

IMPACT OF INNOVATIVE FINANCIAL PLATFORMS AND ITS IMPACT ON FINANCIAL INCLUSION OF YOUTH

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Abstract

This paper explores the impact of innovative financial platforms on the financial inclusion of youth in India, with a focus on their accessibility, usability, and relevance. The study identifies various financial platforms, assesses their influence on youth participation in financial markets, and highlights challenges and opportunities for deeper inclusion. Using a sample size of 200 respondents aged 18–30, the findings reveal that these platforms are instrumental in bridging gaps in traditional finance by catering to tech-savvy, underserved demographics. However, challenges such as digital literacy and trust remain significant barriers. The research concludes with actionable strategies for enhancing financial inclusion among young people.

Introduction:

In recent years, innovative financial platforms have revolutionized the financial services landscape by enabling wider access to banking, investment, and lending solutions. Fintech applications, digital wallets, microfinance platforms, and robo-advisors have grown substantially in popularity, especially among youth who represent a tech-savvy population eager for convenient solutions.

Financial inclusion, defined as access to useful, affordable financial products and services, remains a pressing priority for sustainable development. Youth, despite being the drivers of future economies, often face barriers such as lack of awareness, financial literacy, and trust in institutions. This paper aims to delve into how modern financial platforms are transforming the financial inclusion landscape and empowering young users.

Research Problem Statement:

Despite the widespread proliferation of financial platforms in India, youth remain a relatively under-researched demographic concerning financial inclusion. Factors such as digital illiteracy, lack of trust, and limited access to tailored financial products hinder their active participation in financial markets. Moreover, while innovative financial platforms hold immense potential to address these barriers, challenges like cybersecurity risks and low adoption in rural areas persist.

The core problem is identifying and addressing the reasons for limited financial inclusion among youth despite the availability of innovative platforms. This research investigates:

1. The effectiveness of these platforms in meeting the needs of youth.
2. The barriers to adoption and engagement faced by this demographic.

By exploring these dimensions, the study seeks to bridge critical knowledge gaps and propose

strategies for empowering youth as active participants in the financial ecosystem.

Rationale of the Study:

The emergence of innovative financial platforms has transformed the financial landscape, offering accessible solutions to previously underserved populations, including youth. As these demographic forms the backbone of future economies, their inclusion in financial markets is imperative for sustainable development. Youth face unique challenges, such as limited financial literacy, lack of trust in traditional financial systems, and barriers to participation in financial activities. With India being one of the largest and fastest-growing fintech markets globally, understanding the dynamics and effectiveness of these platforms in enhancing financial inclusion is critical.

This study is significant because it addresses gaps in existing literature by specifically focusing on the youth demographic, examining the usability, impact, challenges, and opportunities of innovative financial platforms. By shedding light on these aspects, the research aims to provide actionable insights for policymakers, fintech providers, and educators, contributing to the creation of inclusive and empowering financial ecosystems.

Objectives:

1. To study various innovative financial platforms available in a financial market.
2. To study impact of financial platforms on inclusion of youth in financial market.
3. To study challenges and opportunity for inclusion of youth in the financial market.

Research Methodology:

A. Research design: Exploratory Research Design is an examination into a subject in an attempt to gain further insights through this topic researcher starts to explore the general impact of financial platforms on financial inclusion of youth.

Descriptive research: what exist and may be help to uncover new facts and meaning so the researcher collects information with the help of structured questionnaire, observation and personal interview a descriptive research design quantitative methods like surveys can systematically describe and quantify these findings offering a clear and detailed picture of financial platforms and financial inclusion of youth.

B. Sources Of Data Collection:

- a. **Primary Data:** Questionnaire, Interview, Observation and Discussion.
- b. **Secondary Data:** Journals, Books, Websites.

C. Sample Design:

- a) **Sample Population:** approximately 2000
- b) **Sample Size:** 200
- c) **Sample Area:** Ahilyanagar District
- d) **Sample Technique:** Stratified Sampling
- e) **Sample Instrument:** Questionnaire

D. Scope of the study:

This study focuses on understanding the impact of innovative financial platforms on the financial inclusion of youth in Ahilyanagar district. The study primarily targets youth aged 21–35, recognizing their unique financial behaviour and challenges. The research focuses on Ahilyanagar, with emphasis on urban, semi-urban, and rural areas to capture diverse perspectives. It includes innovative financial platforms such as digital wallets (e.g., Paytm, PhonePe), investment apps (e.g., Zerodha, Groww), and microfinance platforms. The study evaluates these platforms' usability, accessibility, and overall impact on youth participation in financial markets.

E. Limitation of the Study:

The study is geographically limited to Ahilyanagar District, which may restrict the generalizability of findings to other regions. A sample size of 200 respondents may not fully represent the diverse youth demographic across region. The study primarily focuses on select platforms (e.g., Paytm, Zerodha, Groww) and may not capture the full spectrum of financial services available in the market. Financial platforms evolve rapidly, and

findings may become outdated as new innovations and challenges emerge.

Review Of Literature:

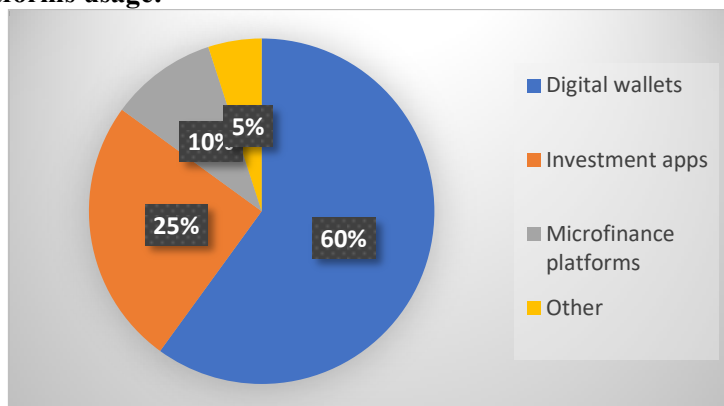
MSN (2025): This article highlights the transformative impact of the Pradhan Mantri Jan Dhan Yojana (PMJDY) on financial inclusion in India. It discusses how digital platforms have bridged economic divides, enabling access to banking, credit, and insurance services for economically weaker sections. The integration of PMJDY with Aadhaar and mobile technology has streamlined direct benefit transfers and revolutionized cashless transactions.

Dave Jasmine Bhadreshbhai & Dr. Hitesh D Vyas (2024): reported that the evolving landscape of digital financial services in India. It emphasizes the role of fintech innovations in fostering inclusive access to financial resources, particularly for underserved populations. The study provides insights into the dynamic shifts in India's financial sector facilitated by fintech.

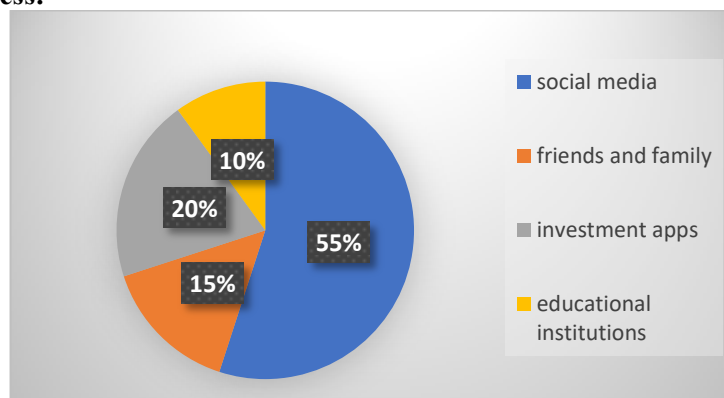
Suchitra V.G., Bellamkonda Nandini, Punith G., Shalini S. (2024): This study investigates how fintech innovations, such as mobile banking and blockchain technology, create a more inclusive financial ecosystem in India. It highlights challenges like digital illiteracy and inadequate infrastructure in rural areas while emphasizing the reduction of transaction costs and expansion of credit availability.

Reserve Bank of India (2020): reported that The RBI report outlines the growth of financial platforms like UPI, digital wallets, and microfinance institutions in India. It emphasizes schemes like PMJDY (Pradhan Mantri Jan Dhan Yojana) and their impact on youth financial participation, offering data-driven insights into trends.

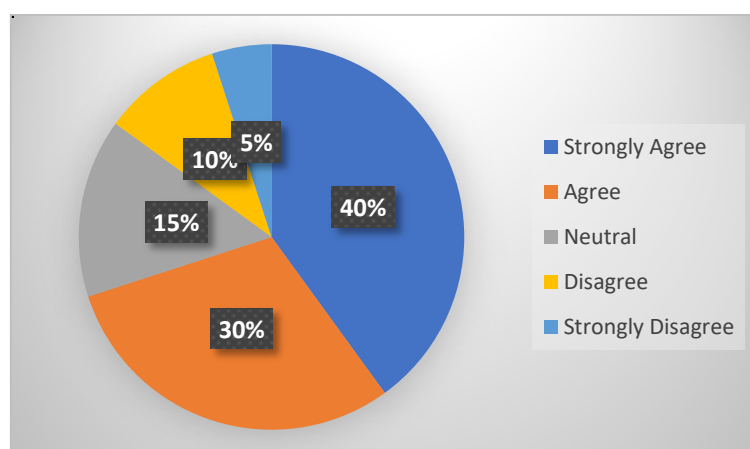
Dr. Nagaraja K (2023): the paper investigates that the role of fintech in accelerating financial inclusion in India, particularly through technologies like Unified Payment Interface (UPI). It discusses government initiatives such as PMJDY and Digital India, which have been supported by fintech companies to bridge gaps between underserved and unbanked populations.

Data Analysis and Interpretation:**1. Financial platforms usage:****Interpretation:**

Digital wallets like Paytm and PhonePe lead in popularity (60%), followed by investment apps (25%). Microfinance platforms (10%) and other platforms (5%) show limited reach, suggesting targeted promotion efforts are needed.

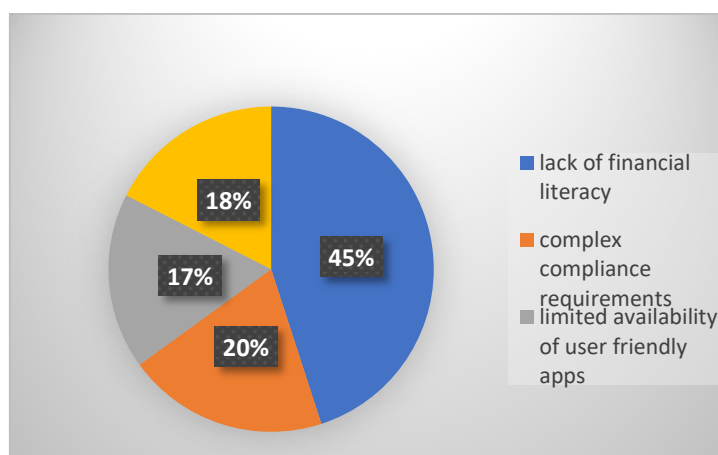
2. Medium of awareness:**Interpretation:**

The chart indicate that social media created more awareness among youth (55%). followed by investment apps (20%), educational institutions had less contribution.

3. Financial platforms are helpful for youth:

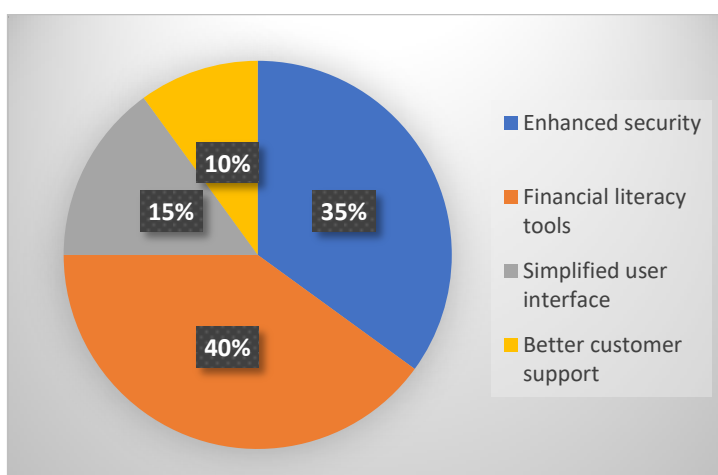
Interpretation: The chart indicates that majority of respondents (40%) think financial platforms helpful for youth. 15% respondents think financial platforms aren't helpful.

4. Problems faced to access financial platforms:



Interpretation: The above chart highlights that lack of financial literacy (45%) prominent challenge. 20% respondents think its complex compliance requirements. 18% responded financial platforms has high transaction costs.

5. Features to enhance appeal



Interpretation: The chart highlights that financial literacy tools (40%) and enhanced security (35%) emerge as top priorities for youth, highlighting areas for platform enhancement. Simplified interfaces (15%) and customer support (10%) are also valued but less critical.

Findings:

1. Digital wallets like Paytm and PhonePe dominate the market with 60% usage, while other platforms (microfinance and niche services) struggle with a limited reach of 15% combined.
2. Social media is the leading channel for creating awareness among youth (55%), whereas educational institutions contribute minimally, signalling underutilized potential.
3. A significant portion of respondents (40%) find financial platforms helpful for youth. However, there's a notable 15% who perceive them as unhelpful, hinting at possible usability or accessibility concerns.

4. The key challenges faced by financial platforms are Lack of financial literacy (45%), Complex compliance requirements (20%), High transaction costs (18%).

5. Financial literacy tools (40%) and strong security features are top priorities, with simplified interfaces (15%) and customer support (10%) less important.

Suggestions:

The study highlights following suggestions based on findings:

1. Promote underused platforms like microfinance using social media to engage more youth.
2. Collaborate with educational institutions to introduce financial literacy programs that align

with the youth's needs. This can bridge the gap in awareness and expand the platforms' reach.

3. Address concerns about complexity and high transaction costs by designing simplified interfaces and cost-effective solutions.

Conclusion:

The study conclude that Innovative financial platforms have become key drivers of financial inclusion for youth in India, empowering them with accessible, user-friendly, and affordable solutions to participate in financial markets. These platforms, such as digital wallets and investment apps, have significantly enhanced financial literacy and engagement, enabling youth to save, invest, and borrow with ease. However, barriers such as digital literacy gaps, cybersecurity concerns, and trust issues continue to limit the full potential of financial inclusion.

The study highlights that while these platforms are helping bridge the divide between traditional and modern financial systems, focused efforts are required to address existing challenges. Educational initiatives, enhanced security measures, and simplified interfaces are crucial for maximizing the impact of financial platforms. With the right interventions, innovative financial platforms can play an even more pivotal role in fostering

economic empowerment and sustainable development for India's youth.

References:

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