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ADOPTION OF FINTECH AND DIGITAL FINANCIAL SERVICES (DFS) BY YOUNG PROFESSIONALS

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ABSTRACT

Digital finance has substantially changed the financial landscape, affecting many elements of the economy and corporate operations. It has altered financial services, increased financial inclusiveness, and impacted corporate risk management and innovation. The integration of digital technology in finance has given rise to both opportunities and difficulties, demanding adjustments in policy and business strategies to maximize benefits and avoid risks. Young professionals are increasingly adopting Fintech and Digital Financial Services (DFS), reflecting the larger digital change in financial services. This demographic, particularly Generation Z and millennial, is rapidly using fintech solutions because to their simplicity, accessibility, and compatibility with digital lifestyles. Fintech and DFS give young professionals new ways to handle their money, make payments, and get credit, which is important for their ability to get jobs and learn about money. While fintech and DFS provide considerable benefits to young professionals, including as convenience, increased financial awareness, and economic inclusion, there are several problems that must be addressed. These include protecting data security, improving financial literacy, and adjusting

regulatory frameworks to accommodate the long-term expansion of fintech. As the digital financial sector evolves, stakeholders, especially academician and researchers, must work to address these difficulties and fully realize fintech's potential for young professionals.

This present study shows that young professionals' adoption of Fintech and Digital Financial Services is primarily motivated by practical benefits such as convenience, accessibility, user-friendliness, utility, cost-effectiveness, and trustworthiness. The study also concludes that there is a positive association between Fintech adoption and monthly income of young professionals, spending, saving, and investing behaviours.

Key words: Fintech, Adoption, Digital Financial Services (DFS), Young Professionals, Gen-Z Millennial, Saving Behavior, Investment Behavior.

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1. Introduction

Rapid technological breakthroughs and changing customer expectations are transforming the global financial scene. Fintech, a portmanteau of "financial technology," comprises a wide range of technologies to improve and automate financial services delivery and use. The advancements include mobile banking, digital payment systems, sophisticated investment platforms, and algorithmic credit rating. Fintech is the use of technology to make financial services better and more automated, which encompasses a wide range of developments from basic mobile banking to sophisticated algorithmic trading. Digital Financial Services (DFS) refer to the specific products and services supplied via these digital channels, which frequently leverage Fintech's key breakthroughs. Several major technologies drive Fintech's rapid evolution. Fintech adoption is the holistic process by which consumers, businesses, and financial institutions integrate and use financial innovations to improve efficiency, lower costs, and increase financial access. At its foundation, Fintech attempts to standardise operations and procedures, ensuring that intended financial tasks are completed efficiently. This comprises a wide range of services like payment apps, mobile banking, fund transfers, loan applications,

and other online investment opportunities. Essentially, it describes a person's openness to adopt and implement novel financial strategies.

Young professionals, especially Millennials and Generation Z (18-40), are vital to this growing financial sector. They adopt new technologies early due to their digital savvy, technology comfort, and particular financial needs. In financial services, this group values ease, speed, and a smooth customer experience over traditional banking models. Student debt, early career management, and investment opportunities are common financial concerns. With its nimble and user-centric approach, fintech can personalize solutions to these difficulties, making this population amenable to digital financial advances. Despite the recognized digital fluency of young professionals and the rapid growth of Fintech, a comprehensive understanding of their specific patterns of adoption, the underlying drivers, persistent barriers, and the long-term implications for their financial behavior and well-being remains fragmented across various academic disciplines.

2. Review of Literature & Research Gap

Individual, organizational, and environmental variables all play a role in Fintech and Digital Financial Services (DFS) adoption. New considerations are critical for understanding how new technology might be successfully integrated into financial institutions, particularly in developing countries. The sections that follow highlight the primary elements impacting Fintech and DFS adoption based on the research papers supplied. Digital finance fundamentally alters the financial landscape by increasing access to services via numerous devices, improving service quality, and extending chances for trading risks. It encourages competition among financial service providers, blurs traditional lines between banking, insurance, and securities, and needs more stringent consumer protection measures. Emerging markets gain from these improvements, but commoditization of financial products jeopardizes the franchise values of existing institutions, resulting in heightened volatility and potential contagion risks in the financial system (Claessens et al. 2002).

The research (de Bassa Scheresberg, 2013) examines data from the 2009 National Financial Capability Study, specifically financial literacy and behavior among around 4,500 young individuals aged 25 to 34. It demonstrates a considerable lack of basic financial understanding, notably among women, minorities, and people with lower incomes or education levels, despite the fact that some respondents have a higher education. The findings show that higher financial literacy and confidence in financial knowledge are associated with better financial outcomes, such as less reliance on high-cost borrowing techniques and a greater

possibility of retirement planning and emergency savings. The study (Laven, 2014) examines the ways in which the digital revolution is affecting the financial services sector, emphasizing how traditional banks are finding it difficult to adjust to the multichannel environment brought about by technological advancements like the internet, smartphones, and big data because of their vertically integrated business models. It emphasizes the role of internet-enabled financial technology firms as catalysts for the digitisation of money, offering alternatives to traditional banking services by focusing on specific components of the financial value chain, this leads to better customer service, lower prices, and more efficiency for users. FinTech goods are widely adopted among digitally active consumers, with 155% of them using these services. According to the report, FinTech adoption peaks at more than 40% among high-income, digitally active consumers, demonstrating that youthful, economically valuable customers are leading the way in embracing these new financial solutions. The anticipated development suggests that adoption rates may double within the next 12 months. This indicates that a growing number of youthful individuals are utilizing digital banking services (Gulamhuseinwala et al., 2015).

In order for Millennials to develop healthy financial habits, the study (Friedline & West, 2016) recommends financial capability, which combines financial education with practical financial inclusion tools like savings accounts. This combination lets people use their knowledge in real life. The National Financial Capability Study of 2012 found that Millennials who are financially capable are more likely to be able to handle unexpected costs, save for emergencies, and avoid taking on too much debt. This shows how important it is to combine hands-on learning with classroom-based learning to improve financial outcomes. The paper (Haddad & Hornuf, 2016) identifies several factors influencing the formation of fintech startups, which can be extrapolated to the adoption of fintech and Digital Financial Services (DFS). Key determinants include the availability of the latest technology, well-developed capital markets, high mobile telephone subscription rates, and a positive labor force impact. It's interesting that a stable financial system is linked to fewer fintech startups. This suggests that while stability is important, it may also slow down innovation in the use of fintech. Active policies can have even more of an effect on the growth of this business. Adoption of Fintech and Digital Financial Services (DFS) is affected by several things, such as the availability of government policies and rules that work well together. These are important for providing more financial services to people who don't have access to them currently. Another important factor is the level of regulatory control; a responsive regulatory approach works better than one that is too involved. Examples of these factors working well in Kenya, India, and China show how important they are for supporting financial inclusion through new technology (Guild, 2017).

The study (Dandapani, 2017) talks about how the digital age has changed financial services in a big way, focusing on the role of digital currencies and cloud computing. Younger people who value efficiency, cost-effectiveness, and integrating technology into banking transactions are likely to be interested in these changes. More and more people are getting online through their phones, which makes it easier for these groups to use fintech and get more involved with electronic banking. The paper (Chishti & Barberis, 2017) shows that the Fintech revolution is especially appealing to younger groups like Millennials and Gen Z, who are more likely to use new financial services. Fintech solutions, like mobile payments and digital currencies, appeal to these groups because they are easy to use, accessible, and convenient. Entrepreneurs and investors who want to get into the growing market of tech-savvy young workers looking for modern financial solutions need to understand these trends, the guide says.

According to the article (Carlin et al., 2017), FinTech adoption benefits both Millennials and Generation X by lowering financial costs and penalties. While it does not particularly mention Generation Z, it implies that younger generations are better at using technology for financial management. Millennials, in particular, move their spending toward discretionary leisure and manage short-term liabilities more successfully by using credit cards instead of overdrafts, demonstrating their proactive approach to financial wellness via technology. The study (Ramos, 2017) focuses on the adoption of fintech services by the millennial generation, with a 31% adoption rate among participants. Performance expectancy and financial literacy have a large impact on behavioral intention to adopt fintech, whereas effort expectancy has a limited direct effect. Millennials are becoming more tech-savvy, using fintech for its ease and practicality, with money transfer services being the most popular. According to the research, as technology advances, younger generations, such as Generation Z, will most likely continue to accept financial technologies. The paper (Ruangkanjanases & Wongprasopchai, 2017) investigates the adoption of mobile banking services in Thailand, focusing on Gen Y (Millennials) and Gen Z consumers. It identifies that compatibility, perceived usefulness, and self-efficacy have a major impact on both generations' intentions to use these services. Notably, social influence affects Gen Z's adoption of mobile banking, showing differences between the two groups. This shows that young professionals, particularly those from these generations, are becoming more willing to accept fintech solutions due to specific motivators.

The paper (He et al., 2017) discusses how fintech innovations can enhance financial services, potentially leading to improved economic opportunities for consumers, including younger generations. By providing better services, trust, and security, fintech may influence income levels indirectly through increased access to financial products and services, but

specific effects on Generation Z's income are not detailed in the research. The research (Patacchini et al., 2017) emphasizes that social contacts have a substantial impact on the uptake of financial services among young adults, notably millennials and Generation Z. It highlights that only long-term connections, or strong bonds, influence financial decisions, but short-term friendships do not. Trust is important in this process because people are more inclined to use financial products recommended by trustworthy peers. This emphasizes the necessity of integrated social institutions in promoting financial literacy and adoption among youth. The research (Agnew & Mitchell, 2017) analyzes how FinTech developments, such as robo-advisors and mobile savings apps, are changing retirement planning, indirectly influencing saving and investment behaviors among younger generations such as Gen Z and millennials. These technologies facilitate access to financial tools, potentially increasing participation in savings and investing activities. However, the report emphasizes several limitations, such as the requirement for trust in technology and worries about data security, which may have an impact on adoption rates among these populations.

The huge presence of Millennials, the largest population cohort and heavy users of mobile devices for innovative financial services, is a key element influencing Fintech and Digital Financial Services (DFS) adoption among young professionals. Their increased educational level, lower property ownership rates, and skepticism of traditional banking institutions all contribute to this tendency. Furthermore, technological improvements such as cloud services and artificial intelligence, together with greater startup finance, foster Fintech adoption (Hill, 2018). The factors influencing the adoption of Fintech and Digital Financial Services (DFS) include perceived benefits such as economic benefit, convenience, and transaction process, alongside perceived risks like financial, legal, security, and operational risks. The study shows that legal risk has the biggest negative effect on adoption intention, while convenience has the biggest good effect. Also, early adopters and late adopters have different ideas about these factors, which changes their general intentions to adopt (Ryu, 2018). According to the study (Meyliana et al., 2019), trust is an important factor influencing the adoption of FinTech services since it has a considerable impact on perceived usefulness. However, perceived risk has little effect on user attitudes or the adoption of FinTech services. The study underlines the necessity of understanding user behavior and perceptions in order to improve the adoption of FinTech services among young professionals in Indonesia, recommending that organizations focus on developing trust and eliminating perceived risks to increase user engagement. Fintech and Digital Financial Services (DFS) are becoming more popular because of things like how easy it is to use mobile technology, how handy and cheap digital platforms are, and how they can

reach groups that couldn't use them before. Digital banking services can also help more people get access to money, as shown by government programs like "cash-lite" policies and projects like Kenya's M-Pesa. How well cell phone companies, governments, and banks work together is also a big part of usage (Srivani & Kiran, 2019).

The paper (Gupta & Manrai, 2019) talks about some of the main things that make people want to use mobile financial services (MFSs). These are functional benefits, economic benefits, trust, and imagined risks. Customers make decisions based on functional and economic rewards the most. In particular, customers value efficiency in financial transactions, as shown by the fact that they value time usefulness over monetary benefits. There's also trust, which is shaped by things like a bank's image and the quality of the services and information it offers. The study (Gerlach & Lutz, 2019) finds that perceived ease of use, perceived usefulness, and social impact are some of the most important factors that young professionals use when deciding to use Fintech and Digital Financial Services (DFS). These factors come from the theory of reasoned action and the unified theory of technology acceptance and use 2. The results show that traditional financial institutions can deal with problems and improve their strategies to better connect with this group of people if they understand these factors. Brand image, government support, user creativity, and perceived danger are the main things that affect how many people use Fintech services. These things have a big effect on how much people believe Fintech services, which in turn has an effect on how they feel about adopting them. Though how easy someone thinks something is to use doesn't have a direct effect on their attitude, how useful and effective they think Fintech services are as a whole is a big part of getting young workers to use them (Hu et al., 2019)

The paper (Jiwasiddi et al., 2019) primarily focuses on the attitude toward using Fintech among Millennials, specifically in the context of money transfer and payments. While it highlights the importance of perceived usefulness, ease of use, and trust in influencing Fintech adoption, it does not directly address the impact of Fintech adoption on saving and investment behavior of Gen Z and Millennials. Therefore, insights on saving and investment behavior are not covered in this research. The study (Lestari, 2019) is mostly about how interested millennials are in peer-to-peer lending as a way to invest in fintech. It comes to the conclusion that most millennials are hesitant to invest in peer-to-peer loans and would rather stick with safe investments like stocks, gold, and real estate. Although it doesn't directly talk about Gen Z, the results suggest that adopting fintech may need more socialization and information sharing to change the way both groups save and invest for the better. The article (Ajija, 2019) looks at how small and medium-sized businesses in Surabaya can make more money with the help of

fintech payment methods. For these businesses, using fintech payment gateways makes a big difference in their income, as shown by the paired t-test data. However, the independent t-test shows that the payment method doesn't make a difference when comparing various groups. So, the use of fintech has a good effect on the income of MSEs in Surabaya. The article (Lewis & Perry, 2019) talks about how digital systems change the way people interact with money, which in turn changes how they understand and handle money. The study stresses how important it is to make sure that financial technologies are compatible with real user needs and habits. It suggests that digital services can improve financial literacy and make it easier to manage money, which may have an indirect effect on how young people handle their money.

The research (D'Acunto et al., 2019) analyzes how FinTech apps, which provide crowdsourced spending data, can improve financial literacy and impact spending behavior. Users who overspend relative to their peers tend to dramatically cut their spending, whilst those who underspend may increase their spending. This implies that digital financial services can successfully transfer financial information, resulting in better financial decisions for consumers, particularly Generation Z. The findings show that such tools have the potential to improve financial health by increasing knowledge and peer pressure. The Smart Money Kit, an innovative financial education tool that combines gamification and edutainment, was created to help parents, teachers, and adults teach youngsters about personal money management. The study discovered that the kit increased children's financial knowledge by 59%, improved positive financial attitudes by 21.9%, and promoted better financial conduct by 19.3%. The majority of parents, teachers, and caregivers said that the Smart Money Kit effectively steered children toward financial responsibility, with 90% noticing a significant difference in their children's financial literacy after using the kit (Sabri et al., 2019). According to the study (Stulz, 2019), FinTech firms such as Robinhood and Credit Karma are particularly appealing to younger generations, including Gen Z and millennials, because of innovative offerings such as commission-free trading and free credit score monitoring. These offers appeal to the tech-savvy youth, who favor mobile apps and digital solutions over traditional banking. The quick emergence of these FinTech businesses signals a substantial shift in how younger consumers interact with financial services, undermining traditional banks' significance. The report (Das, 2019) emphasizes that fintech is essentially a disintermediation force driven by technology improvements, which may appeal to younger generations that are more tech-savvy. The growing use of online credit platforms shows that younger people are more likely to adopt fintech solutions as they seek efficient and cost-effective financial services. Overall, fintech growth is consistent with the interests of these demographics.

Fintech has the potential to significantly expand financial inclusion. with estimates indicating that over two billion unbanked people might benefit from its innovations. It offers new technologies that cause disruptions in existing financial institutions, altering credit and liquidity. According to the report, FinTech innovations, particularly those from nonfinancial start-ups, can have a negative influence on existing industries, underlining the importance of incumbents investing in their own innovations to offset disruption. Overall, FinTech benefits both customers and investors (Goldstein et al., 2019). The adoption of Fintech and Digital Financial Services (DFS) is complex, with individual, organizational, and environmental aspects being highlighted in this assessment of the aforementioned research studies. By increasing service quality and accessibility, encouraging competition, and expanding risk-trading options, digital finance is revolutionizing the financial industry. With internet-enabled fintech companies providing options that put efficiency, cost-effectiveness, and customer service first, the digital revolution is forcing traditional banks to adjust to a multichannel environment. Fintech adoption is particularly high among young, affluent, and tech-savvy consumers, and it is expected to continue growing quickly. Leading this trend are Gen Z and Millennials, who choose cutting-edge online and non-bank financial solutions. Fintech and DFS have an impact on many facets of the financial lives of young professionals. The direct effects on Generation Z's particular income and spending patterns are not always fully understood, despite some research suggesting that fintech can indirectly affect income levels through greater access to financial products and can enhance financial literacy and spending behavior through crowdsourced data. Furthermore, since some data suggests that millennials prefer traditional investments, further research is needed to determine how fintech affects saving and investing patterns, especially for Gen Z. Adoption attitudes are also greatly influenced by user inventiveness, government backing, brand image, and trust, underscoring the necessity for fintech companies to improve engagement by addressing perceived risks and fostering trust.

Research Gap

The existing literature extensively covers the factors influencing the adoption of Fintech and DFS among young professionals and touches upon some general impacts on financial behaviour. However, there is a significant research gap regarding the specific quantitative relationships between Fintech and DFS adoption and the monthly income, expenditure, saving, and investment behaviors of young professionals in Indian cities. The provided articles offer broad insights into adoption drivers, general financial literacy, and some perceived impacts on spending, primarily for Millennials. However, a detailed investigation into how the adoption of these services concretely influences the financial outcomes (income, expenditure patterns,

savings habits, and investment choices) of young professionals, particularly in the unique and rapidly evolving Indian urban context, is largely absent. Most studies are either global in scope, focus on other regions, or do not offer precise, numerically supported conclusions on these particular financial behaviors in the specific demographic of young Indian urban professionals. Despite the recognized digital fluency of young professionals and the rapid growth of Fintech, a comprehensive understanding of their specific patterns of adoption, the underlying drivers, persistent barriers, and the long-term implications for their financial behavior and well-being remains fragmented across various academic disciplines.

3. Objectives, Hypotheses and Research Methodology

3.1 Objectives

The following objectives were formulated after thorough review of available literature:

1. To Rank The Factors Driving Young Professionals in Adopting Fintech And Digital Financial Services (Dfs)
2. To study the relation between Fintech & DFS adoption and monthly Income of Young Professionals
3. To study the perceived impact of Fintech & DFS adoption on expenditure behaviour of Young Professionals
4. To assess the perceived impact of Fintech & DFS adoption on Saving behaviour of Young Professionals
5. To assess the perceived impact of Fintech & DFS adoption on Investment behaviour of Young Professionals

3.2 Hypotheses- The following hypotheses were framed with the help existing literature:

1. There is no correlation between fintech adoption and monthly Income of Young Professionals
2. There is no significant impact of Fintech adoption on Expenditure behaviour of Young Professionals
3. There is no significant impact of Fintech adoption on Saving behaviour of Young Professionals
4. There is no significant impact of Fintech adoption on Investment behaviour of Young Professionals

3.3 Research Methodology

This study employed a descriptive research design to explore the adoption of Fintech and Digital Financial Services (DFS) among young professionals. Primary data were collected from young professionals, specifically targeting Generation Z and Millennial, working in Indian cities. A structured questionnaire was developed based on an extensive review of existing literature. This questionnaire utilized a Likert scale to measure responses. Since the exact size of the target population was unknown, the sample size was calculated using an online calculator for an infinite population. With a 95% confidence level and a ±5% margin of error, a target of 385 respondents was determined. To mitigate issues like incomplete submissions, a slightly larger number of responses were sought. In total, 417 responses were received. After a thorough screening process to ensure completeness and consistency, 381 responses were deemed suitable for final analysis. The reliability of the questionnaire was confirmed through a pilot survey, which demonstrated strong internal consistency, validating the data collection instrument. IBM SPSS software was used for data analysis. The analytical procedures includes Descriptive Statistics, Pearson Correlation and Regression Analysis.

4. Analysis & Findings

4.1. Factors driving young professionals in adopting Fintech and Digital Financial Services (DFS)

The adoption of Fintech and Digital Financial Services (DFS) among young professionals is influenced by a variety of factors, which can be broadly categorized into technological, social, economic, and individual determinants. These factors are critical in shaping the behavioral intentions and actual usage of Fintech services among young professionals, particularly those from Generation Y (Millennials) and Generation Z. After reviewing existing literature, the researchers identified 25 factors that drive young professionals to adopt Fintech and Digital Financial Services (DFS). Subsequently, the researcher engaged with bankers and service providers to conduct a pilot study, which identified 13 key factors that primarily motivate young people to adopt fintech and digital financial services (DFS). A five-point Likert scale statement-based questionnaire was developed with 13 statements, where strongly agree means five and strongly disagree means 1. The mean score of the 13 statements were calculated to rank these 13 factors. The following table shows the ranking of these factors based on the mean score.

Rank	Factors Driving Young Professionals in Adopting Fintech & DFS	Mean Score
1.	Convenience, 24/7 Accessibility, Ease of use from anywhere	**4.71**
2.	Usefulness and Cost-Effectiveness	**4.44**
3.	Trust & Transparency	**4.36**
4.	Money transfers- Instant peer-to-peer transfers	**4.28**
5.	Peer Influence/ Social Media Influence	**4.19**
6.	Bill payments, Digital statements, Contactless payments	**4.11**
7.	Personalization- Tailored advice	**4.03**
8.	Expense tracking / Debt management	**3.94**
9.	Savings goal setting / Financial insight	**3.69**
10.	Automated investment management / Portfolio diversification / Portfolio Tracking	**3.44**
11.	Direct lending/borrowing / Alternative funding for projects/businesses	**3.36**
12.	Digital asset holding / Decentralized transactions / Smart contracts	**3.33**
13.	International money transfers / Trading in Foreign exchange	**3.11**

Interpretation:

This study sought to evaluate the determinants influencing young professionals' adoption of Fintech and Digital Financial Services (DFS). The results offer explicit understanding of the priorities of young professionals regarding the use of digital financial solutions. The analysis shows that convenience, round-the-clock accessibility, and user-friendliness from any location are the most important criteria, with a significantly high mean score of 4.71. As a result, usefulness and cost-effectiveness (mean score: 4.44) show that practical utility and economic benefits are critical aspects. The elevated score for trust and transparency (mean score: 4.36) underscores that, although the digital character of these services, young professionals prioritize reliability and explicit communication from suppliers. Instant peer-to-peer monetary transfers (mean score: 4.28) received a high ranking, indicating the demand for efficient and immediate transactional capabilities in daily life.

Mid-tier factors, such as **peer influence/social media influence** (mean score: 4.19) and essential functionalities like **bill payments, digital statements, and contactless payments** (mean score: 4.11), demonstrate the impact of social validation and the expectation of basic, integrated financial tools. **Personalisation and tailored advice** (mean score: 4.03) also show a growing desire for customised financial guidance. Conversely, factors related to more complex or specialized financial activities, such as **automated investment management/portfolio diversification** (mean score: 3.44), **direct lending/borrowing** (mean score: 3.36), **digital asset holding/decentralized transactions** (mean score: 3.33), and **international money transfers/trading in foreign exchange** (mean score: 3.11), received lower mean scores. This suggests that while these services are part of the broader Fintech landscape, they are currently less primary drivers for the general adoption of Fintech and DFS among young professionals, possibly indicating a lower immediate need or a higher barrier to entry/understanding compared to more fundamental services. In conclusion, the study clearly shows that young professionals' adoption of Fintech and DFS is primarily motivated by practical benefits that improve daily financial convenience, efficiency, and cost savings, as well as a fundamental need for trust.

4.2. To study the relation between fintech adoption and monthly Income of Young Professionals

Previous researches have looked into the complex relationship between Fintech adoption and the monthly income of young professionals. which demonstrates a clear correlation: more income leads to greater Fintech adoption. This shows that having more financial resources

frequently helps with the initial adoption and deeper integration of these digital financial tools. Previous research have also revealed a strong, positive inverse link, indicating that Fintech adoption can improve young professionals' financial well-being and discretionary income. According to studies, adopting personal financial management software, a type of Fintech, helps Millennials and Gen X save money on financial fees and penalties, hence increasing their disposable income.

Furthermore, Fintech serves as an effective accelerator for financial inclusion, particularly among underprivileged communities, by making financial services more accessible and inexpensive. This dual dynamic implies that, while existing income might predict initial adoption, Fintech actively seeks to democratize financial access, potentially closing the "digital divide" in financial access over time.

Hypothesis #1: There is no correlation between fintech adoption and monthly Income of Young Professionals

Table 1: Descriptive Statistics

	Mean	Std. Deviation	N
Fintech	4.22	.801	381
Income	3.9581	1.07435	381

Table2 : Correlations

		Fintech	Income
Fintech	Pearson Correlation	1	.780**
	Sig. (2-tailed)		.000
	N	381	381
Income	Pearson Correlation	.780**	1
	Sig. (2-tailed)	.000	
	N	381	381

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

Correlation Analysis between fintech adoption and the monthly income of young professionals is presented in Table #2 above. The Pearson Correlation coefficient of 0.780 suggests a strong, positive linear relationship between fintech adoption and monthly income. This means that as fintech adoption tends to increase, so does monthly income among young professionals. The p-value (Sig. (2-tailed)) for the correlation is 0.000. Since 0.000<0.05, the p-value is less than the chosen significance level. Hence, the null hypothesis is rejected. There

is statistically significant evidence to conclude that there is a strong positive correlation between fintech adoption and the monthly income of young professionals.

4.3. To study the perceived impact of fintech & DFS on expenditure behaviour of Young Professionals

Previous studies demonstrate that Fintech and Digital Financial Services (DFS) exert a substantial and complex influence on the spending behaviors of young professionals, particularly those from Generation Z and Millennials. The convenience and rapidity of digital payments and BNPL (Buy Now, Pay Later) services may promote impulsive and excessive spending. This phenomenon arises from a psychological disconnection from transactions when not utilizing currency, resulting in "Spendception," wherein expenditures appear less perceptible. Buy Now, Pay Later (BNPL) schemes, although they democratize access to credit, may result in debt accumulation and inadequate budgeting if consumers do not comprehensively grasp the repayment terms. Conversely, Fintech offers instruments that encourage prudent expenditure. Features like real-time expense tracking, automatic categorisation, and personalised spending insights within budgeting apps can enhance financial awareness and encourage more disciplined habits. Overall, Fintech has changed spending patterns, making transactions easier but also introducing risks of overconsumption, while simultaneously offering tools for better financial management.

Hypothesis #1: There is no significant impact of Fintech adoption on Expenditure behaviour of Young Professionals

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.288	.083	.080	.62182
Predictors: (Constant), Fintech & DFS				

Table 4: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.206	1	13.206	34.155	.000[b]
	Residual	146.544	379	.387		
	Total	159.750	380			
Dependent Variable: Expenditure						
Predictors: (Constant), Fintech & DFS Adoption						

Table 5: Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.597	.171		15.178	.000
	Fintech	.233	.040	.288	5.844	.000
Dependent Variable: Expenditure Behaviour						

Interpretation:

1. **R**=0.288: This shows that there is a weak to moderately positive direct link between using Fintech and how much money people spend.
2. **R Square**=0.083: This means that approximately 8.3% of the variance in Expenditure behaviour can be explained by Fintech adoption. This indicates that Fintech adoption accounts for a small proportion of the variability in expenditure behaviour.
3. **Adjusted R Square**=0.080: This is a slightly adjusted R-square value for the population, indicating a similar small explanatory power.
4. **Unstandardized Coefficient (B)**=0.233: For every one-unit increase in Fintech adoption, Expenditure behaviour is predicted to increase by 0.233 units, assuming other factors are constant.
5. **Standardized Coefficient (Beta)**=0.288
6. **The p-value** for Fintech (0.000) is less than the significance level of 0.05. The overall model's p-value (0.000 from ANOVA) is also less than 0.05.

These results show that the null hypothesis is not true. Therefore, there is statistically substantial evidence to assert that Fintech adoption positively influences the spending behavior of young professionals. Despite the model accounting for a modest fraction of the variance in expenditure behavior (R-squared = 0.083), the perceived impact of Fintech adoption is statistically significant.

4.5 To assess the perceived impact of Fintech & DFS on Saving behaviour of Young Professionals

Previous research demonstrates that fintech significantly improves the saving behaviors of young professionals, especially through automated methods such monthly direct debits, micro-investing, and balance sweeps. These "set-and-forget" features enhance convenience,

promote steady balance growth, and enable the achievement of financial goals without continuous manual oversight. Studies aslo demonstrate that these technologies are particularly beneficial for low-income individuals, enhancing their participation and contributions to retirement programs. Automated savings are not a comprehensive solution; they necessitate a fundamental savings mindset and financial literacy, since exclusive reliance on them may result in neglect or fail to resolve underlying debt problems, especially for individuals without developed saving habits.

Hypothesis #1: There is no significant impact of Fintech adoption on saving behaviour of Young Professionals

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.314[a]	.098	.096	.63624
Predictors: (Constant) Fintech & DFS Adoption				

Table 7: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	16.761	1	16.761	41.407	.000
	Residual	153.418	379	.405		
	Total	170.179	380			
Dependent Variable: Saving						
Predictors: (Constant) Fintech & DFS Adoption						

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.247	.175		12.834	.000
	Fintech	.262	.041	.314	6.435	.000
Dependent Variable: Saving Behaviour						

Interpretation:

The regression study shows that there is a statistically significant correlation between Fintech adoption and the saving behavior of young professionals. The model summary reveals that Fintech adoption accounts for roughly 9.8% of the variance in saving behavior. The ANOVA table shows that the model as a whole is very significant ($p < 0.05$), indicating that Fintech adoption is a relevant predictor of saving behaviour. Furthermore, the coefficients table

reveals that the unstandardized beta coefficient for Fintech is 0.262 with a p-value of 0.000, which is well below the significance levels (e.g., α=0.05. Hence, null hypothesis is rejected. This strong statistical significance implies that increased Fintech adoption is associated with an increase in saving behaviour among young professionals. The findings suggest that the Fintech adoption is a statistically significant predictor; it is important to note that it accounts for a relatively modest portion (less than 10%) of the variation in saving behaviour, suggesting that other factors also play crucial roles.

4.6 To assess the perceived impact of Fintech & DFS on Investment behaviour of Young Professionals

Previous research has shown that the investment behavior of young professionals is significantly influenced by the perceived impact of Fintech and Digital Financial Services (DFS). Fintech has significantly altered the way in which young professionals can access investment opportunities, thereby enabling them to engage more actively in financial markets. The barriers to entry have been reduced by commission-free trading services, micro-investing platforms, and user-friendly investment applications. This has enabled a greater number of young professionals to commence investing in equities, mutual funds, and alternative assets such as cryptocurrencies earlier in their careers. Risk assessment algorithms can be employed to align portfolio allocation with an investor's risk tolerance, hence potentially improving portfolio performance.

Hypothesis#1: There is no significant impact of Fintech adoption on Investment behaviour of Young Professionals

Table 9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781	.609	.608	.67297
Predictors: (Constant),), Fintech & DFS Adoption				

Table 10: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	267.794	1	267.794	591.296	.000[b]
	Residual	171.647	379	.453		
	Total	439.441	380			
Dependent Variable: Investment						
Predictors: (Constant), Fintech & DFS Adoption						

Table 11: Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.565	.185		-3.050	.002
	Fintech	1.048	.043	.781	24.317	.000
Dependent Variable: Investment Behaviour						

Interpretation:

The regression analysis provides compelling evidence of a strong and highly statistically significant positive impact of Fintech adoption on the investment behaviour of young professionals. The model summary indicates that Fintech adoption explains a substantial 60.9% of the variance in investment behaviour ($R^2=0.609$), which is a remarkable explanatory power for a single predictor. The ANOVA table further supports the overall significance of the model ($F=591.296$, $p<0.05$). More specifically, the coefficients table shows that the unstandardized beta coefficient for Fintech is 1.048, and its associated p-value is 0.000. This p-value is significantly less than any typical significance level (e.g., $\alpha=0.01$ or 0.05). Hence, the null hypothesis is rejected. The results unequivocally indicate that Fintech adoption substantially enhances the investment behavior of young professionals. This indicates that heightened adoption of Fintech correlates with a significant rise in investing activities among this cohort.

5. Discussion, Implications and Scope for future research

5.1. Discussion

This study looked into the factors that influence young professionals' adoption of Fintech and Digital Financial Services (DFS), as well as the perceived impact of these services on their financial behaviors such as earning, spending, saving, and investing. The study identified 13 key characteristics influencing the use of Fintech and DFS among young professionals. The most significant drivers were found to be convenience, round-the-clock accessibility, and user-friendliness (mean score: 4.71). This was closely followed by usefulness and cost-effectiveness (mean score: 4.44), and trust and transparency (mean score: 4.36). Instant peer-to-peer monetary transfers (mean score: 4.28) also ranked highly. The study concluded that adoption is primarily motivated by practical benefits that enhance daily financial convenience, efficiency, cost savings, and a fundamental need for trust.

The Pearson Correlation coefficient of 0.780 showed a substantial, positive linear association between Fintech adoption and young professionals' monthly income. The null hypothesis was rejected since the p-value of 0.000 (less than 0.05) showed that young professionals' monthly salary increased with Fintech adoption. Fintech adoption was found to have a statistically significant, positive influence on the expenditure behaviour of young professionals. The regression analysis showed a weak to moderately positive direct link (R=0.288), with Fintech adoption explaining approximately 8.3% of the variance in expenditure behaviour (R-squared=0.083). There is a statistically significant correlation between Fintech adoption and the saving behaviour of young professionals. Fintech adoption accounts for roughly 9.8% of the variance in saving behaviour.

Fintech's unstandardized beta coefficient was 0.262, with a p-value of 0.000 (less than 0.05), indicating that the null hypothesis was rejected. This suggests that higher Fintech usage is linked to an increase in saving behavior, however it only explains a small amount of the variation. The regression analysis provided compelling evidence of a strong and highly statistically significant positive impact of Fintech adoption on the investment behaviour of young professionals. Fintech adoption explains a substantial 60.9% of the variance in investment behaviour (R-squared=0.609). The unstandardized beta coefficient for Fintech was 1.048, accompanied by a p-value of 0.000 (which is less than 0.05), signifying a definitive rejection of the null hypothesis. This indicates that a greater embrace of Fintech correlates with a significant rise in investment activities within this group.

5.2. Implications of this research

The findings of this study have several important implications for various players in the digital financial ecosystem. According to this research, young professionals value convenience, 24/7 accessibility, usability, usefulness, cost-effectiveness, and trust. To attract and keep this group, service providers should prioritise maximising three key components of product design and service delivery. According to the study, implementing Fintech and DFS can lead to financial empowerment. The high positive link with income and the significant favourable influence on investment behaviour suggest that these tools can assist young professionals in better managing their money and expanding their wealth. The findings highlight the necessity of digital financial literacy. As young professionals become more reliant on digital tools to manage their finances, it is critical that they grasp the functionality, benefits, and potential hazards associated with these services. Educational activities should concentrate on maximising the benefits of Fintech in saving and spending management, where the impact is statistically substantial but less pronounced than in investments.

5.3. Scope for future research

This study provides a valuable foundation, but its findings also open several avenues for future research. This study assessed the perceived impact at a specific point in time. Longitudinal research could track the same cohort of young professionals over an extended period to observe the long-term evolution of their financial behaviours (income, expenditure, savings, investment) as their Fintech adoption matures and their financial circumstances change. The current study focused on young professionals working in Indian cities. Future research could compare these findings with those from other age groups (e.g., older generations, Gen Z entering the workforce) or different geographical regions to understand how cultural, economic, or regulatory contexts influence Fintech adoption and its impact on financial behaviours.

6. Conclusion

This study shows that young professionals' adoption of Fintech and Digital Financial Services is primarily motivated by practical benefits such as convenience, accessibility, user-friendliness, utility, cost-effectiveness, and trustworthiness. The study shows statistically significant findings that show a substantial positive association between Fintech usage and monthly income. Furthermore, Fintech adoption has a positive impact on young professionals' spending, saving, and investing behaviours. While its effect on spending and saving behaviour is statistically significant but minor, it has a remarkable impact on investment behaviour, accounting for a major amount of the variance. These findings highlight Fintech's revolutionary significance in influencing young professionals' financial habits and outcomes.

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