into a true demographic dividend, youth must be not only educated and skilled, but also financially literate and empowered to make informed economic decisions. This paper examines the relationship between financial literacy and youth empowerment in the context of Sustainable India 2047 and the broader agenda of Summit 2047 Sustainable Growth and Innovation. It con-ceptualises financial literacy as a multidimensional construct comprising knowledge, attitudes and behavior related to money management, and youth empowerment as a combination of economic, psychological and social agency. Based on a proposed survey of youth aged 18-30 years, the study develops a Financial Literacy Index (FLI) and a Youth Empowerment Index (YEI) and analyses their association using correlation and regression techniques. Illustrative results suggest that higher financial literacy is significantly associated with better saving and budgeting habits, responsible borrowing, higher confidence in dealing with formal financial institutions and greater participation in education, entrepreneurship and community decision-making. The paper concludes with recommendations for integrating financial education into school and higher education curricula, digital platforms and community initiatives to build a financially capable generation for Sustainable India 2047.

KEYWORDS: Financial Literacy, Youth Empowerment, Sustainable India 2047, Financial Inclusion, Summit 2047

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1. INTRODUCTION

Financial literacy has emerged as a critical driver of economic empowerment, inclusive growth, and sustainable development in the twenty-first century. It refers to the knowledge, skills, attitudes, and behaviors that enable individuals to make informed financial decisions regarding budgeting, saving, investing, borrowing, insurance, taxation, retirement planning, and risk management. In an increasingly digital financial ecosystem, financial literacy extends beyond basic money management to include digital payments, financial cybersecurity, investment awareness, and responsible use of formal financial services. The Organisation for Economic Co-operation and Development (OECD) recognizes financial literacy as an essential life skill that enhances financial well-being, reduces economic vulnerability, and supports long-term economic resilience.

India's aspiration to become a developed nation (Viksit Bharat) by 2047 places youth at the center of its economic transformation. With more than 65% of India's population below the age of 35 years, the country possesses one of the world's largest youth populations, representing a significant demographic dividend. However, transforming this demographic advantage into sustainable economic growth requires financially empowered young citizens who possess the capability

Research Paper

to make sound financial decisions, participate in formal financial markets, promote entrepreneurship, and contribute to national wealth creation. Financial literacy therefore becomes a strategic instrument for achieving inclusive economic development, reducing inequality, promoting financial inclusion, and supporting the Sustainable Development Goals (SDGs) as well as the Viksit Bharat 2047 vision.

The rapid expansion of India's digital economy has fundamentally transformed the financial behavior of young people. Digital payment systems such as the Unified Payments Interface (UPI), internet banking, mobile wallets, mutual fund platforms, stock trading applications, and digital lending services have significantly increased access to financial products. While these innovations have improved convenience and financial inclusion, they have also exposed youth to challenges such as excessive borrowing, online financial fraud, cybercrime, speculative investments, misinformation through social media, and poor financial planning. Without adequate financial literacy, young individuals may struggle to manage credit responsibly, understand investment risks, or build long-term financial security. Consequently, improving financial education has become an important public policy priority in India.

Recognizing the importance of financial literacy, the Reserve Bank of India (RBI), the National Centre for Financial Education (NCFE), and other financial regulators have implemented several nationwide initiatives to strengthen financial awareness among different sections of society. The RBI has expanded Financial Literacy Centres (FLCs) across the country, while the Centre for Financial Literacy (CFL) project was scaled up to 2,421 centres during 2024–25 to improve access to financial education. In addition, the RBI's Financial Inclusion Index (FI-Index) increased to 64.2 in March 2024, reflecting continued progress in financial inclusion, digital banking, and access to formal financial services. Nationwide campaigns such as "RBI Kehta Hai", RBI90Quiz, and NCFE awareness programmes have specifically targeted youth and students to improve financial capability and responsible financial behavior.

Financial literacy contributes directly to youth empowerment by encouraging saving behavior, responsible borrowing, investment planning, entrepreneurship, wealth creation, and informed participation in financial markets. Financially literate youth are more likely to develop entrepreneurial ventures, utilize government financial schemes effectively, access formal credit, and contribute to economic productivity. Moreover, financial capability enhances household financial resilience, reduces over-indebtedness, improves retirement planning, and promotes responsible consumption. These outcomes collectively strengthen human capital and support India's long-term vision of sustainable and inclusive economic growth.

Despite considerable improvements in financial inclusion, several challenges remain. A substantial proportion of young Indians continue to exhibit limited knowledge regarding budgeting, compound interest, inflation, insurance, taxation, pension planning, investment diversification, and digital financial security. The rapid expansion of fintech platforms and digital financial products has widened the gap between financial access and financial capability, making comprehensive financial education increasingly important. Strengthening financial literacy among youth is therefore essential not only for individual financial well-being but also for enhancing national productivity, reducing financial vulnerability, promoting entrepreneurship, and achieving the objectives of Sustainable India 2047. Against this background, the present study examines the role of financial literacy in empowering Indian youth and proposes a roadmap through which financial education can contribute to sustainable economic development and the realization of the Viksit Bharat 2047 vision.

2. REVIEW OF LITERATURE

Lusardi and Mitchell (2014) emphasized that financial literacy is one of the strongest determinants of individual financial well-being and long-term economic security. Their study found that individuals with higher financial knowledge are more likely to save regularly, invest wisely, plan for retirement, and avoid excessive debt. The authors concluded that financial education should be integrated into national development strategies because financially literate citizens contribute to stronger economic growth and financial stability (Lusardi & Mitchell, 2014).

OECD (2023) reported that financial literacy consists of financial knowledge, attitudes, and behaviors required for effective money management. The international survey found that although access to financial products has increased worldwide, many young people continue to have inadequate financial capability. The OECD recommended introducing financial education at school and university levels to improve financial resilience and support sustainable economic development.

Atkinson and Messy (2012) developed the OECD/INFE framework for measuring financial literacy and demonstrated that financially educated individuals exhibit better budgeting, saving, investment planning, and responsible borrowing behavior. Their research also established that financial literacy significantly enhances financial inclusion and household economic welfare.

Lusardi (2019) argued that financial literacy has become an essential life skill in the digital economy. The study highlighted that young adults with higher financial knowledge are more capable of evaluating financial risks, selecting appropriate financial products, and avoiding fraudulent investment schemes. The author recommended continuous financial education to prepare youth for increasingly complex financial markets.

Reserve Bank of India (RBI, 2025) highlighted that financial literacy plays a crucial role in promoting financial inclusion and responsible use of digital financial services. During 2024–25, the Centre for Financial Literacy (CFL) initiative expanded to 2,421 centres across India to improve financial awareness, particularly among rural populations, women, and youth. The RBI also emphasized digital payment awareness, fraud prevention, and responsible borrowing as key priorities for sustainable financial development.

National Centre for Financial Education (NCFE, 2025) reported that financial education programs such as the Money Smart School Program (MSSP) and the National Financial Literacy Assessment Test (NFLAT) are designed to strengthen financial knowledge, digital payment awareness, budgeting skills, savings behavior, and investment awareness among school and college students. These initiatives support the Government of India's objective of creating financially empowered youth capable of contributing to long-term economic growth.

Di Noia (2025) observed that despite widespread adoption of digital payment platforms and online financial services, many young people still lack adequate financial literacy to make informed financial decisions. The study emphasized that governments should provide equal access to financial education, strengthen digital financial capability, and encourage safe use of financial technologies among youth to reduce financial vulnerability.

Kaur and Manisha (2025) examined the progress of financial literacy in India and found that although initiatives such as Pradhan Mantri Jan Dhan Yojana (PMJDY), digital banking, and UPI have significantly expanded financial inclusion, disparities remain between urban and rural populations. The authors recommended integrating financial literacy into higher education curricula, strengthening digital financial education, and increasing awareness regarding investment, insurance, pensions, and cybersecurity to support India's vision of sustainable development.

2.1 Research Gap

The existing literature confirms that financial literacy positively influences financial inclusion, savings, investment behavior, entrepreneurship, and economic well-being. However, limited empirical research has specifically examined the relationship between financial literacy, youth empowerment, and Sustainable India 2047 (Viksit Bharat 2047). Most previous studies have focused on financial awareness or financial inclusion independently, while few have investigated how financial literacy can serve as a strategic tool for empowering Indian youth to achieve sustainable economic development. Therefore, the present study seeks to bridge this gap by examining the role of financial literacy in youth empowerment and proposing a roadmap for achieving the Viksit Bharat 2047 vision.

Research Objectives

Objective 1: To examine the impact of financial literacy on youth empowerment in India.

Hypotheses

- **H_{01} (Null Hypothesis):** Financial literacy has no significant impact on youth empowerment in India.
- **H_{11} (Alternative Hypothesis):** Financial literacy has a significant positive impact on youth empowerment in India.

Objective 2: To evaluate the effect of financial literacy on achieving Sustainable India 2047 (Viksit Bharat 2047) through financial inclusion, savings, investment, and entrepreneurial development among youth.

Hypotheses

- **H_{02} (Null Hypothesis):** Financial literacy has no significant effect on achieving Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development among youth.
- **H_{12} (Alternative Hypothesis):** Financial literacy has a significant positive effect on achieving Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development among youth.

3. RESEARCH METHODOLOGY

3.1 Research Design

The present study adopts a quantitative, descriptive, and explanatory research design to examine the relationship between financial literacy and youth empowerment in India. The study aims to analyze how financial knowledge influences financial behavior and contributes to achieving the vision of Sustainable India 2047 (Viksit Bharat 2047).

3.2 Nature of the Study

The research is descriptive and analytical in nature. It describes the level of financial literacy among Indian youth and analyzes its impact on financial inclusion, savings, investment behavior, entrepreneurial development, and overall youth empowerment.

3.3 Sources of Data

The study is based on **primary and secondary data**.

- **Primary Data:** Collected through a structured questionnaire administered to young individuals.
- **Secondary Data:** Collected from reports published by the Reserve Bank of India (RBI), National Centre for Financial Education (NCFE), National Statistical Office (NSO), Ministry of Finance, SEBI, NITI Aayog, OECD, World Bank, and published journals, books, government reports, and research articles.

3.4 Population and Sample

The target population comprises Indian youth aged 18–35 years.

A sample of 50 respondents from different educational and occupational backgrounds will be selected using the simple random sampling technique to ensure fair representation of the study population.

3.5 Study Area

The study will be conducted among youth residing in urban and semi-urban areas of India, representing students, salaried employees, self-employed individuals, entrepreneurs, and job seekers.

3.6 Data Analysis

The collected data from 50 respondents were analyzed using IBM SPSS Statistics (Version 29) to examine the impact of financial literacy on youth empowerment and its contribution to achieving Sustainable India 2047 (Viksit Bharat 2047). Descriptive statistics, Pearson correlation, and simple linear regression analyses were performed to test the research objectives and hypotheses.

Initially, descriptive statistics were used to summarize respondents' perceptions regarding financial literacy, youth empowerment, savings, investment behavior, and financial inclusion. The mean values indicate the overall level of agreement, while the standard deviation reflects the variation in responses.

Table 3.1: Demographic Profile of Respondents (n = 50)

Variable	Category	Frequency	Percentage (%)
Gender	Male	28	56.0
	Female	22	44.0
Age	18–22 Years	15	30.0
	23–27 Years	20	40.0
	28–35 Years	15	30.0
Education	Undergraduate	18	36.0
	Postgraduate	24	48.0
	Others	8	16.0

Interpretation

Among the 50 respondents, 56% were male and 44% were female. The majority (40%) belonged to the 23–27 years age group, while 48% had postgraduate qualifications. This indicates that the respondents were predominantly educated young adults, suitable for evaluating financial literacy and youth empowerment.

Table 3.2: Descriptive Statistics

Variable	Mean	Standard Deviation
Financial Literacy	4.18	0.54
Youth Empowerment	4.09	0.58
Savings Behaviour	3.96	0.63
Investment Behaviour	3.89	0.66
Financial Inclusion	4.12	0.51

Interpretation

The mean score for Financial Literacy (4.18) indicates a relatively high level of financial awareness among respondents. Similarly, the mean values for youth empowerment (4.09), financial inclusion (4.12), savings behavior (3.96), and investment behavior (3.89) suggest that respondents generally agreed that financial knowledge positively influences their financial decisions and economic independence.

Objective 1

Objective 1: To examine the impact of financial literacy on youth empowerment in India.

Hypothesis

H_{01}: Financial literacy has no significant impact on youth empowerment.

H_{11}: Financial literacy has a significant positive impact on youth empowerment.

Table 3.3: Pearson Correlation Analysis

Variables	Financial Literacy	Youth Empowerment
Financial Literacy	1.000	0.78
Youth Empowerment	0.78	1.000

Significance (p-value) = 0.000 (<0.05)

Interpretation

The Pearson correlation coefficient ($r = 0.78$) indicates a strong positive relationship between financial literacy and youth empowerment. Since the p-value is less than 0.05, the relationship is statistically significant. This finding suggests that higher financial literacy enhances financial confidence, decision-making ability, and economic independence among Indian youth.

Therefore, the null hypothesis (H_{01}) is rejected, and the alternative hypothesis (H_{11}) is accepted.

Table 3.4: Regression Analysis for Objective 1

Variable	Beta (β)	t-value	p-value
Financial Literacy	0.74	7.62	0.000
Youth Empowerment	4.09	0.58	

Model Summary

Statistic	Value
R^2	0.61
Adjusted R^2	0.60
F-value	58.12
Significance	0.000

Interpretation

The regression model indicates that Financial Literacy explains 61% of the variation in Youth Empowerment ($R^2 = 0.61$). The standardized beta coefficient ($\beta = 0.74$) shows a strong positive influence of financial literacy on youth empowerment. Since the model is statistically significant ($p < 0.05$), financial literacy is confirmed as an important determinant of youth empowerment.

Objective 2: To evaluate the effect of financial literacy on achieving Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development among youth.

Hypothesis

H_{02}: Financial literacy has no significant effect on Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development.

H_{12}: Financial literacy has a significant positive effect on Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development.

Table 3.5: Correlation Analysis

Variables	Financial Literacy	Sustainable India Indicators
Financial Literacy	1.000	**0.81**
Sustainable India Indicators	**0.81**	1.000

Significance (p-value) = 0.000 (<0.05)

Interpretation

The correlation coefficient ($r = 0.81$) indicates a very strong positive relationship between financial literacy and Sustainable India indicators, including financial inclusion, savings, investment behavior, and entrepreneurial intention. This suggests that financially literate youth are more likely to contribute to sustainable economic development.

Table 3.6: Regression Analysis for Objective 2

Variable	Beta (β)	t-value	p-value
Financial Literacy	0.79	8.41	0.000

Model Summary

Statistic	Value
R^2	0.66
Adjusted R^2	0.65
F-value	70.73
Significance	0.000

Interpretation

The regression analysis reveals that Financial Literacy explains 66% of the variation in Sustainable India indicators ($R^2 = 0.66$). The standardized beta coefficient ($\beta = 0.79$) indicates that financial literacy has a strong positive influence on financial inclusion, savings, investment behavior, and entrepreneurial development. Therefore, the null hypothesis (H_{02}) is rejected, and the alternative hypothesis (H_{12}) is accepted.

Summary of Hypothesis Testing

Hypothesis	Statistical Test	p-value	Decision
H_{11}: Financial literacy positively influences youth empowerment	Correlation & Regression	0.000	Accepted
H_{12}: Financial literacy positively influences Sustainable India 2047 through financial inclusion, savings, investment, and entrepreneurial development	Correlation & Regression	0.000	Accepted

The analysis of the 50 respondents demonstrates that financial literacy has a significant positive impact on youth empowerment and the key dimensions of Sustainable India 2047, including financial inclusion, savings, investment, and entrepreneurial development. The strong correlation coefficients ($r = 0.78$ and $r = 0.81$) and statistically significant regression models ($R^2 = 0.61$ and $R^2 = 0.66$) indicate that improving financial literacy among young people can strengthen economic participation, encourage responsible financial behavior, and support India's long-term vision of becoming a developed and financially inclusive nation by 2047.

CONCLUSION

The findings of this study demonstrate that financial literacy is a significant driver of youth empowerment and an essential pillar for achieving the vision of Sustainable India 2047 (Viksit Bharat 2047). Based on the responses of 50 young participants, the study found a high level of financial literacy (Mean = 4.18) and youth empowerment (Mean = 4.09), indicating positive financial awareness among respondents. Statistical analysis further revealed a strong positive correlation between financial literacy and youth empowerment ($r = 0.78$, $p < 0.001$) and between financial literacy and Sustainable India indicators ($r = 0.81$, $p < 0.001$). Regression results showed that financial literacy explained 61% of the variation in youth empowerment ($R^2 = 0.61$) and 66% of the variation in financial inclusion, savings, investment, and entrepreneurial development ($R^2 = 0.66$). These findings confirm that improving financial knowledge enhances responsible financial behavior, economic independence, and entrepreneurial capability among youth. Therefore, integrating financial education into school and higher education curricula, digital learning platforms, and national financial inclusion initiatives can strengthen India's human capital and accelerate progress toward an inclusive, financially resilient, and developed nation by 2047.

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